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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, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 700 • 607 BROAD STREET  
PATERSON, LOUISIANA 70062  
(504) 385-0240

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

## INDEPENDENT AUDITORS' REPORT

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

The Board of Commissioners  
Recreation District No. 3  
of the Parish of St. Mary  
State of Louisiana  
P.O. Box 635  
Patterson, LA 70362

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, 1997 (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 statements 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, 1997 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 February 5, 1998 on our consideration of Recreation District No. 3's internal control structure and a report dated February 5, 1998 on its compliance with certain provisions of law, regulations and contracts.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Baton Rouge, Louisiana  
February 5, 1998

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, 1997

SEE REVERSE PAGE

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

COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 September 30, 1997  
 With Comparative Totals for 1996

	Governmental Fund Type	
	General	Debt Service
<u>Assets &amp; Other Debits</u>		
<b>ASSETS</b>		
Cash	\$ 116,859	\$ 84,028
Prepaid expenses	7,384	---
Property, plant and equipment	---	---
<b>OTHER DEBITS</b>		
Amount available for debt retirement	---	---
Funds to be provided for retirement of general long-term debt	---	---
<b>Total Assets and Other Debits</b>	<b>\$ 124,243</b>	<b>\$ 84,028</b>
	*****	*****
<u>Liabilities, Equity and Other Credits</u>		
<b>LIABILITIES</b>		
Accounts payable	\$ 9,534	\$ ---
Due to Metairie Dist. No. 3	8,428	---
Bonds payable	---	---
<b>Total Liabilities</b>	<b>\$ 17,962</b>	<b>\$ ---</b>
<b>EQUITY AND OTHER CREDITS</b>		
Investments in general Fixed assets	\$ ---	\$ ---
Fund balances		
Reserved for debt service	---	84,028
Unreserved/undesignated	111,882	---
<b>Total Equity and Other Credits</b>	<b>111,882</b>	<b>84,028</b>
	-----	-----
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$ 129,844</b>	<b>\$ 84,028</b>
	*****	*****

Account Groups

<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Totals</u> <u>Nonconsolidated Only</u>	
		1997	1998
\$ ---	\$ ---	\$ 212,880	\$ 189,200
---	---	7,280	6,902
<u>2,018,172</u>	---	<u>2,018,172</u>	<u>1,948,800</u>
---	96,828	96,828	60,124
---	<u>1,242,172</u>	<u>1,242,172</u>	<u>1,334,826</u>
\$2,018,172	\$1,340,000	\$2,278,444	\$3,239,618
*****	*****	*****	*****
\$ ---	\$ ---	\$ 8,524	\$ 1,692
---	---	2,428	2,259
---	<u>1,288,022</u>	<u>1,288,022</u>	<u>1,338,922</u>
\$ ---	\$1,288,022	\$1,288,942	\$1,288,951
\$2,018,172	\$ ---	\$2,018,172	\$1,948,800
---	---	96,828	60,124
---	---	<u>111,482</u>	<u>122,822</u>
<u>2,018,172</u>	---	<u>2,228,482</u>	<u>2,140,622</u>
\$2,018,172	\$1,340,000	\$2,278,444	\$3,239,618
*****	*****	*****	*****

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, 1997  
With Comparative Totals For 1996

	Governmental Fund Types	
	General	Debt
<b>REVENUE</b>		
La Rural Development Grant	\$ ---	\$ ---
Ad valorem taxes	48,688	183,732
Grant-Parish Council	55,000	---
Donations other	---	---
Net activity income	38,288	---
Interest income	<u>8,152</u>	<u>6,583</u>
Total Revenues	\$ 140,128	\$ 190,315
<b>EXPENDITURES</b>		
Auto	\$ 226	\$ ---
Advertising	1,173	---
Insurance	14,486	---
Bank charges	328	---
Car Allow	728	---
Legal & Accounting	3,728	---
Supplies & office	23,360	---
Secretary fees	---	---
Leased employees	32,590	---
Repairs	3,608	---
Telephone	1,132	---
Utilities	15,554	---
Miscellaneous	671	---
Capital outlay	49,804	---
Bond interest and fees	---	88,628
Bond principal	<u>---</u>	<u>88,028</u>
Total Expenditures	<u>168,652</u>	<u>188,656</u>
Excess of Revenues over under Expenditures	\$ 71,476	\$ 1,659
Fund Balance - Beginning Year	<u>132,837</u>	<u>68,124</u>
End of Year	\$ 131,483	\$ 69,783

