

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, 1986

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1988

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. Scrapped 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 in such data comparable to a consolidation, interfund eliminations have not been made in the aggregation of this data.

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

COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1950

These provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, or assessor, clerk and other appropriate public officials. The report is available for public inspection at the Station House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Printed Date MAR 21 1952

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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 17, 1997 on our consideration of Recreation District No. 3's internal control structure and a report dated January 17, 1997 on its compliance with laws and regulations.

Adams & Johnson
ADAMS & JOHNSON
Certified Public Accountants

Patterson, Louisiana
January 17, 1997

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

	Governmental Fund Type		
	General	Debt Service	Capital Projects
Assets & Other Debits			
ASSETS			
Cash	\$ 139,078	\$ 60,124	\$ ---
Prepaid expenses	6,993	---	---
Property, plant and equipment	---	---	---
OTHER DEBITS			
Amount available for debt retirement	---	---	---
Funds to be provided for retirement of general long-term debt	---	---	---
Total Assets and Other Debits	\$ 139,078	\$ 60,124	\$ ---
Liabilities, Equity and Other Credits			
LIABILITIES			
Accounts payable	\$ 1,993	\$ ---	\$ ---
Due to Waterworks Dist. No.2	2,259	---	---
Bonds payable	---	---	---
Total Liabilities	\$ 3,951	\$ ---	\$ ---
EQUITY AND OTHER CREDITS			
Investments in general			
Fixed Assets	\$ ---	\$ ---	\$ ---
Fund balances			
Reserved for debt service	---	60,124	---
Unreserved/undesignated	132,827	---	---
Total Equity and Other Credits	132,827	60,124	---
Total Liabilities, Equity and Other Credits	\$ 135,878	\$ 60,124	\$ ---

Account Groups

General Fixed Assets	General Long-Term Debt	Totals Nonrecording Only	
		1998	1999
\$ ---	\$ ---	\$ 189,280	\$ 188,522
---	---	8,802	8,091
<u>1,948,508</u>	---	<u>1,948,808</u>	<u>1,934,921</u>
---	60,124	60,124	56,197
---	<u>1,324,876</u>	<u>1,324,876</u>	<u>1,389,863</u>
<u>\$1,948,508</u>	<u>\$1,395,000</u>	<u>\$3,339,610</u>	<u>\$3,472,844</u>
\$ ---	\$ ---	\$ 1,692	\$ 1,811
---	---	8,259	2,168
<u>---</u>	<u>1,398,928</u>	<u>1,395,980</u>	<u>1,445,039</u>
\$ ---	\$1,398,928	\$1,398,928	\$1,448,975
\$1,948,508	\$ ---	\$1,948,508	\$1,934,922
---	---	60,124	56,197
---	---	<u>132,022</u>	<u>92,441</u>
<u>1,948,508</u>	---	<u>2,140,654</u>	<u>2,032,560</u>
<u>\$1,948,508</u>	<u>\$1,399,000</u>	<u>\$3,339,610</u>	<u>\$3,472,879</u>

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, 1995
With comparative Totals for 1994

	Governmental Fund Types		
	General	Debt Service	Capital Projects
REVENUE			
LA Rural Development Grant	\$ 40,000	---	---
Ad valorem taxes	47,501	151,340	---
Grant-Parish Council	75,000	---	---
Donations-Other	3,100	---	---
Net Activity Income	30,293	---	---
Interest Income	5,092	5,824	---
Total Revenues	\$ 200,986	\$ 167,164	\$ ---
EXPENDITURES			
Auto	\$ 275	\$ ---	\$ ---
Advertising	1,055	---	---
Insurance	12,854	---	---
Bank charges	72	---	---
Fee dues	670	---	---
Legal & Accounting	4,615	---	---
Supplies & office	10,440	---	---
Secretary fees	720	---	---
Leased employees	31,884	---	---
Repairs	6,385	---	---
Telephone	1,355	---	---
Utilities	16,857	---	---
Miscellaneous	250	---	---
Capital Outlay	33,888	---	---
Bond Interest and fees	---	103,340	---
Bond principal	---	58,028	---
Total Expenditures	121,390	161,368	---

