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R E C R E A T I O N D I S T R I C T N O . 1

OF THE
PARISH OF ST. MARY
STATE OF LOUISIANA

Annual Component Unit Financial Statements
with Independent Auditors' Report

and

Independent Auditors' Reports on Internal
Accounting Control and Compliance

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.

Release Date 4-15-98

C O N T E N T S

	PAGE
<u>FINANCIAL INFORMATION SECTION</u>	
Independent Auditors' Report	1-2
General Purpose Financial Statements	
Combined Balance Sheet	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
Notes to the Financial Statements	6-13
<u>INTERNAL ACCOUNTING CONTROL AND COMPLIANCE SECTION</u>	
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	14-15
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed In Accordance With <u>Government Auditing Standards</u>	16-17



INDEPENDENT AUDITORS' REPORT

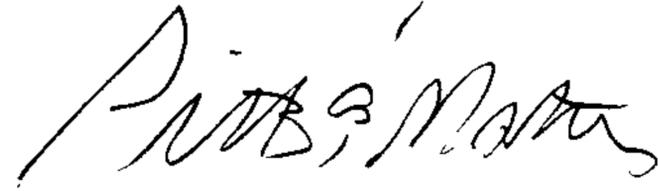
The Board of Commissioners
Recreation District No. 1 of the Parish
of St. Mary, State of Louisiana
Amelia, Louisiana

We have audited the accompanying general purpose financial statements of Recreation District No. 1 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, 1997 as listed in the table of contents. These general purpose financial statements are the responsibility of Recreation District No. 1 of the Parish of St. Mary, State of Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 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 in the first paragraph present fairly, in all material respects, the financial position of Recreation District No. 1 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.

In accordance with Government Auditing Standards, we have also issued a report dated March 11, 1998 on our consideration of Recreation District No. 1 of the Parish of St. Mary, State of Louisiana's, internal control structure and a report dated March 11, 1998 on its compliance with laws and regulations.



CERTIFIED PUBLIC ACCOUNTANTS

March 11, 1998

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

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1997

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General Fund	Debt Service Fund	General Assets	General Long-Term Debt	
Assets and Other Debits					
Assets					
Cash and cash equivalents	\$ 83,486	\$ 96,895			\$ 180,381
Receivable from other governments	40,586				40,586
Property, plant and equipment			\$1,825,343		1,825,343
Other Debits					
Amount available in debt service fund				\$ 96,895	96,895
Amount to be provided for claims				500	500
Amount to be provided for retirement of general long-term debt				<u>978,105</u>	<u>978,105</u>
Total assets and other debits	<u>\$124,072</u>	<u>\$ 96,895</u>	<u>\$1,825,343</u>	<u>\$1,075,500</u>	<u>\$3,121,810</u>
Liabilities, Equity and Other Credits					
Liabilities					
Accounts payable and accrued expenses	\$ 15,861				\$ 15,861
Claims payable	6,000			500	6,500
Loan payable to other governments				30,000	30,000
Bonds payable				<u>\$1,045,000</u>	<u>1,045,000</u>
Total liabilities	<u>21,861</u>	<u>--</u>	<u>--</u>	<u>1,075,500</u>	<u>1,097,361</u>
Equity and Other Credits					
Investment in general fixed assets			\$1,825,343		1,825,343
Fund balances					
Reserved for debt service		\$ 96,895			96,895
Unreserved/undesignated	102,211				102,211
Total equity and other credits	<u>102,211</u>	<u>96,895</u>	<u>1,825,343</u>	<u>--</u>	<u>2,024,449</u>
Total liabilities, equity and other credits	<u>\$124,072</u>	<u>\$ 96,895</u>	<u>\$1,825,343</u>	<u>\$1,075,500</u>	<u>\$3,121,810</u>

The accompanying notes are an integral part of these financial statements.

