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S T. M A R Y P A R I S H C O U N C I L

Primary Government Financial Statements  
St. Mary Parish, State of Louisiana

Annual Financial Statements  
with Independent Auditors' Report

and

Independent Auditors' Reports on Federal Financial Assistance,  
Internal Accounting Control, and Compliance

For the Year Ended December 31, 1996

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

Release Date JUL 30 1997

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## INDEPENDENT AUDITORS' REPORT

To the St. Mary Parish Council  
Franklin, Louisiana

We have audited the accompanying primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the St. Mary Parish Council'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; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the St. Mary Parish Council, as of December 31, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the St. Mary Parish Council, as of December 31, 1996, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the St. Mary Parish Council, do not purport to, and do not, present fairly the financial position of the St. Mary Parish Council, as of December 31, 1996, and the results of its operations and cash flows of its proprietary fund types 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 April 30, 1997 on our consideration of St. Mary Parish Council's internal control structure and a report dated April 30, 1997 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying information listed as General Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the primary government, combining, individual fund, and account group financial statements of the St. Mary Parish Council. Such information has been subjected to the auditing procedures applied in the audit of the primary government, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each respective individual fund and account group taken as a whole.

*P. H. & Matthews*

CERTIFIED PUBLIC ACCOUNTANTS

April 25, 1997

ST. MARY PARISH COUNCIL

COMBINED BALANCE SHEET

All Fund Types and Account Groups  
December 31, 1996

|   | GOVERNMENTAL FUND TYPES |                             |                          |                            | CAPITAL<br>PROJECTS<br>FUNDS | PROPRIETARY<br>FUND TYPE<br>ENTERPRISE<br>FUNDS | ACCOUNT                      |              | TOTAL<br>(MEMORANDUM<br>ONLY) |
|---|-------------------------|-----------------------------|--------------------------|----------------------------|------------------------------|---|------------------------------|--------------|-------------------------------|
|   | GENERAL<br>FUND         | SPECIAL<br>REVENUE<br>FUNDS | DEBT<br>SERVICE<br>FUNDS | GENERAL<br>FIXED<br>ASSETS |                              |   | GENERAL<br>LONG-TERM<br>DEBT |              |                               |
| <b>ASSETS AND OTHER DEBITS</b>  |                         |                             |                          |                            |                              |   |                              |              |                               |
| <b>Assets:</b>  |                         |                             |                          |                            |                              |   |                              |              |                               |
| Cash and cash equivalents   | \$218                   | \$320,237                   | \$102,677                | \$28,243                   | \$52,547                     |   |                              | \$503,922    |                               |
| Investments   |                         | 5,190,420                   | 1,971,760                | 3,340,804                  |                              |   |                              | 10,502,984   |                               |
| Receivables (net of allowances<br>for uncollectibles)                 | 1,110,838               | 106,011                     | 587,290                  | 126,235                    | 211,456                      |   |                              | 2,015,595    |                               |
| Due from other funds  |                         | 504,871                     |                          | 553,310                    | 310,728                      |   |                              | 631,106      |                               |
| Advance to other funds  |                         | 1,378,219                   | 618,276                  | 480,892                    |                              |   |                              | 2,860,533    |                               |
| Due from component units  | 15,000                  |                             | 127,154                  |                            | 1,826                        |   |                              | 623,046      |                               |
| Due from other governments  | 87,485                  | 1,108,053                   |                          |                            |                              |   |                              | 1,197,364    |                               |
| Fixed assets<br>(net of accumulated depreciation<br>where applicable) |                         |                             |                          |                            | \$5,391,114                  | 12,328,859                                      |                              | 17,719,973   |                               |
| <b>Other debits:</b>  |                         |                             |                          |                            |                              |   |                              |              |                               |
| Amount available in debt<br>service funds                             |                         |                             |                          |                            |                              |   | 2,112,259                    | 2,112,259    |                               |
| Amount to be provided for<br>retirement of general<br>long-term debt  |                         |                             |                          |                            |                              |   | 13,466,696                   | 13,466,696   |                               |
| Total assets and other<br>debts                                       | \$1,213,541             | \$8,607,811                 | \$3,407,157              | \$4,529,484                | \$5,967,671                  | \$12,328,859                                    | \$15,578,955                 | \$51,633,478 |                               |



|  | GOVERNMENTAL FUND TYPES |                       |                    |                    | CAPITAL PROJECTS FUNDS | PROPRIETARY FUND TYPE ENTERPRISE FUNDS | ACCOUNT GENERAL FIXED ASSETS | GROUPS GENERAL LONG-TERM DEBT | TOTAL (MEMORANDUM ONLY) |
|--|-------------------------|-----------------------|--------------------|--------------------|------------------------|--|------------------------------|-------------------------------|-------------------------|
|  | GENERAL FUND            | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | GENERAL FUND       |                        |  |                              |                               |                         |
|  |                         |                       |                    |                    |                        |  |                              |                               |                         |
| <b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>      |                         |                       |                    |                    |                        |  |                              |                               |                         |
| <b>Liabilities:</b>                                |                         |                       |                    |                    |                        |  |                              |                               |                         |
| Accounts payable and accrued expenses              | \$123,571               | \$67,390              |                    |                    | \$32,763               |  |                              |                               | \$223,724               |
| Contracts payable                                  | 16,660                  | 47,088                |                    |                    |                        |  |                              |                               | 63,748                  |
| Salaries and payroll deductions payable            | 53,440                  |                       | \$108,718          |                    |                        | 92,145                                 |                              |                               | 145,585                 |
| Due to other funds                                 | 396,153                 | 91,631                |                    | \$34,604           | 126,385                |  |                              |                               | 631,106                 |
| Advance from other funds                           |                         |                       |                    | 2,734,148          |                        |  |                              |                               | 2,860,533               |
| Deferred revenue                                   |                         | 110,766               | 207,476            |                    |                        |  |                              |                               | 318,242                 |
| Landfill closure costs and post-closure care costs |                         |                       |                    |                    | 3,820,000              |  | 15,486,810                   |                               | 3,820,000               |
| Bonds and debt payable                             |                         |                       |                    |                    |                        |  |                              |                               | 15,486,810              |
| Accrued liabilities                                | 39,309                  | 19,077                |                    | 328                |                        |  |                              |                               | 58,714                  |
| <b>Total liabilities</b>                           | <b>629,133</b>          | <b>335,952</b>        | <b>316,194</b>     | <b>2,769,080</b>   | <b>3,979,148</b>       | <b>15,578,955</b>                      | <b>23,608,462</b>            |                               |                         |
| <b>Equity and other credits:</b>                   |                         |                       |                    |                    |                        |  |                              |                               |                         |
| Investment in general fixed assets                 |                         |                       |                    |                    |                        | 12,328,859                             |                              |                               | 12,328,859              |
| Contributed capital - net of amortization          |                         |                       |                    |                    | 4,672,488              |  |                              |                               | 4,672,488               |
| Retained earnings (accumulated deficits)           |                         |                       |                    |                    | 15,741                 |  |                              |                               | 15,741                  |
| Reserved for encumbrances                          |                         |                       |                    |                    | (2,699,706)            |  |                              |                               | (2,699,706)             |
| Unreserved - undesignated                          |                         |                       |                    |                    |                        |  |                              |                               |                         |
| Fund balances                                      | 23,342                  | 728                   |                    |                    |                        |  |                              |                               | 24,070                  |
| Reserved for encumbrances                          |                         |                       |                    |                    |                        |  |                              |                               |                         |
| Reserved for non-current portion of receivables    |                         | 1,378,219             | 594,221            | 817,310            |                        |  |                              |                               | 2,789,750               |
| Reserved for debt service                          |                         |                       | 2,112,259          |                    |                        |  |                              |                               | 2,112,259               |
| Reserved for grant-related expenditures            |                         |                       |                    |                    |                        |  |                              |                               |                         |
| Unreserved - undesignated                          | 561,066                 | 6,892,912             | 384,483            | 943,094            |                        |  |                              |                               | 8,781,555               |
| <b>Total equity and other credits</b>              | <b>584,408</b>          | <b>8,271,859</b>      | <b>3,090,963</b>   | <b>1,760,404</b>   | <b>1,988,523</b>       | <b>12,328,859</b>                      | <b>28,025,016</b>            |                               |                         |
| <b>Total liabilities, equity and other credits</b> | <b>\$1,213,541</b>      | <b>\$8,607,811</b>    | <b>\$3,407,157</b> | <b>\$4,529,484</b> | <b>\$5,967,671</b>     | <b>\$12,328,859</b>                    | <b>\$51,633,478</b>          |                               |                         |

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

ST. MARY PARISH COUNCIL

GOVERNMENT FUND TYPES  
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 1996

|  | GENERAL FUND       | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECTS FUNDS | TOTAL (MEMORANDUM ONLY) |
|--|--------------------|-----------------------|--------------------|------------------------|-------------------------|
| <b>REVENUES</b>  |                    |                       |                    |                        |                         |
| Taxes  | \$1,132,710        |                       | \$31,028           |                        | \$1,163,738             |
| Ad valorem   |                    | \$2,498,425           | 1,343,125          |                        | 3,841,550               |
| Sales  |                    |                       |                    |                        |                         |
| Other taxes, penalties, & interests, etc.                        | 59,557             |                       |                    |                        | 59,557                  |
| Intergovernmental revenues                                       |                    |                       |                    | 26,616                 | 557,708                 |
| Federal grants   | 301,376            | 25,577                | 531,092            | 25,607                 | 352,560                 |
| State grants   | 284,714            |                       |                    |                        | 284,714                 |
| State funds  |                    |                       |                    |                        |                         |
| Parish transportation funds                                      |                    | 526,924               |                    |                        | 526,924                 |
| State revenue sharing  | 285,155            |                       |                    |                        | 285,155                 |
| Royalty road funds   | 502,092            | 3,599,973             |                    |                        | 3,599,973               |
| Severance taxes  | 24,418             |                       |                    |                        | 502,092                 |
| Criminal court fund  | 9,000              |                       |                    |                        | 24,418                  |
| Local grants   |                    |                       |                    |                        | 9,000                   |
| Royalties  |                    | 424,367               |                    |                        | 424,367                 |
| Gaming/Gambling  |                    | 327,139               |                    |                        | 327,139                 |
| Special assessments  |                    | 176,995               |                    |                        | 121,429                 |
| Interest   | 50                 |                       | 121,429            |                        | 121,429                 |
| Licenses & Permits   | 308,230            |                       | 130,024            | 258,067                | 565,136                 |
| Fees, Charges, & Commission                                      | 152,595            |                       |                    |                        | 345,327                 |
| Other revenues   | 173,149            | 3,690                 |                    |                        | 727,856                 |
| <b>Total revenues</b>  | <b>3,233,046</b>   | <b>8,195,448</b>      | <b>2,156,698</b>   | <b>310,290</b>         | <b>13,895,482</b>       |
| <b>EXPENDITURES</b>  |                    |                       |                    |                        |                         |
| Current:   |                    |                       |                    |                        |                         |
| General government   | 2,471,418          | 70,000                |                    |                        | 2,541,418               |
| Public safety  | 804,018            | 272,053               | 41,980             | 8,498                  | 1,126,549               |
| Public works   |                    | 1,834,410             |                    |                        | 1,834,410               |
| Sanitation   |                    | 674,659               |                    | 906,264                | 1,580,923               |
| Culture and recreation   | 225,629            | 261,139               |                    |                        | 486,768                 |
| Health and welfare   | 509,434            |                       |                    |                        | 509,434                 |
| Economic development & assistance                                | 79,832             |                       |                    |                        | 79,832                  |
| Capital outlay   | 172,570            | 1,974                 |                    | 1,614,681              | 1,789,225               |
| Debt service   |                    | 100,570               |                    |                        | 100,570                 |
| Principal  | 4,137              |                       | 794,457            |                        | 798,594                 |
| Interest   | 660                |                       | 710,739            |                        | 711,399                 |
| Fees   |                    |                       | 93,626             |                        | 93,626                  |
| Miscellaneous  |                    |                       |                    |                        |                         |
| Intergovernmental  |                    |                       |                    |                        |                         |
| <b>Total expenditures</b>  | <b>4,267,698</b>   | <b>3,214,805</b>      | <b>1,640,832</b>   | <b>2,529,443</b>       | <b>11,652,778</b>       |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(1,034,652)</b> | <b>4,980,643</b>      | <b>515,866</b>     | <b>(2,219,153)</b>     | <b>2,242,704</b>        |

OTHER FINANCING SOURCES (USES)

|  |           |             |             |             |              |
|--|-----------|-------------|-------------|-------------|--------------|
| Proceeds from refunding bonds  |           |             | 655,000     |             | 655,000      |
| Proceeds from bonds  |           | 1,232,171   | 2,278,000   |             | 3,510,171    |
| Transfers to bond paying agent   |           |             | (655,000)   |             | (655,000)    |
| Operating transfers in   | 1,301,436 | 164,596     | 653,106     | 1,332,357   | 3,451,495    |
| Operating transfers out  | (372,866) | (1,860,182) | (911,745)   | (364,147)   | (3,508,940)  |
| Intergovernmental transfer in  |           |             | (2,200,000) |             | (2,200,000)  |
| Transfer out to component entity   |           |             |             |             |              |
| Total other financing sources (uses)   | 928,570   | (1,695,586) | (180,639)   | 2,200,381   | 1,252,726    |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (106,082) | 3,285,057   | 335,227     | (18,772)    | 3,495,430    |
| Fund balances at beginning of year   | 690,490   | 4,986,802   | \$2,755,736 | 1,779,176   | 10,212,204   |
| Fund balances at end of year   | \$584,408 | \$8,271,859 | \$3,090,963 | \$1,760,404 | \$13,707,634 |