Totals	
Memorandum Only	
1996	1995
\$ 40,000	\$ ---
198,744	386,833
75,000	50,474
3,100	---
10,292	8,587
<u>31,116</u>	<u>6,804</u>
\$ 388,252	\$ 527,708
\$ 275	\$ 1,033
1,000	908
12,858	14,634
73	---
678	680
4,615	3,135
18,648	11,383
728	720
31,983	28,822
6,385	4,823
1,388	1,307
18,887	14,316
250	178
33,586	38,298
100,340	108,320
<u>60,600</u>	<u>58,008</u>
<u>378,738</u>	<u>373,288</u>

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 1
 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, 1994
 With Comparative Totals for 1993

	Governmental Fund Types		
	General	Debt Service	Capital Projects
Excess of Revenues over (under) Expenditures	\$ 79,886	\$ 1,927	\$ ---
OTHER FINANCING SOURCES (USES)			
Transfer from (to) General Fund	---	---	---
Transfer (to) Capital Projects	---	---	---
Transfer from Debt Service Fund	---	---	---
Total Other Financing (Less) Sources	---	---	---
Excess Revenues and Other Sources over (under) Expenditure and Other Uses	\$ 79,886	\$ 1,927	\$ ---
Fund Balance - Beginning of Year	52,461	50,197	---
Fund Balance - End of Year	\$ 132,027	\$ 60,124	\$ ---

		Totals	
		Memorandum Only	
		1994	1995
\$	83,513	\$	84,501
	---		12,259
	---	<	12,259
	---		---
	---		---
\$	83,513	\$	84,501
	100,000		54,136
\$	182,151	\$	138,637

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, 1998

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. 1188 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 24:527, 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

GAAP 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, 1998. 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. BARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) 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.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1996

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, i.e., 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 households 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.

ADAMS & JOHNSON

REGISTERED FIRM OF ACCOUNTANTS
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MEMBER OF THE INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE AMERICAN INSTITUTE
OF 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 835
Batterson, LA 70802

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 St. Mary Parish Council, for the year ended September 30, 1988 (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. 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, 1988 and the results of its operations for the years 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 form 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1994

NOTE 7 - RELATED PARTY/LEASES

The District did not have any long-term noncancelable lease commitments as of September 30, 1994 and September 30, 1995. The District leases property adjacent to their facility from the Hospital Service District No. 1, also a component unit of the St. Mary Parish Council, at no cost. The District has constructed ball parks 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. 1 for a good and valid purpose, at which time the Hospital Service District No. 1 shall give written notice to the Recreation District No. 3 to vacate the property within six months.

Recreation District No. 3 leases part of its complex to waterworks District No. 3 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.

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, 1996

NOTE 3 - COMPENSATION OF BOARD MEMBERS

The board members received the following per diem for the period ended September 30, 1996:

Name	Meetings Attended	Per Diem Received
Wilbur Lawrence	11	\$ 110
George Hodgen	8	80
Don Nyon	9	90
Sean Robinson	12	120
Chris Dehart	11	110
Harry Donahoe	12	120
Ann LeBlanc	4	40
Total		\$ 670

NOTE 4 - DUE TO WATERWORKS DISTRICT NO. 3/LEASED EMPLOYEES

Recreation District No. 3 leases its employees from Waterworks District No. 2 for which the employees are actually employed. The Waterworks District No. 2 pays all the wages, taxes and benefits and invoices the Recreation District No. 3 for these costs. During the year ended September 30, 1995 & 1996, the employee lease expense totaled \$33,981 and \$25,921, as of September 30, 1995 & 1996. The Recreation District No. 3 owed Waterworks District No. 2 \$2,288 and \$2,164 for the above lease payments.

NOTE 5 - RURAL DEVELOPMENT GRANT

During the year ended September 30, 1996, the District received a \$40,000 Rural Development grant from the State of Louisiana to be utilized to build a third baseball field. As of September 30, 1996 the District had only expended \$7,488 on this project and anticipated completing the project in early 1997.

RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
GENERAL FUND - OPERATIONS AND MAINTENANCE
September 30, 1996

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, 1995 and September 30, 1996 of 3.3 mills to provide funds for operations and maintenance.