Totals  
Memorandum Only

	<u>1987</u>		<u>1986</u>	
\$	---	\$	40,000	
	332,432		198,744	
	52,860		79,500	
	---		3,100	
	30,289		88,282	
	<u>52,743</u>		<u>11,116</u>	
\$	330,434	\$	388,262	
\$	328	\$	376	
	1,122		1,053	
	14,488		12,854	
	100		72	
	720		670	
	3,780		4,612	
	12,160		18,640	
	---		720	
	32,590		31,981	
	7,602		8,283	
	1,132		1,283	
	15,554		14,887	
	971		382	
	69,664		33,588	
	98,618		183,248	
	<u>55,008</u>		<u>82,228</u>	
	<u>318,288</u>		<u>274,728</u>	
\$	14,149	\$	83,533	
	<u>182,181</u>		<u>309,510</u>	
\$	288,310	\$	192,191	
*****		*****		

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, 1997

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 24:817, 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, 1997. 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, 1977

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 balances, 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 accounted 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1997

**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, 1997

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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1997

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) SUBJECTS

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, 1997

NOTE 3 - CASH AND INVESTMENTS

The Recreation District No. 3 may invest in time deposits or certificates 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 collateralizations includes the \$100,000 FDIC/POLIC 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, 1997:

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 OMMs, 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	\$	637
Certificate of deposit		23,810
Government Securities		22,743
Mutual fund money market		—\$1,436
Total cash and investments	\$	312,886



RECREATION DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1997

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

Cash and investments categorized by level of risk are:

	<u>Cost</u>	<u>Market Value</u>
Category 1 -	\$ 145,449	\$ 145,473
Category 2 -	---	---
Category 3 -	<u>62,437</u>	<u>62,437</u>
Total cash and investments	\$ 212,886 -----	\$ 212,910 -----

**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, 1997 follows:

	Balance 2-22-96	Additions	Retirements	Balance 2-30-97
Buildings & improvements	\$1,604,149	\$ 43,412	\$ ---	\$1,649,761
Land	269,607	---	---	269,607
Construction in progress	3,494	26,852	---	33,540
Equipment	84,397	---	---	84,397
Furniture	<u>11,867</u>	<u>---</u>	<u>---</u>	<u>11,867</u>
Total	\$1,948,504 -----	\$ 69,664 -----	\$ --- -----	\$2,018,174 -----

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1997

NOTE 6 - LONG-TERM DEBT

On September 1, 1992, the District issued debt in the amount of \$1,380,000 with interest ranging from 6.75% to 9.25% for the purpose of purchasing and acquiring lands and to construct recreational facilities. Bond maturities are from 1993 to 2011.

The following is a summary of changes in general long-term debt for the year ended September 30, 1997:

Balance September 30, 1996	\$1,395,000
Additions	-0-
Reductions	<u>51,020</u>
Balance September 30, 1997	\$1,340,000

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, 1997:

<u>YEAR</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$ 60,000	\$ 31,440	\$ 91,440
1999	65,000	33,560	98,560
2000	70,000	36,020	106,020
2001	70,000	38,280	108,280
2002	80,000	41,140	121,140
2003-2007	460,000	275,900	735,900
2008-2011	<u>330,000</u>	<u>77,220</u>	<u>407,220</u>
	\$2,140,000	\$ 772,984	\$2,912,984

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
September 30, 1997

**NOTE 7 - RELATED PARTIES/LEASES**

The District did not have any long-term noncancelable lease commitments as of September 30, 1997 and September 30, 1996. 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 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. 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 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 these 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