ST. MARY PARISH COUNCIL

GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | Actual           | Budget           | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Taxes  |                  |                  |  |
| Ad valorem   | \$1,132,710      | \$724,020        | \$408,690                              |
| Other taxes, penalties, & interest, etc.   | 59,557           | 60,546           | (989)                                  |
| Licenses and permits   | 308,230          | 311,881          | (3,651)                                |
| Intergovernmental revenues   |                  |                  |  |
| Federal grants   | 301,376          | 578,277          | (276,901)                              |
| State funds  |                  |                  |  |
| State grant  | 284,714          | 262,097          | 22,617                                 |
| State revenue sharing (net)  | 285,155          | 312,985          | (27,830)                               |
| Severance taxes  | 502,092          | 502,092          |  |
| Criminal Court Fund  | 24,418           | 24,418           |  |
| Charges for services   | 152,595          | 141,049          | 11,546                                 |
| Interest   | 50               | 1,076            | (1,026)                                |
| Local government   | 9,000            | 9,000            |  |
| Miscellaneous  | 173,149          | 166,723          | 6,426                                  |
| Total Revenues   | <u>3,233,046</u> | <u>3,094,164</u> | <u>138,882</u>                         |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Current:   |                  |                  |  |
| General government   |                  |                  |  |
| Legislative  | 218,193          | 214,173          | (4,020)                                |
| Judicial   | 593,601          | 620,911          | 27,310                                 |
| Executive  | 91,708           | 110,994          | 19,286                                 |
| Elections  | 85,876           | 85,723           | (153)                                  |
| Finance and administrative   | 386,192          | 393,436          | 7,244                                  |
| Courthouse   | 572,834          | 580,652          | 7,818                                  |
| Other  | 523,014          | 556,381          | 33,367                                 |
| Public Safety  | 804,018          | 819,640          | 15,622                                 |
| Health and welfare   | 509,434          | 514,748          | 5,314                                  |
| Culture & recreation   | 225,629          | 216,672          | (8,957)                                |
| Economic development & assistance  | 79,832           | 80,005           | 173                                    |
| Capital outlay   | 172,570          | 196,343          | 23,773                                 |
| Debt service   |                  |                  |  |
| Principal  | 4,137            | 4,113            | (24)                                   |
| Interest   | 660              | 684              | 24                                     |
| Total Expenditures   | <u>4,267,698</u> | <u>4,394,475</u> | <u>126,777</u>                         |
| Deficiency of revenues over expenditures   | (1,034,652)      | (1,300,311)      | 265,659                                |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                  |  |
| Operating transfers in   | 1,301,436        | 1,301,436        |  |
| Operating transfers out  | (372,866)        | (372,866)        |  |
| Total other financing sources(uses)  | <u>928,570</u>   | <u>928,570</u>   |  |
| Excess (deficiency) of revenues<br>and other financing sources (uses)<br>over (under) expenditures and<br>other financing uses | <u>(106,082)</u> | <u>(371,741)</u> | <u>265,659</u>                         |
| Fund balance at beginning<br>of year   | 690,490          | 690,490          |  |
| Fund balance at end of year  | <u>\$584,408</u> | <u>\$318,749</u> | <u>\$265,659</u>                       |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 1996

|  | ACTUAL             | BUDGET             | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|--------------------|--------------------|--|
| <b>REVENUES</b>  |                    |                    |  |
| Taxes  |                    |                    |  |
| Sales  | \$2,498,425        | \$2,438,336        | \$60,089                               |
| Intergovernmental revenues   |                    |                    |  |
| Federal grants   | 25,577             | 25,577             |  |
| Parish transportation funds  | 526,924            | 549,850            | (22,926)                               |
| Royalty road funds   | 3,599,973          | 3,633,448          | (33,475)                               |
| Royalties  | 424,367            | 424,367            |  |
| Gaming/Gambling  | 327,139            | 290,716            | 36,423                                 |
| Interest   | 176,995            | 142,354            | 34,641                                 |
| Licenses & Permits   | 37,097             | 20,000             | 17,097                                 |
| Fees, Charges, & Commission  | 49,696             | 49,500             | 196                                    |
| Other revenues   | 529,255            | 562,000            | (32,745)                               |
| <b>Total revenues</b>  | <u>8,195,448</u>   | <u>8,136,148</u>   | <u>59,300</u>                          |
| <b>EXPENDITURES</b>  |                    |                    |  |
| Current:   |                    |                    |  |
| General government   | 70,000             | 70,000             |  |
| Public safety  | 272,053            | 656,576            | 384,523                                |
| Public works   | 1,834,410          | 1,894,337          | 59,927                                 |
| Sanitation   | 674,659            | 673,257            | (1,402)                                |
| Culture and recreation   | 261,139            | 270,506            | 9,367                                  |
| Capital outlay   | 1,974              | 2,500              | 526                                    |
| Debt service   | 100,570            | 100,366            | (204)                                  |
| <b>Total expenditures</b>  | <u>\$3,214,805</u> | <u>\$3,667,542</u> | <u>452,737</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures                                     | <u>4,980,643</u>   | <u>4,468,606</u>   | <u>512,037</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |  |
| Operating transfers in   | 164,596            | 164,596            |  |
| Operating transfers out  | (1,860,182)        | (1,745,148)        | (115,034)                              |
| <b>Total other financing sources<br/>(uses)</b>  | <u>(1,695,586)</u> | <u>(1,580,552)</u> | <u>(115,034)</u>                       |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other uses | <u>3,285,057</u>   | <u>2,888,054</u>   | <u>397,003</u>                         |
| Fund balances at<br>beginning of year  | <u>4,986,802</u>   | <u>4,986,802</u>   |  |
| Fund balances at<br>end of year  | <u>\$8,271,859</u> | <u>\$7,874,856</u> | <u>\$397,003</u>                       |

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

ST. MARY PARISH COUNCIL

CERTAIN DEBT SERVICE FUNDS

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual

For the Year Ended December 31, 1996

|  | <u>ACTUAL</u> | <u>BUDGET</u> | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|---------------|---------------|--|
| <b>REVENUES</b>  |               |               |  |
| Taxes  |               |               |  |
| Sales  | \$1,343,125   | \$1,301,338   | \$41,787                               |
| Ad Valorem   | 31,028        |               | 31,028                                 |
| Special assessments  | 121,429       | 125,781       | (4,352)                                |
| Interest   | 130,024       | 111,357       | 18,667                                 |
| Intergovernmental  | 531,092       | 882           | 530,210                                |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| Total revenues   | 2,156,698     | 1,539,358     | 617,340                                |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| <b>EXPENDITURES</b>  |               |               |  |
| Current:   |               |               |  |
| Public safety  | 41,980        | 16,411        | (25,569)                               |
| Debt service   |               |               |  |
| Principal  | 794,487       | 794,488       | 1                                      |
| Interest   | 710,739       | 689,319       | (21,420)                               |
| Fees   | 93,626        | 114,129       | 20,503                                 |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| Total expenditures   | 1,640,832     | 1,614,347     | (26,485)                               |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                     | 515,866       | (74,989)      | 590,855                                |
| <b>OTHER FINANCING SOURCES (USES)</b>  |               |               |  |
| Proceeds from bonds  | 2,278,000     | 2,278,000     |  |
| Proceeds from refunding bonds  | 655,000       | 655,000       |  |
| Transfer to bond paying agent  | (655,000)     | (655,000)     |  |
| Operating transfers in   | 653,106       | 509,124       | 143,982                                |
| Operating transfers out  | (911,745)     | (911,745)     |  |
| Transfer out to component entities   | (2,200,000)   | (2,200,000)   |  |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| Total other financing sources<br>(uses)  | (180,639)     | (324,621)     | 143,982                                |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other uses | 335,227       | (399,610)     | 734,837                                |
| Fund balances at<br>beginning of year  | 2,755,573     | 2,755,573     |  |
|  | <hr/>         | <hr/>         | <hr/>                                  |
| Fund balances at<br>end of year  | \$3,090,800   | \$2,355,963   | \$734,837                              |
|  | <hr/>         | <hr/>         | <hr/>                                  |

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

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUNDS  
 Combined Schedule of Revenues, Expenditures  
 Changes in Fund Balances - Budget  
 and Actual (Non-GAAP Basis)  
 For the year ended December 31, 1996

|  | <u>ACTUAL</u>      | <u>BUDGET</u>      | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|--------------------|--------------------|---|
| <b>REVENUES</b>  |                    |                    |   |
| Interest   | \$258,067          | \$154,580          | \$103,487                                       |
| Intergovernmental  | 21,479             | 32,306             | (10,827)  |
| State grant  | 5,137              | 5,137              |   |
| <b>Total revenues</b>  | <u>284,683</u>     | <u>192,023</u>     | <u>92,660</u>                                   |
| <b>EXPENDITURES</b>  |                    |                    |   |
| Current:   |                    |                    |   |
| Public safety  | 8,498              | 3,502              | (4,996)   |
| Sanitation   | 906,464            | 1,376,497          | 470,033   |
| Capital Outlay   | 1,583,041          | 1,588,874          | 5,833   |
| Culture & Recreation   | 5,833              | 6,959              | 1,126   |
| <b>Total expenditures</b>  | <u>2,503,836</u>   | <u>2,975,832</u>   | <u>471,996</u>                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>(2,219,153)</u> | <u>(2,783,809)</u> | <u>564,656</u>                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |   |
| Proceeds from bonds  | 1,232,171          | 1,232,000          | 171   |
| Operating transfers in   | 1,332,357          | 1,217,323          | 115,034   |
| Operating transfers out  | (364,147)          | (364,148)          | 1   |
| <b>Total other financing sources<br/>(uses)</b>  | <u>2,200,381</u>   | <u>2,085,175</u>   | <u>115,206</u>                                  |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other (uses) | <u>(18,772)</u>    | <u>(698,634)</u>   | <u>679,862</u>                                  |
| Fund balances (deficits) at<br>beginning of year   | <u>1,779,176</u>   | <u>1,770,176</u>   | <u>9,000</u>                                    |
| Fund balances (deficits) at<br>end of year   | <u>\$1,760,404</u> | <u>\$1,071,542</u> | <u>\$688,862</u>                                |

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

ST. MARY PARISH COUNCIL

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Year Ended December 31, 1996

|   |           |               |
|---|-----------|---------------|
| Operating revenues  |           |               |
| Charges for services  |           | \$1,482,257   |
| Licenses and permits  |           | 1,766         |
|   |           | <hr/>         |
| Total operating revenues  |           | 1,484,023     |
| Operating expenses  |           |               |
| Personal services   | 755,536   |               |
| Contractual services  | 164,820   |               |
| Supplies  | 25,900    |               |
| Materials   | 217,296   |               |
| Utilities   | 46,129    |               |
| Repairs and maintenance   | 91,531    |               |
| Equipment and rentals   | 176,733   |               |
| Landfill closure costs  | (20,000)  |               |
| Miscellaneous   | 5,552     |               |
| Depreciation  | 515,172   |               |
|   | <hr/>     |               |
| Operating loss  | 1,978,669 | (494,646)     |
| Non-operating revenues (expenses)   |           |               |
| Insurance proceeds  | 3,174     |               |
| Interest  | 3,313     |               |
| Gifts/donations   | 61,413    |               |
| State grant   | 33,000    |               |
|   | <hr/>     |               |
|   | 100,900   |               |
|   |           | <hr/>         |
| Loss before operating transfers   |           | (393,746)     |
| Other financing sources   |           |               |
| Operating transfers in  |           | 244,770       |
|   |           | <hr/>         |
| Net loss  |           | (148,976)     |
| Add depreciation of fixed assets acquired<br>by grants, entitlements, and shared revenues<br>externally restricted for capital acquisitions<br>and construction that reduces contributed<br>capital |           | 386,211       |
|   |           | <hr/>         |
| Increase in retained earnings   |           | 237,235       |
| Retained earnings(accumulated deficit)<br>at beginning of year  |           | (2,921,200)   |
|   |           | <hr/>         |
| Retained earnings(accumulated deficit)<br>at end of year  |           | (\$2,683,965) |
|   |           | <hr/>         |

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



ST. MARY PARISH COUNCIL

Notes to the Financial Statements  
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On July 16, 1983, the voters of the parish approved a change in the form of parish government from the police jury form of government to the parish council system. The newly elected parish council was seated on November 26, 1984. The St. Mary Parish Council is the governing authority for St. Mary Parish. The parish council consists of eleven members, eight of whom are elected from single-member districts and three elected at large. The parish president, elected by the voters of the parish, is the chief executive officer of the parish and is responsible for carrying out the policies adopted by the parish council and for exercising such general executive authority as authorized by the charter.

The Council, under the provisions of Louisiana Revised Statutes, enacts ordinances, sets policy and establishes programs in such fields as social welfare, transportation, drainage, industrial inducement and health services.

In 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental accounting and financial reporting standards. GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The following is a summary of the significant accounting policies used in preparing the financial statements:

A. Reporting Entity

The GASB has established several criteria for determining the governmental reporting entity. The reporting entity for St. Mary Parish should include the St. Mary Parish Council, which as governing authority of the parish is the primary government, and other governmental entities within the parish for which the Council has financial accountability. Financial accountability is determined by the Council, on the basis of applying the following criteria from those established by the GASB:

1. Financial benefit or burden
2. Appointment of a voting majority
3. Imposition of will
4. Fiscally dependent

The GASB requires that certain other organizations be included in the reporting entity although the primary government is not financially accountable if exclusion from the financial statements would render the reporting entity's financial statements incomplete or misleading.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the previous criteria, the Council has determined that the following component units are part of the reporting entity:

| <u>Component Unit</u>   | <u>Fiscal<br/>Year End</u> | <u>Criteria Used</u> |
|---|----------------------------|----------------------|
| St. Mary Parish Consolidated<br>Water & Sewer Dist. #1                      | December 31                | 2, 3                 |
| St. Mary Parish Library   | December 31                | 2, 3                 |
| Sixteenth Judicial District<br>Criminal Court                               | December 31                | 4                    |
| Hospital Service District:  |                            |                      |
| No. 1   | September 30               | 2, 3                 |
| No. 2   | September 30               | 2, 3                 |
| No. 3   | September 30               | 2, 3                 |
| Fairview Treatment Center   | September 30               | 3                    |
| Waterworks District:  |                            |                      |
| No. 2   | March 31                   | 2, 3                 |
| No. 3   | September 30               | 2                    |
| No. 5   | September 30               | 2, 3                 |
| No. 6   | September 30               | 2, 3                 |
| No. 7   | September 30               | 1, 2, 3              |
| Sewerage District:  |                            |                      |
| No. 1   | September 30               | 2, 3                 |
| No. 2   | September 30               | 2, 3                 |
| No. 4   | September 30               | 2                    |
| No. 5   | September 30               | 2, 3                 |
| No. 7   | September 30               | 1, 2, 3              |
| No. 8   | September 30               | 2, 3                 |
| No. 9   | September 30               | 1, 2, 3              |
| No. 10  | September 30               | 2, 3                 |
| No. 11  | September 30               | 1, 2, 3              |
| Wards 5 & 8 Joint Sewer<br>Commission                                       | September 30               | 2, 3                 |
| Consolidated Gravity Drainage<br>District No. 1                             | September 30               | 2, 3                 |
| Gravity Drainage District:  |                            |                      |
| No. 2   | September 30               | 2, 3                 |
| No. 3   | December 31                | 2, 3                 |
| No. 5   | September 30               | 2, 3                 |
| No. 6   | September 30               | 2, 3                 |
| Wax Lake East Drainage District<br>Sub Gravity Drainage District<br>No.1    | September 30               | 2, 3                 |
| Gravity Sub-Drainage District<br>No. 1 of Gravity Drainage<br>District No.2 | September 30               | 2, 3                 |
| St. Mary Parish Tourist<br>Commission                                       | September 30               | 2, 3                 |
| St. Mary Parish Sales Tax Dept.<br>Recreation District:                     | December 31                | 1, 3, 4              |
| No. 1   | September 30               | 2, 3                 |
| No. 2   | September 30               | 1, 2, 3, 4           |
| No. 3   | September 30               | 2, 3                 |
| No. 4   | September 30               | 2, 3                 |
| Fire Protection District:<br>No. 1  | September 30               | 2, 3                 |

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

| <u>Component Unit</u>           | <u>Fiscal<br/>Year End</u> | <u>Criteria Used</u> |
|---------------------------------|----------------------------|----------------------|
| Fire Protection District:       |                            |                      |
| No. 2                           | September 30               | 1, 2, 3              |
| No. 3                           | September 30               | 1, 2, 3              |
| No. 11                          | September 30               | 2, 3                 |
| No. 12                          | September 30               | 2, 3                 |
| Mosquito Control District No. 1 | September 30               | 1, 2, 3              |
| Communications District (911)   | December 31                | 2, 3, 4              |
| St. Mary Parish Housing Program | September 30               | 1, 3, 4              |
| St. Mary Parish Assessor        | December 31                | 4                    |
| St. Mary Parish Clerk of Court  | June 30                    | 1, 4                 |
| St. Mary Parish Sheriff Dept.   | June 30                    | 1, 4                 |

The GASB provides for the issuance of primary government financial statements which are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statements. The Council has chosen to issue financial statements of the primary government only. As such, the accompanying financial statements are not intended to and do not report in accordance with generally accepted accounting principles. Audit reports for component units can be obtained from the administrative offices of each component and from the Clerk of the Parish Council.

The parish school board and municipal level governments, are excluded from the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the Council.

Also in accordance with GASB Statement No. 14, the St. Mary Community Action Committee, Association, Inc. (CAA) and the West St. Mary Parish Port, Harbor, and Terminal District (Port) are considered to be related organizations of St. Mary Parish Council, primary government. Several different primary governments or other bodies appoint members to the board of the Port and CAA but none are considered to be financially accountable because they do not impose their will or have a financial benefit or burden relationship with the Port or CAA.

#### B. Fund Accounting

The Council 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Council uses two categories of funds: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental Funds

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are earmarked for expenditures for specified purposes.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Capital Projects Funds

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

Proprietary Fund

Enterprise Funds

Enterprise funds are used to account for activities of providing goods and services to outside parties similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

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)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the 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. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The following is a summary of the major governmental revenues and description of how they are recognized:

Ad valorem taxes and the related State revenue sharing (which is based on population and homesteads in the Parish) are recorded in the year the taxes are assessed.