NOTE 2 - NET ACTIVITY INCOME

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

September 30, 1996

Rental	\$31,922
Concession	4,293
Day Camp	---
Aerobics	382
Sponsorship	<u>478</u>
Total Revenue	\$37,075
Less Direct Cost	<u>5,832</u>

Net Activity Income \$31,243

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, 1998
 With Comparative Totals For 1997

	Budget	1998 Actual	Variance- Favorable (Unfavorable)	1997 Actual
Excess of Revenues over (under) Expenditures \$ <u> 48,233</u>	\$ 48,233	\$ 78,506	\$ 127,819	\$ 28,106
OTHER FINANCING SOURCES (uses)				
Transfer (to)/from Capital Projects Fund	---	---	---	\$ 12,288
Total Other Financing Uses	---	---	---	\$ 12,288
Excess Revenues and Other Sources over (under) Expenditures and Other Uses \$ <u> 48,233</u>	\$ 48,233	\$ 78,506	\$ 127,819	\$ 9,847
Fund Balance - Beginning of Year	82,441	82,441	---	86,506
Fund Balance - End of Year	\$ 4,208	\$ 132,027	\$ 127,819	\$ 92,441

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 1
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, 1998
with comparative Totals for 1997

	Budget	1998 Actual	Variance- Favorable "Indefensible"	1997 Actual
REVENUE				
LA Rural Dev. Center	\$ ---	\$ 48,000	\$ 48,000	\$ ---
Ad valorem taxes	50,000	47,501	< 2,499	53,954
Grant- Parish Council	28,000	73,000	28,000	58,474
Donations- other	750	1,100	1,350	---
Net Activity Income	7,300	18,392	11,092	8,287
Interest Income	500	3,092	4,592	2,798
Total Revenues	\$ 113,000	\$ 200,985	\$ 87,405	\$ 120,813
EXPENDITURES				
Auto	\$ ---	\$ 378	< 378	\$ 1,833
Advertising	700	1,025	< 325	986
Insurance	12,128	12,854	< 726	14,834
Per diem	678	678	---	680
Legal & accounting	4,000	4,818	< 818	3,135
office supplies	500	4,178	< 3,678	3,181
Secretary fees	720	720	---	720
Leased employees	10,000	31,881	< 1,341	25,821
Repairs	3,178	6,385	< 3,215	4,843
Telephone	1,000	1,389	< 389	1,107
Utilities	18,000	18,888	< 1,888	18,314
Miscellaneous	8,000	322	< 4,678	174
Capital outlay	83,788	33,385	50,403	24,037
Supplies	4,500	4,588	< 1,952	8,952
Total Expenditures	161,813	121,389	40,424	182,782

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 1
OF THE
PARISH OF ST. MARY
STATE OF LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS
BEST SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 1994

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

BALANCE SHEET
GENERAL FUND - OPERATIONS AND MAINTENANCE
September 30, 1996
With Comparative Totals for 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 139,076	\$ 50,125
Prepaid insurance	<u>6,902</u>	<u>8,291</u>
Total Assets	\$ <u>139,978</u>	\$ <u>58,416</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 1,692	\$ 1,811
Due to Waterworks District No. 3	<u>2,289</u>	<u>2,168</u>
Total Liabilities	\$ 3,981	\$ 3,979
FUND BALANCE		
Preserved and undesignated	<u>132,927</u>	<u>52,441</u>
Total Liabilities and fund balance	\$ <u>139,978</u>	\$ <u>58,416</u>

See the accompanying notes to the financial statements.

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, 1994

RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MAIR
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1998

NOTE 6 - LONG-TERM DEBT

On September 1, 1992, the District issued debt in the amount of \$1,880,000 with interest ranging from 8.75 to 9.0% for the purpose of purchasing and acquiring lands and to construct recreational facilities. Bond maturities are from 1992 to 2011.

The following is a summary of changes in general long-term debt for the year ended September 30, 1998:

Balance September 30, 1997	\$1,440,000
Additions	-0-
Reductions	<u>258,000</u>
Balance September 30, 1998	\$1,182,000

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.