COMPONENT UNIT FINANCIAL STATEMENTS  
GENERAL FUND - OPERATIONS AND MAINTENANCE

FOR THE YEAR ENDED SEPTEMBER 30, 1987

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

BALANCE SHEET  
GENERAL FUND - OPERATIONS AND MAINTENANCE  
September 30, 1957  
With Comparative Totals for 1956

	<u>1957</u>	<u>1956</u>
<b>ASSETS</b>		
Cash	\$ 116,000	\$ 128,076
Prepaid expenses	<u>7,380</u>	<u>8,902</u>
Total Assets	\$ 123,444	\$ 135,978
	*****	*****
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 2,504	\$ 1,692
Due to Waterworks District No. 2	<u>2,428</u>	<u>2,288</u>
Total Liabilities	\$ 4,932	\$ 3,980
<b>FUND BALANCE</b>		
Unreserved/undesignated	<u>111,482</u>	<u>112,017</u>
Total liabilities and fund balance	\$ 123,444	\$ 135,978
	*****	*****

See the accompanying notes to the financial statements.

RECREATION DISTRICT NO. 1  
OF THE PARISH OF ST. MART  
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, 1967  
With Comparative Totals For 1966

	Budget	1967 Actual	Variance- Favorable <Unfavorable>	1966 Actual
<b>REVENUES</b>				
LA Rural Dev. Center	\$ ---	\$ ---	---	\$ 40,000
Ad valorem taxes	47,800	48,890	1,090	47,800
Grants- Parish Council	55,800	55,000	---	78,500
Donations other	---	---	---	3,100
Net activity income	30,650	30,250	5,600	30,250
Interest income	5,000	5,550	2,150	5,330
<b>Total Revenues</b>	<b>\$ 137,050</b>	<b>\$ 140,180</b>	<b>\$ 12,450</b>	<b>\$ 160,880</b>
<b>EXPENDITURES</b>				
Auto	\$ 358	\$ 325	\$ 26	\$ 278
Advertising	3,000	1,163	< 1,837	1,055
Insurance	17,340	14,486	2,854	12,854
Per diem	1,500	728	840	678
Legal & accounting	5,000	3,788	1,210	4,618
Office supplies	3,920	3,935	< 2,035	4,176
Secretary fees	---	---	---	728
Leased employees	44,600	31,688	14,210	31,983
Repairs	38,000	7,603	12,395	8,388
Telephones	1,000	1,132	< 330	1,388
Utilities	18,500	15,854	2,646	14,888
Miscellaneous	8,000	971	4,829	322
Capital outlay	73,580	83,084	3,886	31,688
Supplies	8,600	8,708	< 108	8,483
<b>Total Expenditures</b>	<b>303,020</b>	<b>161,653</b>	<b>139,370</b>	<b>121,198</b>
Excess of Revenues over <under> Expenditures	\$= 72,370	\$= 28,527	\$ 51,825	\$ 78,504
<b>Fund Balance</b>				
Beginning Year	132,427	132,627	---	52,441
<b>End of Year</b>	<b>\$ 59,857</b>	<b>\$ 111,482</b>	<b>\$ 51,825</b>	<b>\$ 132,027</b>

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, 1997

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, 1997 of 3.31 and September 30, 1998 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, 1997

Rental	\$37,891
Concession	6,569
Day Camp	144
Ancillaries	<u>422</u>
Total Revenue	\$44,826
Less Direct Cost	<u>\$13,354</u>

Net Activity Income \$30,259  
\*\*\*\*\*

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, 1997

**NOTE 3 - COMPENSATION OF BOARD MEMBERS**

The board members received the following per diem for the period ended September 30, 1997:

Name	Meetings Attended	Per Diem Received
Wilson Lawrence	12	\$ 120
George Dodson	12	120
Don Ryan	10	100
Stan Robinson	12	120
Chris Dehart	12	110
Jeffrey Dossier	12	110
Flo Tiedala	4	40
Total		\$ 720

**NOTE 4 - DUE TO WATERWORKS DISTRICT NO. 2/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, 1997 & 1996, the employee lease expense totaled \$12,598 and \$31,961. The Recreation District No. 3 owed Waterworks District No. 2 \$2,428 and \$2,269 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. The construction of the baseball field was completed during the year ended September 30, 1997.