Federal and State aid and grants are recorded when the Council has met the requirements of the grant and is entitled to receive the funds.

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

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

Substantially all other revenues are recorded when they become available to the Council.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Council reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Practices

The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Ninety days prior to the beginning of each fiscal year, the Parish President presents to the Council the annual operating budget which was prepared by the Director of Finance under the direction of the Chief Administrative Officer.
2. The Council then orders a public hearing, notice of which, along with a summary of the budget, will be published ten days prior to the date of the hearing in the official journal of the Council.
3. No later than the second to last regular meeting of the fiscal year, the Council enacts an ordinance to adopt the annual operating budget for the ensuing fiscal year. The Council may adjust the budget as proposed by the Parish President or amend it, as they see fit, by a vote of the majority of the Council.
4. The Parish President may accept or veto the entire budget as approved by the Council or he may line item veto certain appropriations.
5. Should the Council and Parish President be unable to adopt a budget prior to the beginning of the year, then fifty percent of the prior year's budget shall be appropriated for the upcoming year; until such time as a new budget is properly enacted.
6. The Director of Finance, under the direction of the Chief Administrative Officer, has the authority to alter, and must approve all changes in budgeted amounts within function lines. However, budget adjustments that cross function lines require approval of the Council.
7. Formal budgetary integration is employed as a management control device during the year.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for one Capital Projects Fund budget which is on a non-GAAP budgetary basis. Certain projects in the Capital Improvement Fund (Capital Projects) are being funded by the Council and Louisiana Community Development Block Grants (LCDBG). For financial reporting purposes both Parish amounts and LCDBG amounts are reported as revenues and expenditures, for budgetary reporting purposes only Parish amounts are reported as revenues and expenditures. Because of this, the revenues and expenditures are \$25,607 less for budget reporting purposes than for financial reporting purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. All governmental funds with significant activity have adopted budgets. One fund with little or no activity in 1996 did not adopt a budget: Paving Series J Fund (Debt Service) with a year end fund balance of \$163.
10. Budget appropriations lapse at year end except for capital outlays or items encumbered by authorized and issued purchase orders.
11. The budget amounts shown in the financial statements are the final authorized amounts as revised and amended for the year.

E. Encumbrances

Funds are encumbered when purchase orders are issued. It is the Council's policy to reserve fund balances for any encumbrances at year end.

F. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include cash on hand, demand deposits, and short term investments with original maturities of less than three months.

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

Certain short-term interest bearing cash accounts are maintained on a pooled basis, interest revenue or expense is allocated to each participating fund based upon its pro rata share of the total pooled account balance.

G. Investments

Investments are stated at cost or amortized costs.

H. Receivables

Receivables are stated at net realizable value after provision for estimated uncollectible accounts.

I. Inventories

No inventories are recorded at year end as the amounts are immaterial.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Materials and supplies are considered expenditures by the Council when purchased.

J. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Fixed assets used in the proprietary fund type operations are included on the balance sheets of the funds. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations; and accumulated depreciation is reported on the balance sheets. Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of fixed assets:

| <u>Category</u> | <u>Years</u> |
|-----------------|--------------|
| Buildings       | 10-50        |
| Equipment       | 2-40         |
| Vehicles        | 2-4          |

K. 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. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Compensated Absences

Employees earn vacation and sick leave annually at varying rates depending upon length of service. These compensated absences are allowed to accumulate from period to period if not used.

Upon termination an employee is compensated for accumulated vacation time; but, employees are not compensated for sick time unless termination is due to retirement.

An accrual is made for the amount of compensation the employees will receive in the future based upon services performed in the current year for vacation time not used. An accrual is also made for accumulated sick time estimated to be paid to employees at retirement. The portion of this accumulated sick pay estimated to be paid to employees retiring within the next year is recorded as a liability within the fund to which the particular employees' salary is allocated. In accordance with GASB No. 16, which the Council adopted in 1994, the liability for the portion of this accumulated sick pay, totaling approximately \$92,000, projected to be paid in later years is recorded in the General Long-term Debt Account Group.

Compensated absences by fund are as follows: Accrued vacation time - General Fund \$20,469, Special Revenue Fund-Road Construction and Maintenance, \$10,171, Enterprise Funds-Reduction and Transfer \$9,937, Small Animal Control \$1,696, and Kemper Williams Park \$2,269.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from other governments or other funds.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Significant changes in the reserved portion of fund balances in 1996 were increases or decreases in the reserve for non-current portion of receivables as follows:

|  | <u>Increase/(Decrease)</u><br><u>in Reserves</u> |
|--|--|
| Special Revenue Funds                  |  |
| Road Construction and Maintenance Fund | \$ 148,000                                       |
| Sanitation Fund                        | 25,000   |
| Wards 5 & 8 Sales Tax Fund             | ( 35,000)  |
| Wards 1,2,3,4,7 & 10 Sales Tax Fund    | 120,000  |
| Debt Service Funds                     |  |
| Sales Tax Bond Sinking Fund            | ( 49,000)  |
| 3/4% Sales Tax Bond Sinking Fund       | 125,000  |
| Capital Projects Funds                 |  |
| Capital Improvement Fund               | (250,000)  |
| Franklin & Vicinity Fund               | (100,000)  |
| Cypremort Point & Vicinity Fund        | (574,000)  |
| Morgan City & Vicinity Fund            | 10,000   |

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other changes in the reserved portion of fund balances were: \$70,000 decrease in reserve for disaster related expenditures in Hurricane Andrew Disaster Fund (Special Revenue), \$44,000 decrease in reserve for encumbrances in Small Animal Control Fund (Enterprise), \$13,000 increase in reserve for encumbrances in the Kemper Williams Park Fund (Enterprise) and \$15,000 decrease in reserve for encumbrances in the General Fund. Designated fund balances represent tentative plans for future use of financial resources. No fund balances were designated by the Council at December 31, 1996.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Total Columns on Combined Statements

The total columns on the combined 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 or results of operations 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.

NOTE 2 - FUND DEFICITS

The following individual funds of the Council had deficit fund balances/retained earnings at December 31, 1996:

| <u>Fund</u>                    | <u>Deficit<br/>Amount</u> |
|--------------------------------|---------------------------|
| <u>Capital Projects Funds:</u> |                           |
| Amelia and Vicinity Fund       | \$(1,053,191)             |
| Wards 5 & 8                    | (1,498,527)               |
| Franklin & Vicinity            | ( 11,714)                 |
| <u>Enterprise Fund:</u>        |                           |
| Reduction and Transfer Fund    | (2,975,602)               |

NOTE 2 - FUND DEFICITS(continued)

In December 1973, the voters of St. Mary Parish approved a three-quarter per cent sales tax (Sales Tax) in order to fund construction and operation of liquid and solid waste facilities. The Council receives the portion of the sales tax for the unincorporated areas of the Parish. In June of 1982, the St. Mary Parish Police Jury (Police Jury, the forerunner of the Council) earmarked these funds to be equally divided between liquid waste and solid waste expenditures. The half earmarked for liquid waste was further allocated to five geographic locations within the non-incorporated areas of the parish based upon population in these areas.

The construction of the liquid waste treatment facilities were to be funded by a combination of 75% federal grants and 25% local matching funds. The Police Jury planned to issue bonds secured by the proceeds of the sales tax in order to provide its 25% of the project costs. The Police Jury decided to construct the first two facilities in the most densely populated areas of the Parish, Amelia and Wards 5 & 8. The Police Jury originally planned to issue additional debt in future years to construct sewerage facilities in the remaining areas.

Subsequent to the development of the plan to construct these facilities but prior to actual start of construction, the Federal government ceased funding most local sewerage projects. This left the Police Jury with the full burden of financing these facilities. The Police Jury then issued bonds to finance 100% of the facility construction costs in these two areas.

Due to a downturn in the economy, the sales tax collections declined from the amounts originally estimated to be collected. While the overall sales tax collected has been sufficient to pay the bonded indebtedness, the portion of the sales tax proceeds originally allocated to the two areas proved insufficient to fund the debt payments allocated to the two areas.

The excess of monies required, to fund the debt attributable to the sewerage projects in these two areas over the proceeds of the tax allocated to these areas, have resulted in the accumulation of substantial deficient fund balances and substantial payable balances to other funds in both these funds.

Failure to either develop new funding sources or to reallocate existing funding or combine certain existing fund operations could result in these two funds being unable to continue to operate and repay their obligations to other funds.

NOTE 2 - FUND DEFICITS(continued)

The Council has refinanced its debt in order to reduce future debt requirements by approximately \$655,000. The Council has entered into agreements with Sewer District #2 and Sewer District #8 to provide additional funding relating to the debt of Wards 5 & 8 which will fully fund any future debt needs. This arrangement is more fully described in Note 16. The Council has also created St. Mary Parish Water and Sewer Commission No.1 which is planning to address additional funding for the Amelia & Vicinity bonds. The Council is also considering several other possibilities to raise additional revenues for these two funds.

The deficit in the Franklin & Vicinity Capital Projects Fund will be made up by revenues from next year.

The deficit in the retained earnings in the Reduction and Transfer Fund, an enterprise fund, is the result of accounting adjustments made to accrue estimated costs to close and monitor the Council's landfill in accordance with GASB No. 18 as detailed in Note 20. The total estimated cost to close and monitor the landfill for the required thirty year period is \$4,277,000. Of this amount, \$3,820,000 has been accrued as a liability and resultant reduction of the fund's retained earnings as of December 31, 1996. However actual expenditure of funds are estimated to be required only as follows: 1998 approximately \$470,000; 1999 approximately \$400,000; for each of the thirty subsequent years \$114,000.

NOTE 3 - EXPENDITURES - EXCESS OF ACTUAL OVER APPROPRIATED

The following individual funds had actual expenditures over appropriated expenditures for the year ended December 31, 1996:

| <u>Fund</u>   | <u>Actual</u> | <u>Budget</u> | <u>Unfavorable<br/>Variance</u> |
|---|---------------|---------------|---------------------------------|
| Special Revenue Funds:                                |               |               |                                 |
| Sanitation Fund                                       | 839,992       | 836,212       | 3,780                           |
| Wards 5 & 8 Sales Tax Fund                            | 239,563       | 225,960       | 13,603                          |
| Wards 1,2,3,4,7 & 10 Sales<br>Tax Fund                | 183,837       | 182,457       | 1,380                           |
| Debt Service Funds:                                   |               |               |                                 |
| Sales Tax Bond Sinking Fund                           | 659,757       | 633,496       | 26,261                          |
| Sales Tax Bond Reserve Fund<br>1992, 1994             | 20            | 15            | 5                               |
| Three Fourths Per Cent Sales<br>Tax Bond Reserve Fund | 197           | 30            | 167                             |
| Sales Tax Bond Reserve Fund<br>Paving Series M        | 11,909        | 11,876        | 33                              |
| 1995 Paving Jupiter Green<br>Acres #2 Fund            | 43,208        | 43,198        | 10                              |
| SMP Library General Obligation<br>'96 Sinking Fund    | 46,624        | 46,114        | 510                             |
| Capital Projects Funds:                               |               |               |                                 |
| Cypremort Point & Vicinity<br>Fund                    | 245,719       | 243,130       | 2,589                           |
| Wards 5 & 8   | 290,540       | 279,953       | 10,587                          |

## NOTE 4 - TAXES

### Sales Taxes

The Council administers a Sales Tax Department that is responsible for the collection and distribution of various sales and use taxes levied within the parish. The Department has agreements with the Council, the school board and various municipalities, whereby they agree to reimburse the Department for the cost of collections of the taxes.

The proceeds from the one per cent sales and use tax received by the Council are used for construction and maintenance of roads, construction and maintenance of navigation channels, and water and flood control projects, acquiring and improving public works and buildings, supplementing salaries of all parish employees, operation of recreational facilities, acquisition, maintenance and repair of vehicles and machinery, and funding bonds. The proceeds of the tax are deposited in the Sales Tax Bond Sinking Debt Service Fund.

The proceeds from the three-fourths of one per cent sales and use tax received by the Council are used for construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, sewers and sewerage disposal works, facilities for pollution control and abatement, and funding bonds issued for these purposes. The proceeds of the tax are deposited in the Sanitation Special Revenue Fund.

The proceeds from the three-tenths of one per cent sales and use tax received by the Council are used within Wards 1, 2, 3, 4, 5, 7, 8, and 10 of the parish for acquiring and maintaining electric lights on streets, roads, alleys and public places, acquiring, improving and extending public works, including drainage and water control extensions, acquiring, constructing, improving and maintaining fire protection facilities, public safety facilities and equipment, recreational facilities, and public health facilities and equipment. The proceeds of the tax are deposited in the Wards 5 and 8 Special Revenue Fund and in the Wards 1, 2, 3, 4, 7, and 10 Special Revenue Fund.

### Chain Store Tax

Proceeds from a chain store tax received by the Council are deposited in the General Fund and are used for general operations of the Council.

### Ad Valorem Taxes

Ad valorem taxes are assessed on a calendar year basis in September or October of each year. The taxes become due and payable by December 31 and become delinquent on 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 Council by the Sheriff and then remitted to the Council. Most ad valorem taxes are received by the Council in December, January and February.

NOTE 5 - CASH AND CASH EQUIVALENTS

The Council may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Council may also invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved.

Under the provision of the GASB codification, accounts secured by pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

The following is a summary of the cash and cash equivalents and the related federal deposit insurance and related pledged securities as of December 31, 1996:

|   |                |
|---|----------------|
| Cash and cash equivalents - stated value  | \$ 503,922     |
| Cash and cash equivalents - bank balance  | \$ 695,474     |
| Portion insured by federal deposit insurance  | 100,000        |
| Collateralized by securities in the Council's name held by the Council or third parties | <u>NONE</u>    |
| Balance uninsured and uncollateralized under GASB codification                          | 595,474        |
| Portion of deposits secured under Louisiana law   | <u>595,474</u> |
| Amount unsecured under Louisiana law  | <u>NONE</u>    |

NOTE 6 - INVESTMENTS

Under state law, the Council may invest in certain federally guaranteed securities, certain bank time certificates of deposit and in the Louisiana Asset Management Pool (LAMP), an organization which operates an investment pool for local governments.

The Council's investments at December 31, 1996 total \$10,502,984 including \$5,712,411 of pooled investments in LAMP.

The Council's investments, except for LAMP, are categorized as either (1) insured or registered or for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

NOTE 6 - INVESTMENTS

|   | <u>Categories</u> |          |          | <u>Carrying<br/>Amount</u> | <u>Market<br/>Value</u> |
|---|-------------------|----------|----------|----------------------------|-------------------------|
|   | <u>1</u>          | <u>2</u> | <u>3</u> |                            |                         |
| United States<br>Government<br>Securities | \$4,790,574       | ---      | ---      | \$4,790,574                | \$4,798,000             |
| Total investments                         | \$4,790,574       | ---      | ---      | \$4,790,574                | \$4,798,000             |

The book value of the investments in LAMP at December 31, 1996 is \$5,712,410, while the market value is \$5,737,663.

The investment in LAMP is not categorized in the three risk categories above because it is a pooled investment.