The following is an approximation of future debt requirements at September 30, 1998:

Year	Principal	Interest	Total
1997	\$ 53,000	\$ 98,615	\$ 151,615
1998	60,000	93,440	153,440
1999	65,000	88,562	153,562
2000	70,000	84,022	154,022
2001	75,000	78,280	153,280
2002-2006	450,000	109,880	559,880
2007-2011	822,000	118,280	940,280
	\$1,185,000	\$ 803,178	\$2,008,178

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1994

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash and investments categorized by level of risk are:

	Cost	Market Value
Category 1 -	\$ 76,643	\$ 78,234
Category 2 -	---	---
Category 3 -	<u>112,132</u>	<u>112,132</u>
Total cash and investments	\$ 188,775 *****	\$ 188,371 *****

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, 1994 follows:

	Balance 9/30/93	Additions	Retirements	Balance 9/30/94
Buildings & Improvements	\$1,595,488	\$ 16,486	\$ ---	\$1,611,974
Land	268,607	---	---	268,607
Construction in Progress	---	7,488	---	7,488
Equipment	58,366	15,589	---	73,955
Furniture	<u>11,887</u>	<u>---</u>	<u>---</u>	<u>11,887</u>
Total	\$1,914,348 *****	\$ 33,588 *****	\$ --- *****	\$1,948,508 *****

RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1996

NOTE 3 - CASH AND INVESTMENTS

The Recreation District No. 1 may invest in time deposits or certificates of deposits at 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/PUBLIC 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, 1996:

- 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 - Unregistered or securities uninsured or unregistered and held by the counter party (this includes GAMA 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	\$ 1,380
Certificate of deposit	22,000
Government Securities	52,743
Mutual fund money market	113,137
Total cash and investments	\$ 189,260

This report is intended solely for the use of Recreation District No. 3, the St. Mary Parish Council and the Legislative Auditor of the State of Louisiana 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

Baton Rouge, Louisiana
January 17, 1957

RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
September 30, 1996

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).

b) 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.

SUPPLEMENTARY INFORMATION

ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS
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ADAMS & JOHNSON
ARE LICENSED BY THE
STATE OF LOUISIANA
EXPIRES 12/31/2000

WILLIAM J. ADAMS, JR., CPA
WILLIAM JOHNSON, JR., CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED 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 605
Patterson, LA 70130

We have audited the 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, 1996, and have issued our report thereon dated January 17, 1997.

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

In planning and performing our audit of the financial statements of Recreation District No. 3 for the year ended September 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of Recreation District No. 3 of the Parish of St. Mary, State of Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safe-

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

BALANCE SHEET
 DEBT SERVICE FUND
 September 30, 1996
 With Comparative Totals for 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
cash restricted	\$ 80,124	\$ 56,197
total Assets	\$ 80,124	\$ 56,197
FUND BALANCE		
designated for Debt Service	80,124	56,197
Total liabilities and fund balance	\$ 80,124	\$ 56,197

see the accompanying notes to the financial statements.

ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS
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MEMBER
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SOCETY OF ACCOUNTS
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT J. ADAMS, JR., CPA
WILLIAM G. JOHNSON, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

To the Board of Commissioners
Recreation District No. 3
of the Parish of St. Mary
State of Louisiana
P.O. Box 633
Baton Rouge, LA 70803

We have audited the general purpose financial statements of the Recreation District No. 3 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, 1994, and have issued our report thereon dated January 17, 1995.

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 as to whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Recreation District No. 3 is the responsibility of Recreation District No. 3's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Recreation District No. 3's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective 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 Governmental Auditing Standards.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weakness as defined above. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the use of management of the district, the Legislative Auditor of the State of Louisiana and the St. Mary Parish Council 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 of the Parish of St. Mary, State of Louisiana, is a matter of public record.

Adams & Johnson

ADAMS & JOHNSON
Certified Public Accountants

Patterson, Louisiana
January 17, 1987

guarded against loss from unauthorized use or disposition, and that transactions are accounted in accordance with management's authorization and recorded properly to permit the preparation of 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 financial statements.

Our examination disclosed that there is not any segregation of duties within the District's accounting function, (especially in the areas of cash receipts and bank reconciliations.) 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 additional employees might exceed any benefits gained. In an effort to ensure greater control over cash receipts, we recommend that each rental agreement copy be prenumbered and also include the date the rental income is deposited. Also, each deposit ticket should list the source of the deposit on the deposit ticket. The management of the Commission is well aware of the loss of internal control that results due to its limited staff and is constantly on watch for any problems that would occur.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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.