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

GOVERNMENTAL FUND TYPES

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended September 30, 1997

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>Revenues</u>			
Sales tax	\$231,120		\$ 231,120
Ad valorem taxes		\$135,521	135,521
Use of money and property	2,021	2,853	4,874
Rental income	7,320		7,320
Other	<u>10,349</u>		<u>10,349</u>
Total revenues	<u>250,810</u>	<u>138,374</u>	<u>389,184</u>
<u>Expenditures</u>			
Current:			
Culture and recreation			
Salaries and per diem	49,069		49,069
Repairs and maintenance	92,413		92,413
Insurance	18,353		18,353
Utilities and telephone	31,013		31,013
Employee benefits	8,746		8,746
Professional services	5,855		5,855
Recreation	7,522		7,522
Contract labor	7,909		7,909
Operating supplies	14,288		14,288
Gas and diesel	2,413		2,413
Advertising	1,444		1,444
Office	3,286		3,286
Miscellaneous	15,083		15,083
Claims	5,000		5,000
Capital outlay:			
Equipment & improvements	13,727		13,727
Debt service:			
Principal		75,000	75,000
Interest and fiscal charges		<u>64,640</u>	<u>64,640</u>
Total expenditures	<u>276,121</u>	<u>139,640</u>	<u>415,761</u>
Excess (deficiency) of revenues over expenditures	(25,311)	(1,266)	(26,577)
Other financing sources:			
Proceeds from loan-St. Mary Parish Council	<u>30,000</u>		<u>30,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	4,689	(1,266)	3,423
Fund balances, beginning of year	<u>97,522</u>	<u>98,161</u>	<u>195,683</u>
Fund balances at end of year	<u>\$102,211</u>	<u>\$ 96,895</u>	<u>\$ 199,106</u>

The accompanying notes are an integral part of these financial statements.

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

GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Sales tax	\$ 200,000	\$231,120	\$ 31,120
Use of money and property	1,800	2,021	221
Rentals and other	<u>16,500</u>	<u>17,669</u>	<u>1,169</u>
Total revenues	<u>218,300</u>	<u>250,810</u>	<u>32,510</u>
<u>Expenditures</u>			
Current:			
Culture and recreation			
Salaries and per diem	52,600	49,069	3,531
Repairs and maintenance	88,500	92,413	(3,913)
Insurance	28,000	18,353	9,647
Utilities and telephone	31,800	31,013	787
Employee benefits	9,000	8,746	254
Professional services	6,500	5,855	645
Recreation	7,500	7,522	(22)
Contract labor	10,000	7,909	2,091
Summer program	1,000	78	922
Operating supplies	16,000	14,288	1,712
Gas and diesel	2,500	2,413	87
Advertising	1,500	1,444	56
Office	3,500	3,286	214
Miscellaneous	17,700	15,005	2,695
Claims \$10,000 (less \$5,500 in General Long-term debt account group liability)		5,000	(5,000)
Capital outlay	<u>15,000</u>	<u>13,727</u>	<u>1,273</u>
Total expenditures	<u>291,100</u>	<u>276,121</u>	<u>14,979</u>
Excess (deficiency) of revenues over expenditures	(72,800)	(25,311)	47,489
Other financing sources:			
Proceeds from loan-St. Mary Parish Council	<u> </u>	<u>30,000</u>	<u>30,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(72,800)	4,689	77,489
Fund balances at beginning of year	<u>71,367</u>	<u>97,522</u>	<u>26,155</u>
Fund balances at end of year	\$(<u>1,433</u>)	\$ <u>102,211</u>	\$ <u>103,644</u>

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 1 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. 1 of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 942 of the St. Mary Parish Police Jury (forerunner of the St. Mary Parish Council) on November 14, 1984. The District encompasses Ward Nine of the Parish. The purpose of the District is to provide for cultural and recreational activities in that portion of the Parish.

The financial statements of Recreation District No. 1 of the Parish of St. Mary, State of Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the St. Mary Parish Council (the primary government).

These financial statements include only the operations of the District.

B. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The following is a description of the funds utilized by the District.

Governmental Funds

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 transaction 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. The following is a summary of how the District accounts for its major sources of revenues and expenditures:

Revenues

Sales and use tax revenues are recorded in the month collected by the St. Mary Parish Council's sales tax department.

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year the taxes are assessed.

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

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year end. Budgets are amended when necessary with Board approval. Encumbrances are not recorded by the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include demand deposits and/or certificates of deposit with original maturities of less than three months.

Cash and cash equivalents are stated at cost, which approximates market.

F. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets are valued at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the general fixed assets account group are not depreciated.