NOTE 7 - RECEIVABLES

The following is a summary of receivables at December 31, 1996:

| <u>Type of<br/>Receivables</u> | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Funds</u> | <u>Debt<br/>Service<br/>Funds</u> | <u>Enterprise<br/>Funds</u> |
|--------------------------------|-------------------------|--------------------------------------|-----------------------------------|-----------------------------|
| Taxes:                         |                         |                                      |                                   |                             |
| Ad valorem                     | \$1,058,689             |                                      | \$192,624                         |                             |
| Sales and use                  |                         | \$228,875                            | 124,441                           |                             |
| Shared revenues:               |                         |                                      |                                   |                             |
| State                          | 72,990                  | 879,178                              |                                   |                             |
| Assessments:                   |                         |                                      |                                   |                             |
| Current                        |                         |                                      | 53,826                            |                             |
| Delinquent                     |                         |                                      | 16,191                            |                             |
| Deferred                       |                         |                                      | 200,208                           |                             |
| Accounts                       | 52,148                  | 106,011                              |                                   | \$211,456                   |
| Other governments:             |                         |                                      |                                   |                             |
| Grants - LA DOTD               |                         |                                      |                                   |                             |
| Aviation                       | 14,494                  |                                      |                                   |                             |
| Other                          | 15,000                  |                                      |                                   |                             |
| Total                          | \$1,213,321             | \$1,214,064                          | \$587,290                         | \$211,456                   |

All receivables are net of allowances for uncollectible accounts which are immaterial.

The deferred portion of special assessments receivables represents the portion of payments that will be due from property owners in future years. An amount equal to this is recorded as deferred revenue in the liability section on the debt service funds' balance sheets.

NOTE 8 - DUE FROM/TO OTHER FUNDS

The following is a listing of due from/to other funds by individual fund as of December 31, 1996:

| <u>Receivable From</u>          | <u>Payable To</u>                      | <u>Amount</u>    |
|---------------------------------|--|------------------|
| Paving Series J Sanitation Fund | Road Construction and Maintenance Fund | \$ 782           |
| Sanitation Fund                 | Amelia & Vicinity                      | 13,607           |
| Sanitation Fund                 | Franklin & Vicinity                    | 22,890           |
| Sanitation Fund                 | Cypremort Point & Vicinity             | 24,630           |
| Sanitation Fund                 | Ward 5 & 8                             | 27,260           |
| Sanitation Fund                 | Morgan City & Vicinity                 | 3,244            |
| 3/4% Sales Tax Bond Reserve     | Boat Landing Fund                      | 100,008          |
| General Fund                    | Gaming Receipt Fund                    | 300,000          |
| General Fund                    | Royalty Road Fund                      | 96,153           |
| Series L Paving                 | Royalty Road Fund                      | 7,928            |
| Franklin & Vicinity             | Cypremort Point & Vicinity             | 34,604           |
| Total Due From/To               |  | <u>\$631,106</u> |

NOTE 9 - ADVANCES TO/FROM OTHER FUNDS

The following is a listing of advances to/from other funds as of December 31, 1996:

| <u>Advance To</u>          | <u>Advance From</u>                  | <u>Amount</u>      |
|----------------------------|--------------------------------------|--------------------|
| Amelia & Vicinity          | Road Construction & Maintenance      | \$ 200,000         |
| Amelia & Vicinity          | Sanitation Fund                      | 25,000             |
| Amelia & Vicinity          | Cypremort Point & Vicinity           | 143,310            |
| Amelia & Vicinity          | Sales Tax Wards 5 & 8                | 25,000             |
| Amelia & Vicinity          | Morgan City & Vicinity               | 60,000             |
| Amelia & Vicinity          | Paving Jupiter Green Acres, Series H | 25,000             |
| Amelia & Vicinity          | Solid Waste Reduction                | 35,000             |
| Amelia & Vicinity          | Kemper Williams                      | 50,000             |
| Amelia & Vicinity          | 3/4% Sales Tax Sinking               | 25,000             |
| Amelia & Vicinity          | Sanitation                           | 478,488            |
| Wards 5 & 8                | Sanitation                           | 499,731            |
| Wards 5 & 8 Sewer Project  | 3/4% Sales Tax Bond Sinking          | 100,000            |
| Kemper Williams            | 3/4% Sales Tax Bond Reserve          | 126,384            |
| Cypremort Point & Vicinity | 3/4% Sales Tax Bond Sinking          | 141,891            |
| Wards 5 & 8                | Sales Tax Wards 1,2,3,4,7,10         | 150,000            |
| Wards 5 & 8                | Sales Tax Bond Sinking               | 200,000            |
| Wards 5 & 8                | Capital Improvement                  | 350,000            |
| Wards 5 & 8                | Solid Waste & Reduction              | 225,728            |
| Total advances To/From     |                                      | <u>\$2,860,533</u> |

These amounts are not to be repaid within the upcoming year. Therefore, a reservation of fund balance for non-current receivables has been shown on the balance sheets of the funds that made the advances.



NOTE 10 - DUE FROM COMPONENT UNITS

Due from component units at December 31, 1996 consist of the following:

| <u>Item/Fund Type</u>   | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> |
|---|-------------------------|-----------------------------|
| Non-current portion of advances<br>made to Hospital Service Districts                       |                         |                             |
| Sales Tax Bond Sinking Fund   | \$127,154               |                             |
| Capital Improvement Fund  |                         | \$264,000                   |
| Non-current portion of advances<br>made to Sewer District #10<br>Cypremort Point & Vicinity | _____                   | <u>216,892</u>              |
| Totals  | <u>\$127,154</u>        | <u>\$480,892</u>            |

These amounts are not to be repaid within the upcoming year. Therefore, a reservation of fund balance for non-current receivables has been shown on the balance sheets of the funds that made the advances.

NOTE 11 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 1996 follows:

|                                      | Balance<br>December 31,<br><u>1995</u> | <u>Additions</u>   | <u>Deletions</u> | Reclassi-<br><u>fications</u> | Balance<br>December 31,<br><u>1996</u> |
|--------------------------------------|--|--------------------|------------------|-------------------------------|--|
| Land                                 | \$1,300,876                            | \$ 400,000         |                  |                               | \$ 1,700,876                           |
| Buildings                            | 5,247,546                              |                    |                  |                               | 5,247,546                              |
| Improvements other<br>than buildings | 1,168,071                              | 353,920            |                  | \$ 37,910                     | 1,559,901                              |
| Equipment and<br>furniture           | 3,592,272                              | 297,604            | \$69,340         |                               | 3,820,536                              |
| Construction in<br>progress          | <u>37,910</u>                          |                    |                  | <u>(37,910)</u>               |  |
|                                      | <u>\$11,346,675</u>                    | <u>\$1,051,524</u> | <u>\$69,340</u>  | <u>\$ --</u>                  | <u>\$12,328,859</u>                    |

A summary of the Enterprise Funds' property, plant and equipment at December 31, 1996 follows:

|                                   |                     |
|-----------------------------------|---------------------|
| Land and improvements             | \$ 3,446,998        |
| Buildings and improvements        | 4,270,786           |
| Equipment                         | 2,994,979           |
| Improvements other than buildings | <u>1,332,894</u>    |
|                                   | 12,045,657          |
| Less accumulated depreciation     | <u>( 6,654,543)</u> |
|                                   | <u>\$ 5,391,114</u> |

Depreciation and amortization expense for 1996 is approximately \$512,000.

NOTE 12 - LONG TERM DEBT

The following is a summary of changes in the General Long-Term Debt Account Group for the year ended December 31, 1996:

|                              |                     |
|------------------------------|---------------------|
| Balance at January 1, 1996   | \$12,939,495        |
| Additions                    | 4,177,198           |
| Reductions                   | (1,537,738)         |
| Balance at December 31, 1996 | <u>\$15,578,955</u> |

Obligations payable at December 31, 1996 are as follows:

GENERAL LONG-TERM DEBT:

Public Improvement Sales Tax Bonds

\$1,965,000 of Public Improvement Sales Tax Bonds, ST-1996 were issued on April 1, 1996 for the refunding of Sales Tax Bonds issued July 1, 1992 and the remainder to be used to acquire and construct a building to be used for public health purposes. The bonds bear interest of 4.3 to 8.0 percent and are payable through the year 2016. The bonds are being retired from the one percent Sales Tax Bond Sinking Fund.

\$1,965,000

\$5,600,000 of Sales Tax Bonds were issued July 1, 1994 for the purpose of improving and repairing public roads and renovating and improving the Parish courthouse. The bonds bear interest of 5.375 to 8.0 percent and are payable through the year 2012. The bonds are being retired from the One Percent Sales Tax Bond Sinking Fund.

5,210,000

Public Improvement Sales Tax Refunding Bonds

\$7,210,000 of Public Improvement Sales Tax Refunding Bonds were issued on September 15, 1987 for the refinancing of three prior bond issues. The prior issues were for the construction and maintenance of solid waste collection and disposal facilities, sewers, other pollution control and abatement facilities. The bonds bear interest at rates ranging from 5.5 percent to 7.8 percent with payments due through 1997. These bonds are to be retired from the Three-fourths Percent Sales Tax Bond Sinking Fund.

480,000

\$5,500,000 of Public Improvement Sales Tax Refunding Bonds were issued on June 1, 1993 to advance refund \$4,620,000 of the 1987 \$7,210,000 Public Improvement Sales Tax Refunding bonds which mature December 1, 1998 to December 1, 2004. The bonds bear interest at rates ranging from 2.5% to 5.0% with payments due through 2004. These bonds are to be retired from the Three-fourths Percent Sales Tax Bond Sinking Fund.

5,145,000

NOTE 12 - LONG TERM DEBT(continued)

\$2,200,000 of General Obligation Bonds were issued November 1, 1996 to improve, construct and acquire buildings, equipment, and books for the parish libraries. The bonds bear interest at rates ranging from 4.9% to 8.0% and mature March 1, 2016. These bonds are to be retired from the annual levy and collection of unlimited ad valorem taxes on all taxable property within the Parish's boundaries, excluding the City of Morgan City. Although the Council is servicing the debt on these bonds, the St. Mary Parish Library Fund will be expending the proceeds and will also be transferring ad valorem taxes to the Council to service the debt. 2,200,000

SPECIAL ASSESSMENT  
Paving Certificates

The two following special assessment bonds are being retired with the proceeds of special assessment collections as accumulated in each of the three applicable debt service funds for special assessment paving certificates.

It has been the policy of the Council to honor special assessment obligations.

\$85,843 Special Assessment Paving Bond Series M issued December 1, 1990; due in annual installments of \$8,483 through December 1, 2000; interest at 8% 33,932

\$263,803 Paving Certificates, Series 1995, issued July 1, 1995; due in annual installments of \$26,380 through July 1, 2005; interest at 6.375% 237,421

Accrued compensated absences 92,145

See Note 13 - Capital Lease Obligation 215,457  
Total \$15,578,955

The annual requirements to amortize all obligations outstanding other than accrued compensated absences at December 31, 1996, including interest are:

| <u>For Year Ended</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|-----------------------|---------------------|---------------------|---------------------|
| 1997                  | \$ 1,040,000        | \$ 820,000          | \$ 1,860,000        |
| 1998                  | 1,049,000           | 768,000             | 1,817,000           |
| 1999                  | 1,099,000           | 708,000             | 1,807,000           |
| 2000                  | 1,147,000           | 593,000             | 1,740,000           |
| 2001                  | 1,146,000           | 598,000             | 1,744,000           |
| 2002-2016             | <u>10,005,855</u>   | <u>4,371,000</u>    | <u>14,376,855</u>   |
|                       | <u>\$15,486,855</u> | <u>\$ 7,858,000</u> | <u>\$23,344,855</u> |

NOTE 12 - LONG TERM DEBT(continued)

On April 11, 1996, the Council issued \$1,965,000 of General Public Improvement Sales Tax Bonds Series ST-1996 with an average interest rate of 5.19 percent. The bonds were issued for the purposes of: constructing a public health facility and for refunding \$655,000 of outstanding Sales Tax Bonds Series 1992 bearing an average interest rate of 6.25 percent.

The Council advance refunded the 1992 Series Bond in order to facilitate the additional borrowings for the health care facility. The advance refunding increased total debt service payments by approximately \$208,000 over the life of the obligations and created an economic loss (difference between the present values of the debt service on the old and new debt) of approximately \$1,000.

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

1. Establishment and funding of certain debt service funds
2. Preparation and adoption of budgets
3. Preparation and independent audit of financial statements
4. Restriction as to additional debt issuance
5. Restriction as to investments.

At December 31, 1996 \$6,230,000 of outstanding general long-term debt are considered defeased.

NOTE 13 - LEASE OBLIGATIONS

The Road Construction and Maintenance Fund, a special revenue fund, has acquired three pieces of equipment with a combined basis of approximately \$424,000 under a capital lease.

The St. Mary Parish Assessor's Office, Parish Council, and Sheriff's office have acquired computer equipment to be shared between the three departments with a combined basis of approximately \$145,000.

The Parish Council is to pay 16.577% of the total payments related to the computer equipment.

The following is a schedule by years of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 1996:

|   |                   |
|---|-------------------|
| Year ending December 31, 1997               | \$ 81,523         |
| 1998  | 56,286            |
| 1999  | 53,088            |
| 2000  | <u>48,664</u>     |
| Total minimum lease payments                | 239,561           |
| Less: Amount representing interest          | ( <u>24,104</u> ) |
| Present value of net minimum lease payments | <u>\$215,457</u>  |

NOTE 14 - CONTRIBUTED CAPITAL

Contributed capital represents land, buildings, and equipment contributed to the enterprise funds from the Council's governmental funds and private individual donors (for the Kemper Williams Park Fund). The amounts contributed are being amortized based on the depreciation of those capital assets contributed. This depreciation is closed to (deducted from) the contributed capital account and is reflected as an addition to retained earnings. A summary of changes in contributed capital for the year ended December 31, 1996, is as follows:

|   | <u>Reduction<br/>&amp; Transfer<br/>Fund</u> | <u>Small<br/>Animal<br/>Control<br/>Fund</u> | <u>Kemper<br/>Williams<br/>Park<br/>Fund</u> |
|---|--|--|--|
| Net contributed capital at<br>December 31, 1995 | \$2,551,609                                  | \$ 41,773                                    | \$2,453,891                                  |
| Current capital additions                       | ---  | --   | 11,426                                       |
| Current year amortization                       | <u>293,591</u>                               | <u>4,588</u>                                 | <u>88,032</u>                                |
| Net contributed capital at<br>December 31, 1996 | <u>\$2,258,018</u>                           | <u>\$ 37,185</u>                             | <u>\$2,377,285</u>                           |

NOTE 15 - SEGMENT INFORMATION

The Council is reporting three enterprise funds which provide waste disposal, small animal control services and a recreation facility. Segment information for these enterprise funds for the year ended December 31, 1996, is as follows:

|  | <u>REDUCTION<br/>AND<br/>TRANSFER<br/>FUND</u> | <u>SMALL<br/>ANIMAL<br/>CONTROL<br/>FUND</u> | <u>KEMPER<br/>WILLIAMS<br/>PARK FUND</u> | <u>TOTAL</u> |
|--|--|--|--|--------------|
| Operating revenues   | \$ 1,359,018                                   | \$ 43,145                                    | \$ 81,860                                | \$ 1,484,023 |
| Depreciation and<br>amortization expense                       | 394,672  | 19,007                                       | 101,493                                  | 515,172      |
| Operating loss   | ( 171,363)                                     | (92,230)                                     | ( 231,053)                               | ( 494,646)   |
| Operating transfer in  | 25,044   | 121,227                                      | 98,499                                   | 244,770      |
| Net income (loss)  | ( 107,618)                                     | 29,273                                       | ( 70,631)                                | ( 148,976)   |
| Net increase (decrease)<br>in property, plant<br>and equipment | ( 377,437)                                     | 50,964                                       | ( 76,846)                                | ( 403,319)   |
| Net working capital  | 204,075  | 22,650                                       | 6,341                                    | 233,066      |
| Total assets   | 3,125,890                                      | 129,514                                      | 2,712,267                                | 5,967,671    |
| Total equity<br>(deficit)                                      | ( 717,584)                                     | 125,094                                      | 2,581,013                                | 1,988,523    |

NOTE 16 - VENTURES WITH OTHER GOVERNMENTS

The Parish Council participated in a venture with the City of Patterson, the Town of Berwick, and the St. Mary Parish Sewerage District No.2 (District No.2) to construct regional sewerage facilities to serve Wards 5 and 8 (Joint Sewerage Commission) in St. Mary Parish. The governing body of the venture is a joint commission which maintains, operates, and administers the project including financial and budgetary matters.