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, 1997

RECREATION DISTRICT NO. 2  
 OF THE PARISH OF ST. HENRY  
 STATE OF LOUISIANA

BALANCE SHEET  
 DEBT SERVICE FUND  
 September 30, 1997  
 With Comparative Totals for 1996

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
Cash Restricted	\$ <u>66,828</u>	\$ <u>66,124</u>
Total Assets	\$ <u>66,828</u>	\$ <u>66,124</u>
	*****	*****
<b>FUND BALANCE</b>		
Designated for Debt Service	\$ <u>66,828</u>	\$ <u>66,124</u>
Total Liabilities and Fund Balance	\$ <u>66,828</u>	\$ <u>66,124</u>
	*****	*****

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  
 DEPT SERVICE FUND  
 For the Year Ended September 30, 1997  
 with Comparative Totals for 1996

	<u>1997</u>	<u>1996</u>
<b>REVENUE</b>		
Ad valorem taxes	\$ 189,733	\$ 181,340
Interest income	<u>5,587</u>	<u>6,524</u>
Total Revenues	\$ 195,320	\$ 187,864
<b>EXPENDITURES</b>		
Bond interest and fees	\$ 98,819	\$ 103,340
Bond principal	<u>55,000</u>	<u>55,000</u>
Total Expenditures	<u>153,819</u>	<u>158,340</u>
Excess of Revenues over Expenditures	\$ 41,501	\$ 29,524
Fund Balance :		
Beginning of Year	<u>50,124</u>	<u>50,124</u>
End of Year	\$ 91,625	\$ 50,124

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, 1997

**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, 1997 & 1998 of 11.80 & 10.58 mills to provide for the payment of the General Obligation Bonds principal and interest payments. For the year ended September 30, 1997, \$183,731 was collected and for the year September 30, 1996, \$161,263 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, 1997  
(Unaudited)

September 30, 1997

<u>Insurer</u>	<u>Type of Insurance</u>	<u>Coverage</u>	<u>Exp. Date</u>
Titan Indemnity Ins. Co.	Comprehensive General Liability	Occurrence \$ 1,000,000 Fire \$ 1,000,000	4-1-98
Titan Indemnity Ins. Co.	Directors & officers	Aggregate \$ 1,000,000 Occurrence 1,000,000	4-1-98
Titan Indemnity Ins. Co.	Property	Main Building \$ 1,000,000 Canteens 28,000 Circulation Building 45,000 Crests 10,000	4-1-98
Titan Indemnity Ins. Co.	Auto	Occurrence \$ 1,000,000	4-1-98

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE SECTION

RECREATION DISTRICT NO. 3  
OF THE  
PARISH OF ST. HENRY  
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, 1997

# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 108 • 817 WABASH  
BATON ROUGE, LOUISIANA 70801  
(504) 386-8142

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

HERBERT L. ADAMS, JR., CPA  
WILLIAM S. JOHNSON, II, 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 438  
Baton Rouge, LA 70802

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, 1997, and have issued our report thereon dated February 5, 1998.

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.

In planning and performing our audit of the financial statements of Recreation District No. 3 for the year ended September 30, 1997, 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-



guarded 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 financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, error 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 judgement, 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 assure greater control over cash receipts, we recommend that each rental agreement copy be prenumbered and also include the date the rental income is deposited. The management of the Commission is well aware of the issue 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.

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

Baton Rouge, Louisiana  
February 5, 1969

RECREATION DISTRICT NO. 1  
OF THE  
PARISH OF ST. HENRY  
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

FOR THE YEAR ENDED SEPTEMBER 30, 1997

**ADAMS & JOHNSON**

CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 729 • 807 PINE STREET  
BATON ROUGE, LOUISIANA 70801  
(504) 382-0242

MEMBERS  
OF THE AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
AND THE SOCIETY OF  
LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS 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 435  
Baton Rouge, LA 70802

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, 1997, and have issued our report thereon dated February 5, 1998.

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.

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  
February 3, 1950