G. Compensated Absences

Employees earn annual and sick leave at varying rates depending upon length of service. No liability has been accrued for compensated absences because the amount is immaterial.

H. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

I. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Memorandum Only - Total Columns

Total columns on the 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, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the carrying amount of the Districts cash and cash equivalents was \$180,381 and the bank balance was \$180,421. All bank balances were covered by federal depository insurance.

NOTE 3 - 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 taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

NOTE 4 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended September 30, 1997 follows:

	Balance September 30, 1996	<u>Additions</u>	<u>Removals</u>	Balance September 30, 1997
Land	\$ 80,000			\$ 80,000
Equipment	179,792	\$13,727		193,520
Vehicles	12,851			12,851
Building and improvements	<u>1,538,972</u>	_____	_____	<u>1,538,972</u>
Total	<u>\$1,811,615</u>	<u>\$13,727</u>	=====	<u>\$1,825,343</u>

Approximately \$5,300 in equipment is considered to be idle at September 30, 1997.

NOTE 5 - LONG-TERM DEBT

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

Balance at October 1, 1996	\$ 1,120,000
Additions	30,000
Reductions	(75,000)
Balance at September 30, 1997	\$ <u>1,075,000</u>

Obligations payable at September 30, 1997, are as follows:

GENERAL LONG-TERM DEBT:

General Obligation Bonds

\$925,000 of General Obligation Refunding Bonds were issued on November 1, 1994, for the purpose of advance refunding certain outstanding General Obligation Bonds, Series 1986. The bonds bear interest at rates ranging from 4.0 percent to 5.85 percent and mature March 1, 1997 to March 1, 2006. The Refunding Bonds are being retired from ad valorem taxes. \$ 840,000

\$250,000 of General Obligation Bonds were issued on December 1, 1990, for the purpose of purchasing and acquiring lands, buildings, equipment and other facilities to be used in providing recreational facilities. The bonds bear interest at rates of 7.2 percent and 7.25 percent and are payable through the year 2010. The bonds are being retired from ad valorem taxes. 205,000

Loan Payable to Other Governments

Loan payable to St. Mary Parish Council dated July 23, 1997 bearing no interest payable in annual installments of \$6,000 with final payment July 23, 2002 30,000
 Total General Obligations 1,075,000

Claims payable (Note 10) 500

Total General Long-term Debt \$1,075,500

The following is an approximation of future debt requirements excluding claims at September 30, 1997:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$ 86,000	60,000	\$ 146,000
1999	91,000	55,000	146,000
2000	91,000	50,000	141,000
2001	101,000	45,000	146,000
2002	111,000	39,000	150,000
2003-2007	505,000	100,000	605,000
2008-2010	90,000	10,000	100,000
	<u>\$1,075,000</u>	<u>\$ 359,000</u>	<u>\$1,434,000</u>

NOTE 5 - LONG-TERM DEBT (continued)

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 certain debt service funds.
2. Restriction as to additional debt issuance.

NOTE 6 - PENSION PLAN

The District's employees are covered under the Federal Insurance Contributions Act (Social Security). The District makes the required contributions to the fund and is not responsible for the benefits.

NOTE 7 - LEASES

The District has no material long-term non-cancellable lease commitments at September 30, 1997.

NOTE 8 - COMPENSATION OF BOARD MEMBERS

Board members received the following per diems for the year ended September 30, 1997:

<u>Name</u>	<u>Amount</u>
Jack Caldwell	\$ 60
Andrew Gros	110
Delores LaJaunie	110
Steve Patureau	110
James Stansbury	100
Keith Tabor	<u>40</u>
	<u>\$530</u>

NOTE 9 - CONCENTRATIONS

The District receives ninety-four percent of its revenues from the general public in the form of ad valorem (thirty-five percent) and sales (fifty-nine percent) taxes.

NOTE 10 - RISK MANAGEMENT AND CONTINGENCIES

The District is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters.

The District has purchased commercial insurance to protect against loss from most of these perils. However, it is the policy of the District to retain a portion of risk of loss related to the action of its officers and board members.