The commissioners serve at the pleasure of their respective appointing authorities, the City of Patterson, the Town of Berwick, the St. Mary Parish Sewerage District No. 2, and the St. Mary Parish Council.

The Council's share of the total construction cost of \$10,335,000 was 45.2%. However, the Council does not participate in the operations of the facility. The fiscal year for the project ends September 30, 1996. Total assets at September 30, 1996 were approximately \$790,000; total liabilities were approximately \$28,000; and total equity was approximately \$762,000. Total revenues for the year ended September 30, 1996 were approximately \$517,000; total expenses were approximately \$392,000. Effective December 2, 1995 the Council has entered into an agreement whereby it will transfer 75.5 per cent of its interest in the Joint Sewerage Commission to District No.2 and 24.5 per cent of its interest to St. Mary Parish Sewerage District No.8. This transfer of ownership is to be in consideration for those two sewerage districts funding a portion of the Council's outstanding 1987 Public Improvement Sales Tax Refunding Bonds and 1993 Public Improvement Sales Tax Refunding Bonds with a principal balance which totaled approximately \$3,410,000 on December 1, 1996.

In addition, the Council is participating in an agreement with the City of Franklin for the upgrade and operation of sewerage facilities for the City and surrounding Parish areas. The City funded seventy percent of the total cost of the upgrade of \$1,100,000, and the Council funded the remaining thirty percent. The City government operates the system including budgetary and financial matters and the Council does not participate in the operation or management of the system. The Council reimburses the City for thirty percent of the operating costs. The Council, in turn, is reimbursed for 33% of its share by St. Mary Parish Sewer District No. 7. The fiscal year for the project ends April 30, 1996. Total revenues for the year ended April 30, 1996, were approximately \$339,000; total expenditures were approximately \$364,000. Separate balance sheet amounts are not readily available at year end.

The Council entered into an intergovernmental agreement with the St. Mary Parish Consolidated Gravity Drainage District No. 1 and the City of Franklin for a flood control improvement project at the Bayou Yokely Pump Station. The total cost of the project is estimated to be approximately \$5,550,000 and includes an estimated \$850,000 of in-kind services.

NOTE 16 - VENTURES WITH OTHER GOVERNMENTS (cont'd)

The cash portion of the project totaling \$4,700,000 is to be funded approximately 70% (\$3,890,000) by the Department of Transportation and Development and the remaining 30% (\$810,000) is to be funded by the three local entities in equal shares. The City of Franklin is overseeing the three local governments participation in the project. The portion of the agreement related to providing of in-kind services has not yet been finalized. The fiscal year for the project ends April 30, 1996. Total assets at April 30, 1996 were approximately \$343,000; total equity was approximately \$343,000. Total revenues for the year ended April 30, 1996, were approximately \$128,000; total expenditures were approximately \$61,000.

NOTE 17 - PENSION PLAN AND OTHER RETIREMENT BENEFITS

Substantially all full-time employees of St. Mary Parish Council participate in the Parochial Employees' Retirement System of Louisiana (Plan A), a multiple employer public employee retirement system. The payroll for Council employees covered by the System for the year ended December 31, 1996 is approximately \$2,139,000; the Council's total payroll is approximately \$2,143,000.

Employees are entitled to retirement benefits when the combination of attained age and years of service meet certain specified requirements. The minimum years of service for receiving retirement benefits is ten years. Benefits vest based on a similar method of combination of minimum years of service and attained age. The System also provides death and disability benefits. Benefits are established by the State Legislature.

Covered employees are required by the State Legislature to contribute 9.50% of their gross salary to the plan. The Council is required by the same statute to contribute 7.25% of each employee's gross salary to the plan. The entity's actuarially determined contribution requirement has not been calculated. However, the annual contribution rate for the all employers as a whole has been determined to be approximately \$23.4 million to fund the plan over a forty year payment period. The actual employer and employee contributions for the plan as a whole for the year ended December 31, 1995 (the latest year for which information is available), was approximately \$49.6 million.

The Council's contribution made for the year ended December 31, 1996, was approximately \$350,000 which consisted of \$150,000 from the Council and \$200,000 from employees; these contributions represented 7.25% and 9.50% of covered payroll, respectively.

NOTE 17 - PENSION PLAN AND OTHER RETIREMENT BENEFITS (cont'd)

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

The pension benefit obligation at December 31, 1995 (the latest available evaluation) for the System as a whole, determined through an actuarial valuation performed as of that date, was \$762.8 million. The System's net assets available for benefits on that date were \$647.6 million, leaving an unfunded pension benefit obligation of \$115.2 million. The Council's 1996 contribution represented .7% of total contributions required of all participating entities.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1995, comprehensive annual financial report. The Council does not guarantee the benefits granted by the System.

The Council is not responsible for any other post retirement benefits to its former employees.

The Council is responsible for withholding and remitting contributions from participants to the State for inclusion in the plan. The State is responsible for remitting benefits to the participants.

NOTE 18 - DEFERRED COMPENSATION PLAN

Since July 1, 1991, employees of the Parish have the option to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457. The maximum compensation that may be deferred under the plan for the participant's taxable year shall not exceed the lesser of \$7,500 or 33 1/3% of includable compensation. Additional deferrals are allowed in certain years prior to retirement.

The Council is responsible for withholding and remitting contributions from participants to the State for inclusion in the plan. The State is responsible for remitting benefits to the participants.



NOTE 18 - DEFERRED COMPENSATION PLAN (cont'd)

All assets of the plan, including all deferred amounts and income attributable to those amounts are the assets of the State of Louisiana and are subject to all claims of general creditors of the State of Louisiana.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

In 1994 the Council issued \$5,600,000 of Sales Tax Bonds for the purpose of improving and repairing public roads and renovating and improving the Parish courthouse. The parish expended approximately \$3,700,000 through 1996. The remaining amount of \$1,900,000 will be used by the Parish for the above purpose in a five year capital outlay program.

The Council is considering constructing a 300 bed law enforcement center and refurbishing approximately 200 beds in existing facilities. The total cost to construct these facilities is estimated to be approximately \$7.9 million plus land. During 1995 the Council received a donation of the required land, contingent upon the construction of the facility. The Council has earmarked approximately \$1.2 million which is being held in the Royalty Road Fund for this project. The Council is presently seeking other means to finance the remaining \$6.1 million construction costs including possible state grants or federally secured loans. The Council expended approximately \$500,000 in planning and architectural costs through 1996.

The Council is considering entering into an intergovernmental agreement with the Chitamacha Tribe of Louisiana for the purpose of constructing a road through a planned community to be located immediately east of the Town of Baldwin. Approximate cost of the road project is estimated to be \$4,500,000 and will be funded by a bond issue which will be paid with an increase in gaming remittances to be received by the Council from the Tribe beginning in 1997.

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any significant disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any material disallowed costs.

NOTE 20 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

The Council provides for the collection and disposal of garbage through the operation of the Reduction and Transfer Fund, an enterprise fund. As part of this operation, a landfill composed of three areas is maintained. The operation of the landfill is subject to certain federal and state regulations. In 1989, the Council ceased operating and closed approximately 40 acres of the landfill which composed areas one and two.

NOTE 20 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS (cont'd)

Since the Council accepted solid wastes at the landfill site after October 1993, the Council will be responsible for meeting new EPA requirements on the portion of the landfill in operation at that time. Those requirements mandate not only rigid landfill closure requirements but also monitoring, remediation and containment requirements for thirty years after closure. Management has estimated costs for closure of this portion of the landfill to be approximately \$867,000. Costs for postclosure care, monitoring, and containment have been estimated to be approximately \$3,410,000 (\$113,700 per year for thirty years).

GASB statement No. 18, which specifies the accounting method to be utilized by governments that operate landfills, became applicable to the Council's operations effective January 1, 1994. GASB No. 18 requires that landfills estimate the total cost of closure and post closure care. Further that the landfill recognize a portion of these estimated closure and postclosure costs over the operating life of the landfill. These closure and postclosure costs should be recognized as a liability and charged as an expense of operations of the landfill each year based upon the amount of landfill space utilized in that year as compared to the total available landfill space.

GASB No. 18 also requires that current costs be adjusted when changes in closure or post closure care plan or landfill operating conditions increase or decrease the estimated costs. These changes include general inflation and changes in expected usable landfill area.

As of December 31, 1995, the Council was permitted to use the landfill until summer of 1996 and the usable landfill area was estimated based upon that time frame. Accordingly, at December 31, 1995, it was estimated that 92 percent of the available landfill at that date had been utilized. During 1996, the Council was granted authority to operate the landfill through the end of 1997. This extension of operating period results in additional operating life and capacity of the landfill. Because of this increase in usable capacity as of December 31, 1996, the Council estimated that 89 percent of the new available capacity has been utilized. This increase in capacity in 1996 results in a reduction of total estimated closure and post closure care costs liability for the year by \$20,000 to a total of \$3,820,000 as of December 31, 1996.

The Council has applied to the Louisiana Department of Environmental Quality (DEQ) for an extension of its current permit to allow the landfill to be operated until February 1999.

Estimated costs for closure and post closure are based on estimated costs at the current time and under the current regulations. Further changes in inflation, technology, or regulating requirements could cause these estimated costs to increase or decrease.

NOTE 21 - RELATED PARTY

In prior years, certain advances were made to the Hospital Service Districts within the Parish. These advances are being reduced in exchange for in-kind services in the current year as follows.

The advances to Hospital Service District No. 1 are being reduced by medical services provided to the St. Mary Parish Jail inmates. The value of these services was approximately \$26,000 in 1996.

The advance to Hospital Service District No. 2 is being reduced by the rental value of space being utilized by the St. Mary Parish Sheriff's and Coroner's Office in the old hospital facility. The value of this rental was approximately \$16,000 during 1996.

During 1996, the Council agreed to purchase land from the executive director of one of the parish's component entities for approximately \$90,000.

The Council also entered into an intergovernmental agreement with the District Attorney's office and the Sixteenth Judicial District relative to drug treatment court operation.

NOTE 22 - RISK MANAGEMENT AND CONTINGENCIES

The Council is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. In addition, the Council provides certain medical and health care to parish prisoners. The Council has purchased commercial insurance to protect against loss from most of these perils. However, it is the policy of the Council to retain the risk of loss related to the costs of health care benefits for prisoners.

During the year ended December 31, 1996, the Council 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 the provisions of this statement, the Council is reporting its risk retention activities in its General Fund, except for claims to be paid with future revenues, which are reported within the General Long-term Debt Account Group.

There are no significant reductions in insurance coverages from prior years in the Council's insurance.

Settlements in the prior three years have not exceeded insurance claims.

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

NOTE 22 - RISK MANAGEMENT AND CONTINGENCIES (cont'd)

Changes in the Council's estimated claims liabilities for years ended December 31, 1995 and 1996 were:

|                                  |                 |
|----------------------------------|-----------------|
| Liability balance, Jan. 1, 1995  | \$ 2,000        |
| Claims & changes in estimate     | 70,000          |
| Claims paid                      | ( 70,000)       |
| Liability balance, Dec. 31, 1995 | 2,000           |
| Claims & changes in estimate     | 108,000         |
| Claims paid                      | (106,000)       |
| Liability balance, Dec. 31, 1996 | <u>\$ 4,000</u> |

Estimated claims liability at December 31, 1996 is related to medical care for prisoners and the related liability is recorded in the General Fund.

The total expenditures reported by the Council for claims related to retained risk for the year December 31, 1996 totaled \$108,000.

In addition, there is a claim alleging employment discrimination against the Council. The amount of this liability, if any, cannot presently be determined and no liability or provision has been made in these financial statements.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

ST. MARY PARISH COUNCIL  
SPECIAL REVENUE FUNDS  
December 31, 1996

GAMING RECEIPT FUND

The Gaming Receipt Fund accounts for all gaming revenue received by the parish.

ROAD CONSTRUCTION AND MAINTENANCE FUND

The Road Construction and Maintenance Fund accounts for the maintenance and upkeep of the parish road system. Major financing is provided by the State of Louisiana Parish Transportation Fund. Use of transportation funds is restricted by Louisiana Revised Statutes.

HURRICANE ANDREW DISASTER FUND

The Hurricane Andrew Disaster Fund accounts for all hurricane related expenditures and funds received from the Federal Emergency Management Agency (FEMA), as well as, insurance proceeds related to claims for the Parish Hurricane relief efforts.

BOAT LANDING FUND

The Boat Landing Fund accounts for funds received from the sale of permits to users of certain boat landings located in St. Mary Parish.

SANITATION FUND

The Sanitation Fund accounts for the disposal and treatment of solid waste and sewerage for the parish. Major financing is from the three-fourths percent sales tax. The expenditures are restricted by the three-fourths percent sales tax ordinance.

LOCAL LAW ENFORCEMENT BLOCK GRANT

The Law Enforcement Block Grant fund accounts for the proceeds and expenditures resulting from the grant from the U.S. Department of Justice.

WARDS 5 AND 8 SALES TAX FUND

The Wards 5 and 8 Sales Tax Fund accounts for the proceeds of the three-tenths of one percent sales and use tax levied within Wards 5 and 8 to acquire and maintain lights, public works, fire protection, recreational, and health facilities.

WARDS 1, 2, 3, 4, 7, AND 10  
SALES TAX FUND

The Wards 1, 2, 3, 4, 7, and 10 Sales Tax Fund accounts for the proceeds of the three-tenths of one percent sales and use tax levied within these wards to acquire and maintain lights, public works, fire protection, recreational, and health facilities.

ROYALTY ROAD (TEXACO) FUND

The Royalty Road (Texaco) Fund accounts for funds received from the State of Louisiana for settlement of certain parishes claims for royalties from prior years.