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

FOR THE YEAR ENDED SEPTEMBER 30, 1996

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

SCHEDULE OF INSURANCE IN FORCE
 For the Year Ended September 30, 1966
 (Unaudited)

September 30, 1966

ISSUER	Type of Insurance	Coverage	Exp. Date
Titan Indemnity Ins. Co.	Comprehensive General Liability	Boatrance \$ 1,000,000	4-1-67
		Fire \$ 1,000,000	
Titan Indemnity Ins. Co.	Directors & Officers	Aggregate Insurance 1,000,000	4-1-67
Titan Indemnity Ins. Co.	Property	Main Building \$ 1,000,000	4-1-67
		Contents 20,000	
		Casualty Building 45,000	
		Contents 10,000	
Titan Indemnity Ins. Co.	Auto	\$ 1,000,000	4-1-67

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

STATEMENT OF REVENUES, EXPENDITURES AND
CARRIED IN FUND BALANCE
DEBT SERVICE FUND

For the Year Ended September 30, 1996
With Comparative Totals for 1995

	<u>1996</u>	<u>1995</u>
REVENUE		
Ad valorem taxes	\$ 151,243	\$ 202,448
Interest income	<u>4,028</u>	<u>4,800</u>
Total Revenues	\$ 157,267	\$ 206,248
EXPENDITURES		
Bond interest	\$ 103,340	\$ 108,320
Bond principal	<u>50,000</u>	<u>50,000</u>
Total Expenditures	<u>153,340</u>	<u>158,320</u>
Excess of Revenues over Expenditures	\$ 3,927	\$ 48,099
Fund Balance - classified - Beginning of Year	<u>48,197</u>	<u>7,542</u>
Fund Balance - End of Year	\$ 52,124	\$ 55,641

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
 CAPITAL PROJECTS FUND

For the Years Ended September 30, 1996
 With Comparative Totals for 1995

	1996	1995
REVENUE		
Interest Income	\$ ---	\$ ---
Total Revenues	\$ ---	\$ ---
EXPENDITURES		
Capital Outlay construction cost	\$ 12,250	\$ 12,250
Total Capital Expenditures	12,250	12,250
Deficit of Revenues <under> Expenditures	\$ ---	\$ 12,250
OTHER FINANCING SOURCES		
Transfer from General Fund	---	12,250
<Deficiency> of Revenues and Sources <under> Expenditures	\$ ---	\$ ---
Fund Balance - Beginning of Year	---	---
Fund Balance - End of Year	\$ ---	\$ ---

See the accompanying notes to the financial statements.

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

BALANCE SHEET
 CAPITAL PROJECTS FUND
 September 30, 1998
 With Comparative Totals for 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$ ----	\$ ----
Total Assets	\$ ----	\$ ----
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to General Fund	-----	----
Total Liabilities	\$ ----	\$ ----
FUND BALANCE		
Total Fund Balance	-----	-----
Total Liabilities and Fund Balance	\$ ----	\$ ----

See the accompanying notes to the financial statements.

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

COMPONENT UNIT FINANCIAL STATEMENTS
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 1988

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

NOTES TO THE FINANCIAL STATEMENTS
DEBT SERVICE FUND
September 30, 1994

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 add has established a property tax millage for the years ended September 30, 1993 & 1994 of 12.50 & 12.50 millie to provide for the payment of the General Obligation Bonds principal and interest payments. For the year ended September 30, 1994, \$151,243 was collected and for the year September 30, 1993, \$166,948 was collected.

RECREATION DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTE TO THE FINANCIAL STATEMENTS
CAPITAL PROJECTS FUND
September 30, 1996

NOTE 1 - CAPITAL PROJECTS FUND

The Capital Projects Fund was established to account for the financing and the construction costs of the recreational facility currently being constructed. The estimated cost of this facility was \$ 3,625,000 which was financed from the proceeds of the sale of the General Obligations Bonds and interest earned on the temporary investment of those funds. During the year ended September 30, 1996, the General Fund paid the remaining \$12,299 in cost to complete the construction project.

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAW AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

FOR THE YEAR ENDED SEPTEMBER 30, 1996