During the year ended September 30, 1996, the District adopted the provisions of GASB Statement No. 10, which establishes accounting and reporting standards for risk and insurance related activities of governmental entities. In accordance with provisions of this statement, the District is reporting its risk retention activities in its General Fund, except for claims to be paid with the future revenues, which are reported within the General Long-term Debt Account Group.

There has been no significant reduction in insurance coverage from prior years.

Settlements in the prior three years have not exceed insurance coverages.

The District uses specific claim analysis to estimate its liability for unpaid claims. The District does not discount the amount of claims to present value, nor has the District purchased any annuity contracts to settle estimated liabilities.

Changes in the District's estimated claims liabilities for the years ended September 30, 1996 and 1997 were:

Liability balance October 1, 1995	--
Claims and changes in estimate	\$10,000
Claims paid	--
Liability balance September 30, 1996	10,000
Claims and changes in estimate	--
Claims paid	<u>3,500</u>
Liability balance, September 30, 1997	<u>\$ 6,500</u>

Claims liability at September 30, 1997 include \$6,000 related to reimbursement to independent third party insurers for claims paid which is reported in the General Fund. The remaining \$500 in estimated liability is to be paid with future revenues and is reported in the General Long-term Debt Account Group.

The total expenditures reported by the District's General Fund for claims related to retained risk for the year ended September 30, 1997 is \$5,000.

INDEPENDENT AUDITORS' REPORTS ON INTERNAL
ACCOUNTING CONTROL AND COMPLIANCE



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

Board of Commissioners
Recreation District No. 1 of the
Parish of St. Mary, State of Louisiana
Amelia, Louisiana

We have audited the general purpose financial statements of Recreation District No. 1 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, 1997, and have issued our report thereon dated March 11, 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 general purpose financial statements are free of material misstatement.

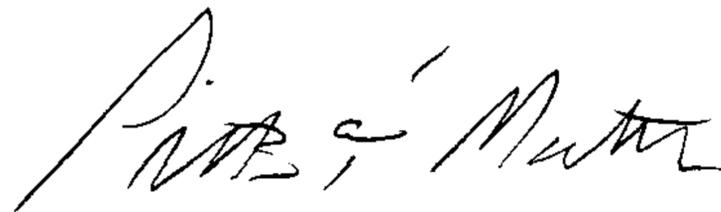
The management of Recreation District No. 1 of the Parish of St. Mary, State of Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs 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 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 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 Recreation District No. 1 of the Parish of St. Mary, State of Louisiana 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.

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 and 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.

A similar letter issued by us dated February 14, 1997, for the year ended September 30, 1996, reported one material weakness which was corrected during the current year.

This report is intended for the information of management of the District, the Legislative Auditor of the State of Louisiana, and the Finance Committee of the St. Mary Parish Council. However, this report is a matter of public record and its distribution is not limited.



CERTIFIED PUBLIC ACCOUNTANTS

March 11, 1998



a corporation of
certified public accountants

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

Board of Commissioners
Recreation District No. 1 of the
Parish of St. Mary, State of Louisiana
Amelia, Louisiana

We have audited the general purpose financial statements of Recreation District No. 1 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, 1997, and have issued our report thereon dated March 11, 1998.

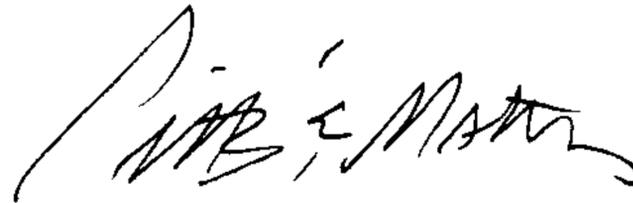
We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are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

Compliance with laws, regulations, contracts, and grants applicable to Recreation District No. 1 of the Parish of St. Mary, State of Louisiana is the responsibility of Recreation District No. 1 of the Parish of St. Mary, State of Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our 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.

A similar letter issued by us dated February 14, 1997, for the year ended September 30, 1996, reported no material instances of noncompliance.

This report is intended solely for the information of management of the District, the Legislative Auditor of the State of Louisiana and the Finance Committee of the St. Mary Parish Council. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "R. B. Martin". The signature is fluid and cursive, with a large initial "R" and "B".

CERTIFIED PUBLIC ACCOUNTANTS

March 11, 1998