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 1996

|   | GAMING<br>RECEIPT<br>FUND | ROAD<br>CONSTRUCTION<br>& MAINTENANCE<br>FUND | BOAT<br>LANDING<br>FUND | SANITATION<br>FUND | LOCAL LAW<br>ENFORCEMENT<br>BLOCK GRANT | WARDS<br>5 & 8<br>SALES TAX<br>FUND | WARDS<br>1, 2, 3, 4, 7 & 10<br>SALES TAX<br>FUND | ROYALTY ROAD<br>(TEXACO)<br>FUND | TOTAL              |
|---|---------------------------|---|-------------------------|--------------------|---|-------------------------------------|--|----------------------------------|--------------------|
| <b>ASSETS</b>   |                           |   |                         |                    |   |                                     |  |                                  |                    |
| Cash and cash equivalents                             | \$26,545                  | \$9,817                                       | \$22,666                | \$68,809           | \$110,845                               | \$5,685                             | \$37,135   | \$38,735                         | \$320,237          |
| Investments   |                           | 1,477,553                                     |                         | 2,050,459          |   | 30,276                              | 60,354   | 1,571,778                        | 5,190,420          |
| Receivables (net of allowances<br>for uncollectibles) | 67,165                    | 7,260   |                         | 31,586             |   |                                     |  | 104,082                          | 106,011            |
| Due from other funds                                  | 300,000                   | 781   | 100,008                 | 181,263            |   | 20,165                              | 27,447   |                                  | 504,871            |
| Due from other governments                            |                           | 879,178                                       |                         | 1,003,219          |   | 25,000                              | 150,000  |                                  | 1,108,053          |
| Advance to other funds                                |                           | 200,000                                       |                         |                    |   |                                     |  |                                  | 1,378,219          |
| <b>Total assets</b>                                   | <b>\$393,710</b>          | <b>\$2,574,589</b>                            | <b>\$122,674</b>        | <b>\$3,335,336</b> | <b>\$110,845</b>                        | <b>\$81,126</b>                     | <b>\$274,936</b>                                 | <b>\$1,714,595</b>               | <b>\$8,607,811</b> |
| <b>LIABILITIES AND FUND EQUITY</b>                    |                           |   |                         |                    |   |                                     |  |                                  |                    |
| Liabilities   |                           |   |                         |                    |   |                                     |  |                                  |                    |
| Accounts payable                                      |                           | \$6,615                                       | \$128                   | \$50,424           |   | \$4,733                             | \$5,490  |                                  | \$67,390           |
| Contracts payable                                     |                           | 45,489  |                         |                    |   | 1,599                               |  |                                  | 47,088             |
| Accrued Liabilities                                   |                           | 18,600  |                         |                    |   | 225                                 | 252  |                                  | 19,077             |
| Due to other funds                                    |                           |   |                         | 91,631             | \$110,766                               |                                     |  |                                  | 91,631             |
| Deferred revenue                                      |                           |   |                         |                    |   |                                     |  |                                  | 110,766            |
| <b>Total liabilities</b>                              |                           | <b>70,704</b>                                 | <b>128</b>              | <b>142,055</b>     | <b>110,766</b>                          | <b>6,557</b>                        | <b>5,742</b>                                     |                                  | <b>335,952</b>     |
| <b>Fund equity</b>                                    |                           |   |                         |                    |   |                                     |  |                                  |                    |
| Fund balances   |                           | 728   |                         |                    |   |                                     |  |                                  | 728                |
| Reserved for encumbrances                             |                           |   |                         |                    |   |                                     |  |                                  |                    |
| Reserved for non-current<br>portion of receivables    |                           | 200,000                                       |                         | 1,003,219          |   | 25,000                              | 150,000  |                                  | 1,378,219          |
| Unreserved - undesignated                             | \$393,710                 | 2,303,157                                     | 122,546                 | 2,190,062          | 79                                      | 49,569                              | 119,194  | \$1,714,595                      | 6,892,912          |
| <b>Total fund equity</b>                              | <b>393,710</b>            | <b>2,503,885</b>                              | <b>122,546</b>          | <b>3,193,281</b>   | <b>79</b>                               | <b>74,569</b>                       | <b>269,194</b>                                   | <b>1,714,595</b>                 | <b>8,271,859</b>   |
| <b>Total liabilities and<br/>fund equity</b>          | <b>\$393,710</b>          | <b>\$2,574,589</b>                            | <b>\$122,674</b>        | <b>\$3,335,336</b> | <b>\$110,845</b>                        | <b>\$81,126</b>                     | <b>\$274,936</b>                                 | <b>\$1,714,595</b>               | <b>\$8,607,811</b> |

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



ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 1996

|                             | GAMING<br>RECEIPT<br>FUND | ROAD<br>CONSTRUCTION<br>& MAINTENANCE<br>FUND | HURRICANE<br>ANDREW<br>DISASTER<br>FUND | BOAT<br>LANDING<br>FUND | SANITATION<br>FUND | LOCAL LAW<br>ENFORCEMENT<br>BLOCK GRANT | WARDS 5&8<br>SALES TAX<br>FUND | WARDS 1,2,<br>3,4,7 & 10<br>FUND | ROYALTY<br>ROAD<br>(TEXACO)<br>FUND | TOTAL       |
|-----------------------------|---------------------------|---|---|-------------------------|--------------------|---|--------------------------------|----------------------------------|-------------------------------------|-------------|
| <b>REVENUES</b>             |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| Taxes                       |                           |   |   |                         | \$1,956,407        |   | \$205,760                      | \$336,258                        |                                     | \$2,498,425 |
| Sales                       |                           |   | \$25,577                                |                         |                    |   |                                |                                  | 25,577                              |             |
| Intergovernmental revenues  |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| Federal grants              |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| State grants                |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| State funds                 |                           | \$526,924                                     |   |                         |                    |   |                                |                                  | 526,924                             |             |
| Parish transportation funds |                           | 3,599,973                                     |   |                         |                    |   |                                |                                  | 3,599,973                           |             |
| Royalty road funds          |                           |   |   |                         |                    |   |                                | \$424,367                        | 424,367                             |             |
| Royalties                   | \$327,139                 |   |   |                         |                    |   |                                |                                  | 327,139                             |             |
| Gaming                      | 1,975                     | 22,024  | 469                                     | \$1,586                 | 86,714             | \$79                                    | 2,209                          | 57,339                           | 176,995                             |             |
| Interest                    |                           |   |   | 21,402                  |                    |   |                                | 15,695                           | 37,097                              |             |
| Licenses & Permits          |                           |   |   | 49,696                  |                    |   |                                |                                  | 575,261                             |             |
| Fees, Charges, & Commission |                           | 3,690   |   |                         | 525,565            |   |                                |                                  | 3,690                               |             |
| Other revenues              |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| Total revenues              | 329,114                   | 4,152,611                                     | 26,046                                  | 72,684                  | 2,568,686          | 79                                      | 207,969                        | 340,858                          | 497,401                             | 8,195,448   |
| <b>EXPENDITURES</b>         |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| Current:                    |                           |   |   |                         |                    |   |                                |                                  |                                     |             |
| General government          | 70,000                    |   |   |                         | 165,333            |   | 35,000                         | 70,523                           | 1,197                               | 70,000      |
| Public safety               |                           |   |   |                         |                    |   | 49,372                         | 62,639                           |                                     | 272,053     |
| Public works                |                           | 1,722,399                                     |   |                         | 674,659            |   |                                |                                  |                                     | 1,834,410   |
| Sanitation                  |                           |   |   |                         |                    |   | 155,191                        | 48,701                           |                                     | 674,659     |
| Culture and recreation      |                           |   | 14,517                                  | 42,730                  |                    |   |                                | 1,974                            |                                     | 261,139     |
| Capital outlay              |                           | 100,570                                       |   |                         |                    |   |                                |                                  |                                     | 1,974       |
| Debt service                |                           |   |   |                         |                    |   |                                |                                  |                                     | 100,570     |
| Total expenditures          | 70,000                    | 1,822,969                                     | 14,517                                  | 42,730                  | 839,992            |   | 239,563                        | 183,837                          | 1,197                               | 3,214,805   |

|  |           |             |          |           |             |      |          |           |             |             |
|--|-----------|-------------|----------|-----------|-------------|------|----------|-----------|-------------|-------------|
| Excess (deficiency) of revenues over (under) expenditures                                  | 259,114   | 2,329,642   | 11,529   | 29,954    | 1,728,694   | 79   | (31,594) | 157,021   | 496,204     | 4,980,643   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |           |             |          |           |             |      |          |           |             |             |
| Operating transfers in   | 134,596   |             |          | 30,000    |             |      |          |           |             | 164,596     |
| Operating transfers out  |           | (665,274)   | (81,648) | (45,024)  | (1,068,236) |      |          |           |             | (1,860,182) |
| Total other financing sources (uses)   | 134,596   | (665,274)   | (81,648) | (15,024)  | (1,068,236) |      |          |           |             | (1,695,586) |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | 393,710   | 1,664,368   | (70,119) | 14,930    | 660,458     | 79   | (31,594) | 157,021   | 496,204     | 3,285,057   |
| Fund balances at beginning of year   |           | 839,517     | 70,119   | 107,616   | 2,532,823   |      | 106,163  | 112,173   | 1,218,391   | 4,986,802   |
| Fund balances at end of year   | \$393,710 | \$2,503,885 |          | \$122,546 | \$3,193,281 | \$79 | \$74,569 | \$269,194 | \$1,714,595 | \$8,271,859 |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - GAMING RECEIPT FUND  
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u>           | <u>Budget</u>           | Variance<br>Favorable<br>(Unfavorable) |
|--|-------------------------|-------------------------|--|
| REVENUE  |                         |                         |  |
| Gaming   | \$327,139               | \$290,716               | \$36,423                               |
| Interest   | 1,975                   |                         | 1,975                                  |
| Total revenues   | <u>329,114</u>          | <u>290,716</u>          | <u>38,398</u>                          |
| EXPENDITURES   |                         |                         |  |
| General Government   |                         |                         |  |
| Bayou Yokely Basin Drainage  | 70,000                  | 70,000                  |  |
| Total expenditures   | <u>70,000</u>           | <u>70,000</u>           |  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>259,114</u>          | <u>220,716</u>          | <u>38,398</u>                          |
| OTHER FINANCING SOURCES (USES)   |                         |                         |  |
| Operating transfers in   |                         |                         |  |
| General Fund   | 134,596                 | 134,596                 |  |
| Total other financing sources<br>(uses)  | <u>134,596</u>          | <u>134,596</u>          |  |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | <u>393,710</u>          | <u>355,312</u>          | <u>38,398</u>                          |
| Fund balance at beginning of year  |                         |                         |  |
| Fund balance at end of year  | <u><u>\$393,710</u></u> | <u><u>\$355,312</u></u> | <u><u>\$38,398</u></u>                 |

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

ST. MARY PARISH COUNCIL  
SPECIAL REVENUE FUND - ROAD CONSTRUCTION AND MAINTENANCE FUND  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the year ended December 31, 1996

|  | Actual             | Budget             | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|--|
| <b>REVENUES</b>  |                    |                    |  |
| Parish transportation funds  | \$526,924          | \$549,850          | (\$22,926)                             |
| Royalty road funds   | 3,599,973          | 3,633,448          | (33,475)                               |
| Interest earnings  | 22,024             | 18,977             | 3,047                                  |
| Other revenue  | 3,690              | 3,828              | (138)                                  |
| <b>Total revenues</b>  | <b>4,152,611</b>   | <b>4,206,103</b>   | <b>(53,492)</b>                        |
| <b>EXPENDITURES</b>  |                    |                    |  |
| Current:   |                    |                    |  |
| Public Works   |                    |                    |  |
| Highways/streets & roads   | 1,221,055          | 1,298,264          | 77,209                                 |
| Road supervisor  | 38,979             | 38,787             | (192)                                  |
| Municipal-highways, streets,<br>roads  | 200,000            | 200,000            |  |
| Bridges  | 169,983            | 169,059            | (924)                                  |
| Avoca ferry  | 92,382             | 95,935             | 3,553                                  |
| Debt service   | 100,570            | 100,366            | (204)                                  |
| <b>Total expenditures</b>  | <b>1,822,969</b>   | <b>1,902,411</b>   | <b>79,442</b>                          |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | 2,329,642          | 2,303,692          | 25,950                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |  |
| Operating transfers (out)  |                    |                    |  |
| General Fund   | (451,153)          | (451,153)          |  |
| Capital Improvements Fund  | (214,121)          | (214,121)          |  |
| <b>Total other financing sources<br/>(uses)</b>  | <b>(665,274)</b>   | <b>(665,274)</b>   |  |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | 1,664,368          | 1,638,418          | 25,950                                 |
| Fund balance at beginning of year  | 839,517            | 839,517            |  |
| <b>Fund balance at end of year</b>   | <b>\$2,503,885</b> | <b>\$2,477,935</b> | <b>\$25,950</b>                        |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - HURRICANE ANDREW DISASTER FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended December 31, 1996

|  | Actual   | Budget   | Variance<br>Favorable<br>(Unfavorable) |
|--|----------|----------|--|
| <b>REVENUES</b>  |          |          |  |
| Federal grant  | \$25,577 | \$25,577 |  |
| Interest earnings  | 469      | 469      |  |
| Total revenues   | 26,046   | 26,046   |  |
| <b>EXPENDITURES</b>  |          |          |  |
| Culture & recreation   | 14,517   | 14,517   |  |
| Total expenditures   | 14,517   | 14,517   |  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | 11,529   | 11,529   |  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |          |          |  |
| Transfer out - General Fund  | (81,648) | (81,648) |  |
| Total other financing sources<br>(uses)  | (81,648) | (81,648) |  |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | (70,119) | (70,119) |  |
| Fund balance at beginning of year  | \$70,119 | \$70,119 |  |
| Fund balance at end of year  | -----    | -----    |  |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE - BOAT LANDING FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | <u>Actual</u>    | <u>Budget</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Licenses and Permits   | \$21,402         | \$20,000         | \$1,402                                |
| Fees, Charges, and Commission  | 49,696           | 49,500           | 196                                    |
| Interest   | 1,586            | 1,563            | 23                                     |
|  | <u>72,684</u>    | <u>71,063</u>    | <u>1,621</u>                           |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Culture and Recreation   |                  |                  |  |
| Administration   | 50               |                  | (50)                                   |
| Glenwild/Boat Landing  | 294              | 240              | (54)                                   |
| Bayou Bouef Boat Landing   | 10,116           | 12,294           | 2,178                                  |
| Joe C. Boat Landing  | 6,722            | 7,319            | 597                                    |
| Berwick Boat Landing   | 19,095           | 20,317           | 1,222                                  |
| Amelia Boat Landing  | 6,146            | 7,394            | 1,248                                  |
| Quintana Boat Landing  | 307              | 240              | (67)                                   |
|  | <u>42,730</u>    | <u>47,804</u>    | <u>5,074</u>                           |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>29,954</u>    | <u>23,259</u>    | <u>6,695</u>                           |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                  |  |
| Operating Transfers In   |                  |                  |  |
| Sales Tax Sinking  | 30,000           | 30,000           |  |
| Operating Transfers Out  |                  |                  |  |
| General fund   | (45,024)         | (45,024)         |  |
|  | <u>(15,024)</u>  | <u>(15,024)</u>  |  |
| Total other financing sources<br>(uses)  | <u>(15,024)</u>  | <u>(15,024)</u>  |  |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | <u>14,930</u>    | <u>8,235</u>     | <u>6,695</u>                           |
| Fund balance at beginning of year  | 107,616          | 107,616          |  |
| Fund balance at end of year  | <u>\$122,546</u> | <u>\$115,851</u> | <u>\$6,695</u>                         |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - SANITATION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|   | Actual      | Budget      | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------|-------------|--|
| <b>REVENUES</b>   |             |             |  |
| Taxes   |             |             |  |
| Sales and use tax   | \$1,956,407 | \$1,906,406 | \$50,001                               |
| Interest earnings   | 86,714      | 57,890      | 28,824                                 |
| Other revenue   |             |             |  |
| Garbage collection fees   | 522,291     | 562,000     | (39,709)                               |
| Sale of recycled material   | 3,274       | 2,730       | 544                                    |
|   | <hr/>       | <hr/>       | <hr/>                                  |
| Total revenues  | 2,568,686   | 2,529,026   | 39,660                                 |
| <b>EXPENDITURES</b>   |             |             |  |
| Current:  |             |             |  |
| Public safety   | 165,333     | 162,922     | (2,411)                                |
| Sanitation  | 674,659     | 673,290     | (1,369)                                |
|   | <hr/>       | <hr/>       | <hr/>                                  |
| Total expenditures  | 839,992     | 836,212     | (3,780)                                |
| <b>OTHER FINANCING SOURCES (USES)</b>   |             |             |  |
| Operating transfers (out)   |             |             |  |
| Amelia & Vicinity Fund  | (158,633)   | (141,550)   | (17,083)                               |
| Franklin & Vicinity Fund  | (266,845)   | (238,110)   | (28,735)                               |
| Baldwin & Vicinity Fund   | (287,142)   | (256,221)   | (30,921)                               |
| Wards 5 & 8 Fund  | (317,800)   | (283,578)   | (34,222)                               |
| Morgan City & Vicinity Fund   | (37,816)    | (33,743)    | (4,073)                                |
|   | <hr/>       | <hr/>       | <hr/>                                  |
| Total other financing sources<br>(uses)   | (1,068,236) | (953,202)   | (115,034)                              |
| <b>Excess (deficiency) of revenues and<br/>other sources over (under)<br/>expenditures and other (uses)</b> |             |             |  |
|   | 660,458     | 739,612     | (79,154)                               |
| Fund balance at beginning of year   | 2,532,823   | 2,532,823   |  |
|   | <hr/>       | <hr/>       | <hr/>                                  |
| Fund balance at end of year   | \$3,193,281 | \$3,272,435 | (\$79,154)                             |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -LOCAL LAW ENFORCEMENT BLOCK GRANT  
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u> | <u>Budget</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------|------------------|--|
| REVENUES   |               |                  |  |
| Federal Grant  |               | \$110,766        | (\$110,766)                            |
| Interest   | \$79          |                  | 79                                     |
| Total revenues   | <u>79</u>     | <u>110,766</u>   | <u>(110,687)</u>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | 79            | 110,766          | (110,687)                              |
| Fund balance at beginning of year                            |               |                  |  |
| Fund balance at end of year                                  | <u>\$79</u>   | <u>\$110,766</u> | <u>(\$110,687)</u>                     |

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



ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - WARDS 5 & 8 SALES TAX FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | Actual    | Budget    | Variance<br>Favorable<br>(Unfavorable) |
|--|-----------|-----------|--|
| <b>REVENUES</b>  |           |           |  |
| Taxes  |           |           |  |
| Sales and use taxes  | \$205,760 | \$201,088 | \$4,672                                |
| Interest   | 2,209     | 2,159     | 50                                     |
|  | <hr/>     | <hr/>     | <hr/>                                  |
| Total revenues   | 207,969   | 203,247   | 4,722                                  |
|  | <hr/>     | <hr/>     | <hr/>                                  |
| <b>EXPENDITURES</b>  |           |           |  |
| Current:   |           |           |  |
| Public Safety  |           |           |  |
| Fire fighting  | 35,000    | 35,000    |  |
| Public works   |           |           |  |
| Sidewalks & Crosswalks                                       | 16,152    | 4,000     | (12,152)                               |
| Street lighting  | 25,040    | 24,715    | (325)                                  |
| Wax Lake East Drainage<br>District                           | 8,180     | 5,950     | (2,230)                                |
| Culture & recreation   |           |           |  |
| Bayou Vista Recreation Area                                  | 26,140    | 26,254    | 114                                    |
| Wilson's Landing Boat Ramp                                   | 13,591    | 14,000    | 409                                    |
| Biddy Basketball   | 1,700     | 1,700     |  |
| Recreation District # 3                                      | 75,500    | 75,500    |  |
| Recreation District # 4                                      | 37,968    | 38,047    | 79                                     |
| Park Areas   | 292       | 794       | 502                                    |
|  | <hr/>     | <hr/>     | <hr/>                                  |
| Total expenditures   | 239,563   | 225,960   | (13,603)                               |
|  | <hr/>     | <hr/>     | <hr/>                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (31,594)  | (22,713)  | (8,881)                                |
| Fund balance at beginning of year                            | 106,163   | 106,163   |  |
|  | <hr/>     | <hr/>     | <hr/>                                  |
| Fund balance at end of year                                  | \$74,569  | \$83,450  | (\$8,881)                              |
|  | <hr/>     | <hr/>     | <hr/>                                  |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - WARDS 1, 2, 3, 4, 7, & 10 SALES TAX FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u>    | <u>Budget</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Taxes  |                  |                  |  |
| Sales and use taxes  | \$336,258        | \$330,842        | \$5,416                                |
| Interest   | 4,600            | 4,712            | (112)                                  |
|  | <u>340,858</u>   | <u>335,554</u>   | <u>5,304</u>                           |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Current:   |                  |                  |  |
| Public safety  |                  |                  |  |
| Fire fighting  | 70,523           | 70,523           |  |
| Public works   |                  |                  |  |
| Street lighting  | 62,639           | 57,627           | (5,012)                                |
| Culture & recreation   |                  |                  |  |
| Elizabeth B. Davis Park                                      | 26,470           | 28,220           | 1,750                                  |
| Hebert-Washington Park                                       | 14,731           | 16,087           | 1,356                                  |
| City of Franklin   | 5,000            | 5,000            |  |
| Charenton/ Sidewalks   | 2,500            | 2,500            |  |
| Capital outlay   | 1,974            | 2,500            | 526                                    |
|  | <u>183,837</u>   | <u>182,457</u>   | <u>(1,380)</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>157,021</u>   | <u>153,097</u>   | <u>3,924</u>                           |
| Fund balance at beginning of year                            | 112,173          | 112,173          |  |
| Fund balance at end of year                                  | <u>\$269,194</u> | <u>\$265,270</u> | <u>\$3,924</u>                         |

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - ROYALTY ROAD (TEXACO) FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u>      | <u>Budget</u>      | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|--|
| <b>REVENUES</b>  |                    |                    |  |
| Royalties  | \$424,367          | \$424,367          |  |
| Licenses & Permits   | 15,695             |                    | \$15,695                               |
| Interest   | 57,339             | 56,584             | 755                                    |
| Total revenues   | <u>497,401</u>     | <u>480,951</u>     | <u>16,450</u>                          |
| <b>EXPENDITURES</b>  |                    |                    |  |
| Current:   |                    |                    |  |
| Public safety  |                    |                    |  |
| Detention system   | 1,197              | 388,181            | 386,984                                |
| Total expenditures   | <u>1,197</u>       | <u>388,181</u>     | <u>386,984</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>496,204</u>     | <u>92,770</u>      | <u>403,434</u>                         |
| Fund balance at beginning of year                            | <u>1,218,391</u>   | <u>1,218,391</u>   |  |
| Fund balance at end of year                                  | <u>\$1,714,595</u> | <u>\$1,311,161</u> | <u>\$403,434</u>                       |

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

ST. MARY PARISH COUNCIL  
DEBT SERVICE FUNDS  
December 31, 1996

SALES TAX BOND SINKING FUND

The Sales Tax Bond Sinking Fund accounts for the Council's share of a one percent sales tax which is to be used first for the retirement of the 1996 bond issue totaling \$1,965,000. Any amounts accumulated in excess of the next 12 months debt service requirements can be used by the parish for any lawful purpose.

SALES TAX BOND RESERVE FUND 1992, 1994

The Sales Tax Bond Reserve Fund 1992, 1994, 1996 is a reserve fund required by the \$1,965,000 bond issue indenture and the \$5,600,000 1994 bond issue indenture.

THREE-FOURTHS PERCENT SALES  
TAX BOND RESERVE FUND

The Three-Fourths Percent Sales Tax Bond Reserve Fund is a reserve required by the bond indentures for the \$7,210,000 1987 bond issue and the \$5,500,000 1993 refunding bond issue.

THREE-FOURTHS PERCENT SALES TAX  
BOND SINKING FUND

The Three-Fourths Percent Sales Tax Bond Sinking Fund accumulates that portion of the three-fourths percent sales tax needed for the retirement of the non defeased portion of the \$7,210,000 1987 bond issue and the \$5,500,000 1993 refunding bond issue.

LIBRARY GENERAL OBLIGATION 1996 SINKING FUND

The Library General Obligation Sinking Fund accounts for the transfer of ad valorem taxes from the Library Fund and payment of the \$2,200,000 of general obligation bonds.

PAVING FUNDS

The Debt Service Paving Funds account for the financing of construction of street paving improvements along certain streets within the Parish with the property owners paying part of the cost.

ST. MARY PARISH COUNCIL

DEBT SERVICE FUNDS  
Combining Balance Sheet  
December 31, 1996

|   | SALES TAX<br>BOND<br>SINKING FUND | SALES TAX<br>BOND RESERVE<br>FUND 1992,1994 | 3 1/4% SALES<br>TAX BOND<br>RESERVE FUND | 3 1/4% SALES<br>TAX BOND<br>SINKING FUND | ST. MARY<br>PARISH<br>LIBRARY<br>GEN OBLIG<br>96 SINK FUND | PAVING<br>SERIES J<br>FUND | PAVING<br>SERIES L<br>FUND | PAVING<br>SERIES M<br>FUND | 1995 PAVING<br>JUPITER<br>GREEN<br>ACCESS #2 | TOTAL          |
|---|-----------------------------------|---|--|--|--|----------------------------|----------------------------|----------------------------|--|----------------|
| <b>ASSETS</b>   |                                   |   |  |  |  |                            |                            |                            |  |                |
| Cash and cash equivalents                             | \$26,765                          | \$55,343                                    | \$2,753                                  | \$11,177                                 |  |                            |                            | \$1,131                    | \$5,508                                      | \$102,677      |
| Investments   | 222,362                           | 609,781                                     | 92,121                                   |  |  |                            |                            | 22,480                     |  | 1,971,760      |
| Receivables (net of allowances<br>for uncollectibles) | 124,441                           |   |  | 192,624                                  |  |                            |                            | 31,910                     | 229,264                                      | 587,290        |
| Advance to other funds                                | 326,385                           |   | 266,891                                  |  |  |                            |                            |                            | 25,000                                       | 618,276        |
| Due from component units                              | 127,154                           |   |  |  |  |                            |                            |                            |  | 127,154        |
| <b>Total assets</b>                                   | <b>\$827,107</b>                  | <b>\$665,124</b>                            | <b>\$1,021,090</b>                       | <b>\$203,801</b>                         | <b>\$945</b>   | <b>\$12,032</b>            | <b>\$55,521</b>            | <b>\$259,772</b>           | <b>\$3,407,157</b>                           |                |
| <b>LIABILITIES AND FUND EQUITY</b>                    |                                   |   |  |  |  |                            |                            |                            |  |                |
| <b>Liabilities</b>                                    |                                   |   |  |  |  |                            |                            |                            |  |                |
| Due to other funds                                    |                                   |   | \$100,008                                |  |  |                            |                            |                            |  | \$108,718      |
| Deferred revenue                                      |                                   |   |  |  |  |                            |                            |                            |  | 207,476        |
| Advance from other funds                              |                                   |   |  |  |  |                            |                            |                            |  |                |
| <b>Total liabilities</b>                              |                                   |   |  |  |  |                            |                            |                            |  | <b>316,194</b> |
| <b>Fund Equity</b>                                    |                                   |   |  |  |  |                            |                            |                            |  |                |
| Reserved for non-current<br>portion of receivables    | \$326,385                         |   |  |  |  |                            |                            |                            |  | 594,221        |
| Reserved for debt service                             | 316,369                           | \$634,928                                   | 604,651                                  | \$187,521                                | 945  |                            |                            | \$8,483                    | \$25,000                                     | 2,112,259      |
| Unreserved - undesignated                             | 184,353                           | 30,196                                      | 316,431                                  | 16,280                                   | (782)  |                            |                            | 26,518                     | 47,816                                       | 384,483        |
| <b>Total fund equity</b>                              | <b>827,107</b>                    | <b>665,124</b>                              | <b>921,082</b>                           | <b>203,801</b>                           | <b>163</b>   | <b>4,104</b>               | <b>35,001</b>              | <b>72,816</b>              | <b>3,090,963</b>                             |                |
| <b>Total liabilities<br/>and fund equity</b>          | <b>\$827,107</b>                  | <b>\$665,124</b>                            | <b>\$1,021,090</b>                       | <b>\$203,801</b>                         | <b>\$945</b>   | <b>\$12,032</b>            | <b>\$55,521</b>            | <b>\$259,772</b>           | <b>\$3,407,157</b>                           |                |

ST. MARY PARISH, LOUISIANA  
 Condensed Statement of Revenues, Expenditures, and Changes in Fund Balance  
 PUBLIC SERVICE FUNDS

December 31, 1996

|  | SALES TAX FUND | SALES TAX BOND FUND | SALES TAX BOND 1992-1994 FUND | 3.4% SALES TAX BOND RESERVE FUND | 3.4% SALES TAX BOND SINKING FUND | ST. MARY PARISH LIBRARY GEN. OBLIG. 96 SINK FUND | PAVING SERIES J FUND | PAVING SERIAL FUND | PAVING SERIES M FUND | 1995 PAVING JUPITER GREEN ACRES #2 | TOTAL       |
|--|----------------|---------------------|-------------------------------|----------------------------------|----------------------------------|--|----------------------|--------------------|----------------------|------------------------------------|-------------|
| <b>REVENUES</b>  |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    |             |
| Taxes  |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    |             |
| Sales  | \$1,343,125    |                     |                               |                                  |                                  | \$31,028   |                      |                    |                      |                                    | \$1,343,125 |
| Ad Valorem   |                |                     |                               |                                  |                                  | 28,015   |                      |                    |                      |                                    | 31,028      |
| Intergovernmental  |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    | 531,092     |
| Special Assessments  | 23,048         | \$46,412            |                               | \$91,864                         | 8,050                            | 4,058  |                      |                    | \$10,222             | \$64,795                           | 121,429     |
| Interest   |                | 477                 |                               |                                  |                                  |  |                      | \$121              | 1,265                | 1,151                              | 130,024     |
|  | 1,366,173      | 46,889              | 91,864                        | 91,864                           | 511,127                          | 63,101   | 121                  | 11,487             | 11,487               | 65,946                             | 2,156,698   |
| <b>EXPENDITURES</b>  |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    |             |
| Current:   |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    |             |
| Public safety  | 41,980         |                     |                               |                                  |                                  |  |                      |                    |                      |                                    | 41,980      |
| Debt service   | 200,000        |                     |                               |                                  | 550,000                          |  |                      |                    | 8,483                | 26,380                             | 794,487     |
| Principal  | 372,192        |                     | 197                           |                                  | 317,225                          |  | 9,624                | 914                | 3,393                | 16,818                             | 710,739     |
| Interest   | 45,585         |                     |                               |                                  | 1,354                            | 46,624   |                      |                    | 33                   | 10                                 | 93,626      |
| Fees   |                | 20                  |                               |                                  |                                  |  |                      |                    |                      |                                    | 20          |
| Total expenses   | 659,757        | 20                  | 197                           | 888,579                          | 46,624                           | 46,624   | 10,538               | 11,909             | 11,909               | 43,208                             | 1,640,832   |
| Excess (deficiency) of revenues over (under) expenditures                                    | 706,416        | 46,869              | 91,657                        | (357,452)                        | 16,477                           | 16,477   | (10,417)             | (422)              | (422)                | 22,738                             | 515,866     |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    |             |
| Proceeds from bonds  | 44,376         |                     |                               |                                  |                                  |  |                      |                    |                      |                                    | 44,376      |
| Proceeds from refunding bonds  | 655,000        |                     |                               |                                  |                                  |  |                      |                    |                      |                                    | 655,000     |
| Transfer to bond paying agent  | (655,000)      |                     |                               |                                  |                                  |  |                      |                    |                      |                                    | (655,000)   |
| Operating transfers in   | 47,294         |                     |                               | 418,488                          |                                  | 187,324  |                      |                    |                      |                                    | 653,106     |
| Operating transfers (out)  | (810,111)      |                     | (54,340)                      |                                  |                                  | (2,200,000)                                      |                      |                    |                      |                                    | (911,745)   |
| Transfers out to component entities  |                |                     |                               |                                  |                                  |  |                      |                    |                      |                                    | (2,200,000) |
| Total other financing sources (uses)   | (718,441)      | (13,670)            | (54,340)                      | 418,488                          | 187,324                          | 187,324  |                      |                    |                      |                                    | (180,639)   |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses) | (12,025)       | 33,199              | 37,317                        | 61,036                           | 203,801                          | 203,801  | (10,417)             | (422)              | (422)                | 22,738                             | 335,227     |
| Fund balances at beginning of year   | 839,132        | 631,925             | 889,765                       | 300,729                          | 163                              | 163  | 14,521               | 35,423             | 35,423               | 50,078                             | 2,755,736   |
| Fund balances at end of year   | \$827,107      | \$665,124           | \$927,082                     | \$661,765                        | \$163                            | \$163  | \$4,104              | \$35,001           | \$35,001             | \$72,816                           | \$3,060,903 |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - SALES TAX BOND SINKING FUND  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | <u>Actual</u>    | <u>Budget</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Taxes  |                  |                  |  |
| Sales and use taxes  | \$1,343,125      | \$1,301,338      | \$41,787                               |
| Interest   | 23,048           | 23,080           | (32)                                   |
| Total Revenues   | <u>1,366,173</u> | <u>1,324,418</u> | <u>41,755</u>                          |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Current:   |                  |                  |  |
| Public safety  | 41,980           | 15,911           | (26,069)                               |
| Debt service   |                  |                  |  |
| Principal  | 200,000          | 200,000          |  |
| Interest   | 372,192          | 350,939          | (21,253)                               |
| Fees   | 45,585           | 66,646           | 21,061                                 |
| Total Expenditures   | <u>659,757</u>   | <u>633,496</u>   | <u>(26,261)</u>                        |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>706,416</u>   | <u>690,922</u>   | <u>15,494</u>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                  |  |
| Proceeds from bonds  | 44,376           | 44,376           |  |
| Proceeds from refunding bonds  | 655,000          | 655,000          |  |
| Transfer to bond paying agent  | (655,000)        | (655,000)        |  |
| Operating transfer in  |                  |                  |  |
| Sales Tax Bond Reserve Fund  | 47,294           | 47,294           |  |
| Operating transfers out  |                  |                  |  |
| General Fund   | (723,611)        | (723,611)        |  |
| Kemper Williams Park Fund  | (6,500)          | (6,500)          |  |
| Capital Improvement Fund   | (50,000)         | (50,000)         |  |
| Boat Lancing Fund  | (30,000)         | (30,000)         |  |
| Total other financing<br>sources (uses)  | <u>(718,441)</u> | <u>(718,441)</u> |  |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other (uses) | <u>(12,025)</u>  | <u>(27,519)</u>  | <u>15,494</u>                          |
| Fund balance at beginning<br>of year   | 839,132          | 839,132          |  |
| Fund balance at end of year  | <u>\$827,107</u> | <u>\$811,613</u> | <u>\$15,494</u>                        |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - SALES TAX BOND RESERVE FUND 1992,1994  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | <u>Actual</u>    | <u>Budget</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Special Assessment   | \$46,412         | \$46,200         | \$212                                  |
| Interest   | 477              |                  | 477                                    |
| Total Revenues   | <u>46,889</u>    | <u>46,200</u>    | <u>689</u>                             |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Debt service   |                  |                  |  |
| Fees   | 20               | 15               | (5)                                    |
| Total Expenditures   | <u>20</u>        | <u>15</u>        | <u>(5)</u>                             |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>46,869</u>    | <u>46,185</u>    | <u>684</u>                             |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                  |  |
| Proceeds from bonds  | 33,624           | 33,624           |  |
| Operating Transfer (out)   |                  |                  |  |
| Sales Tax Bond Sinking Fund  | (47,294)         | (47,294)         |  |
| Total other financing<br>sources (uses)  | <u>(13,670)</u>  | <u>(13,670)</u>  |  |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other (uses) | <u>33,199</u>    | <u>32,515</u>    | <u>684</u>                             |
| Fund balance at beginning<br>of year   | 631,925          | 631,925          |  |
| Fund balance at end of year  | <u>\$665,124</u> | <u>\$664,440</u> | <u>\$684</u>                           |

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



ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - THREE-FOURTHS PER CENT SALES TAX BOND RESERVE FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u>    | <u>Budget</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Interest   | \$91,854         | \$74,346         | \$17,508                               |
| Total Revenues   | <u>91,854</u>    | <u>74,346</u>    | <u>17,508</u>                          |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Debt service   |                  |                  |  |
| Interest   | 197              | 30               | (167)                                  |
| Total Expenditures   | <u>197</u>       | <u>30</u>        | <u>(167)</u>                           |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>91,657</u>    | <u>74,316</u>    | <u>17,341</u>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                  |  |
| Operating transfers out  |                  |                  |  |
| 3/4% Sales Tax Bond Sinking  | (54,340)         | (54,340)         |  |
| Total other financing<br>sources (uses)  | <u>(54,340)</u>  | <u>(54,340)</u>  |  |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other (uses) | <u>37,317</u>    | <u>19,976</u>    | <u>17,341</u>                          |
| Fund balance at beginning<br>of year   | 883,765          | 883,765          |  |
| Fund balance at end of year  | <u>\$921,082</u> | <u>\$903,741</u> | <u>\$17,341</u>                        |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - THREE FOURTHS PER CENT SALES TAX BOND SINKING FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | Actual           | Budget           | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| <b>REVENUES</b>  |                  |                  |  |
| Intergovernmental Revenue  | \$503,077        | \$503,077        |  |
| Interest   | 8,050            | 8,227            | (\$177)                                |
| <b>Total Revenues</b>  | <b>511,127</b>   | <b>511,304</b>   | <b>(177)</b>                           |
| <b>EXPENDITURES</b>  |                  |                  |  |
| Current:   |                  |                  |  |
| Public safety  |                  | 500              | 500                                    |
| Debt service   |                  |                  |  |
| Principal  | 550,000          | 550,000          |  |
| Interest   | 317,225          | 317,225          |  |
| Fees   | 1,354            | 1,354            |  |
| <b>Total Expenditures</b>  | <b>868,579</b>   | <b>869,079</b>   | <b>500</b>                             |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | (357,452)        | (357,775)        | 323                                    |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                  |  |
| Operating transfer in  |                  |                  |  |
| Sales Tax Bond Reserve Fund  | 54,340           | 54,340           |  |
| Amelia & Vicinity  | 247,073          | 247,073          |  |
| General Fund   | 117,075          | 117,075          |  |
| <b>Total other financing<br/>sources (uses)</b>  | <b>418,488</b>   | <b>418,488</b>   |  |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other (uses) | 61,036           | 60,713           | 323                                    |
| Fund balance at beginning<br>of year   | 300,729          | 300,729          |  |
| <b>Fund balance at end of year</b>   | <b>\$361,765</b> | <b>\$361,442</b> | <b>\$323</b>                           |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - SMP LIBRARY GENERAL OBLIGATION '96 SINKING FUND  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | Actual           | Budget         | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|----------------|--|
| <b>REVENUES</b>  |                  |                |  |
| Ad Valorem Taxes   | \$31,028         |                | \$31,028                               |
| Intergovernmental  | 28,015           | 43,342         | (15,327)                               |
| Interest   | 4,058            | 4,054          | 4                                      |
| <b>Total Revenues</b>  | <b>63,101</b>    | <b>47,396</b>  | <b>15,705</b>                          |
| <b>EXPENDITURES</b>  |                  |                |  |
| Debt Service   |                  |                |  |
| Fees   | 46,624           | 46,114         | (510)                                  |
| <b>Total Expenditures</b>  | <b>46,624</b>    | <b>46,114</b>  | <b>(510)</b>                           |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | 16,477           | 1,282          | 15,195                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                |  |
| Bond Proceeds  | 2,200,000        | 2,200,000      |  |
| Operating Transfer In-General Fund   | 187,324          |                | 187,324                                |
| Transfer out to component entity<br>Library Board of Control                                       | (2,200,000)      | (2,200,000)    |  |
| <b>Total other financing<br/>sources (uses)</b>  | <b>187,324</b>   |                | <b>187,324</b>                         |
| Excess (deficiency) of revenues<br>and other sources over (under)<br>expenditures and other (uses) | 203,801          | 1,282          | 202,519                                |
| Fund balance at beginning<br>of year   |                  |                |  |
| <b>Fund balance at end of year</b>   | <b>\$203,801</b> | <b>\$1,282</b> | <b>\$202,519</b>                       |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - PAVING SERIES L FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | Actual          | Budget          | Variance<br>Favorable<br>(Unfavorable) |
|--|-----------------|-----------------|--|
| <b>REVENUES</b>  |                 |                 |  |
| Interest   | \$121           | \$200           | (\$79)                                 |
| Total Revenues   | <u>121</u>      | <u>200</u>      | <u>(79)</u>                            |
| <b>EXPENDITURES</b>  |                 |                 |  |
| Debt service   |                 |                 |  |
| Principal  | 9,624           | 9,625           | 1                                      |
| Interest   | 914             | 914             |  |
| Total Expenditures   | <u>10,538</u>   | <u>10,539</u>   | <u>1</u>                               |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(10,417)</u> | <u>(10,339)</u> | <u>(78)</u>                            |
| Fund balance at beginning<br>of year                         | 14,521          | 14,521          |  |
| Fund balance at end of year                                  | <u>\$4,104</u>  | <u>\$4,182</u>  | <u>(\$78)</u>                          |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - PAVING SERIES M FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | <u>Actual</u>   | <u>Budget</u>   | Variance<br>Favorable<br>(Unfavorable) |
|--|-----------------|-----------------|--|
| <b>REVENUES</b>  |                 |                 |  |
| Special assessments  | \$10,222        | \$11,025        | (\$803)                                |
| Interest   | 1,265           | 1,150           | 115                                    |
| Penalties & Interest   |                 | 81              | (81)                                   |
| <b>Total Revenues</b>  | <u>11,487</u>   | <u>12,256</u>   | <u>(769)</u>                           |
| <b>EXPENDITURES</b>  |                 |                 |  |
| Debt service   |                 |                 |  |
| Principal  | 8,483           | 8,483           |  |
| Interest   | 3,393           | 3,393           |  |
| Fees   | 33              |                 | (33)                                   |
| <b>Total Expenditures</b>                                    | <u>11,909</u>   | <u>11,876</u>   | <u>(33)</u>                            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (422)           | 380             | (802)                                  |
| Fund balance at beginning<br>of year                         | 35,423          | 35,423          |  |
| <b>Fund balance at end of year</b>                           | <u>\$35,001</u> | <u>\$35,803</u> | <u>(\$802)</u>                         |

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - 1995 PAVING JUPITER GREEN ACRES #2 FUND  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | <u>Actual</u>   | <u>Budget</u>   | Variance:<br>Favorable<br>(Unfavorable) |
|--|-----------------|-----------------|---|
| REVENUES   |                 |                 |   |
| Special assessments  | \$64,795        | \$68,556        | (\$3,761)                               |
| Interest   | 1,151           | 300             | 851                                     |
| Penalties & Interest   |                 | 801             | (801)                                   |
| Total Revenues   | <u>65,946</u>   | <u>69,657</u>   | <u>(3,711)</u>                          |
| EXPENDITURES   |                 |                 |   |
| Debt service   |                 |                 |   |
| Principal  | 26,380          | 26,380          |   |
| Interest   | 16,818          | 16,818          |   |
| Fees   | 10              |                 | (10)                                    |
| Total Expenditures   | <u>43,208</u>   | <u>43,198</u>   | <u>(10)</u>                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>22,738</u>   | <u>26,459</u>   | <u>(3,721)</u>                          |
| Fund balance at beginning<br>of year                         | 50,078          | 50,078          |   |
| Fund balance at end of year                                  | <u>\$72,816</u> | <u>\$76,537</u> | <u>(\$3,721)</u>                        |

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

ST. MARY PARISH COUNCIL  
CAPITAL PROJECTS FUNDS  
December 31, 1996

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund accounts for ongoing capital projects, other than sewerage related projects, funded either by federal, state, or local funds.

SEWERAGE CONSTRUCTION FUNDS

The Sewer Construction Funds account for the financing, acquiring, constructing, and extending sewers and sewerage disposal systems within the various vicinities. Transfers of sales tax collections from other funds are the major sources of funding.

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUNDS  
 Combining Balance Sheet  
 December 31, 1996

|  | SEWER CONSTRUCTION FUNDS       |                              |                                |                                 |                                      | TOTAL              |
|--|--------------------------------|------------------------------|--------------------------------|---------------------------------|--------------------------------------|--------------------|
|  | CAPITAL<br>IMPROVEMENT<br>FUND | AMELIA &<br>VICINITY<br>FUND | FRANKLIN &<br>VICINITY<br>FUND | CYPREMORT<br>& VICINITY<br>FUND | MORGAN<br>CITY &<br>VICINITY<br>FUND |                    |
| <b>ASSETS</b>                                      |                                |                              |                                |                                 |                                      |                    |
| Cash and cash equivalents                          | \$15,650                       |                              |                                | \$12,593                        |                                      | \$28,243           |
| Investments  | 1,878,523                      |                              |                                | 9,314                           |                                      | 3,340,804          |
| Due from other funds                               |                                | \$13,607                     | \$22,890                       | \$1,452,967                     |                                      | 126,235            |
| Advance to other funds                             | 350,000                        |                              |                                | 59,234                          |                                      | 553,310            |
| Due from component entities                        | 264,000                        |                              |                                | 143,310                         |                                      | 480,892            |
| Other assets                                       |                                |                              |                                | 216,892                         |                                      |                    |
| <b>Total assets</b>                                | <u>\$2,508,173</u>             | <u>\$13,607</u>              | <u>\$22,890</u>                | <u>\$1,872,403</u>              | <u>\$85,151</u>                      | <u>\$4,529,484</u> |
| <b>LIABILITIES AND FUND EQUITY</b>                 |                                |                              |                                |                                 |                                      |                    |
| <b>Liabilities</b>                                 |                                |                              |                                |                                 |                                      |                    |
| Accrued liability                                  |                                |                              |                                |                                 | \$328                                | \$328              |
| Advance from other funds                           |                                | \$1,066,798                  |                                | \$141,891                       |                                      | 2,734,148          |
| Due from other funds                               |                                |                              | \$34,604                       |                                 |                                      | 34,604             |
| <b>Total liabilities</b>                           |                                | <u>1,066,798</u>             | <u>34,604</u>                  | <u>141,891</u>                  | <u>1,525,787</u>                     | <u>2,769,080</u>   |
| <b>Fund equity</b>                                 |                                |                              |                                |                                 |                                      |                    |
| Fund balances                                      |                                |                              |                                |                                 |                                      |                    |
| Reserved for non-current<br>portion of receivables | \$614,000                      |                              |                                | 143,310                         | \$60,000                             | 817,310            |
| Unreserved - undesignated                          | 1,894,173                      | (1,053,191)                  | (11,714)                       | 1,587,202                       | 25,151                               | 943,094            |
| <b>Total fund equity</b>                           | <u>2,508,173</u>               | <u>(1,053,191)</u>           | <u>(11,714)</u>                | <u>1,730,512</u>                | <u>85,151</u>                        | <u>1,760,404</u>   |
| <b>Total liabilities and<br/>fund equity</b>       | <u>\$2,508,173</u>             | <u>\$13,607</u>              | <u>\$22,890</u>                | <u>\$1,872,403</u>              | <u>\$85,151</u>                      | <u>\$4,529,484</u> |

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



ST. MARY PARISH COUNCIL

CAPITAL PROJECTS FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the year ended December 31, 1996

|  | SEWERAGE CONSTRUCTION FUNDS |                          |                            |                                   |                               | TOTAL                |
|--|-----------------------------|--------------------------|----------------------------|-----------------------------------|-------------------------------|----------------------|
|  | CAPITAL IMPROVEMENT FUND    | AMELIA AND VICINITY FUND | FRANKLIN AND VICINITY FUND | CYPREMOPT POINT AND VICINITY FUND | MORGAN CITY AND VICINITY FUND |                      |
| <b>REVENUES</b>  |                             |                          |                            |                                   |                               |                      |
| Federal Grant  |                             |                          |                            | \$25,607                          |                               | \$25,607             |
| Interest   | \$165,460                   |                          | \$1,679                    | 89,809                            | \$1,119                       | 258,067              |
| Intergovernmental  |                             |                          | 21,479                     | 5,137                             |                               | 26,616               |
| Other revenues   |                             |                          |                            |                                   |                               |                      |
| Total revenues   | <u>165,460</u>              |                          | <u>23,158</u>              | <u>120,553</u>                    | <u>1,119</u>                  | <u>310,290</u>       |
| <b>EXPENDITURES</b>  |                             |                          |                            |                                   |                               |                      |
| Current:   |                             |                          |                            |                                   |                               |                      |
| Public safety  |                             |                          |                            | 3,498                             | 5,000                         | 8,498                |
| Sanitation   |                             |                          | 323,682                    | 267,928                           | 24,214                        | 906,264              |
| Capital outlay   | 1,614,681                   |                          |                            |                                   |                               | 1,614,681            |
| Total expenditures   | <u>1,614,681</u>            |                          | <u>323,682</u>             | <u>271,326</u>                    | <u>29,214</u>                 | <u>2,529,443</u>     |
| Excess (deficiency) of revenues over (under) expenditures                                    | (1,449,221)                 |                          | (300,524)                  | (150,773)                         | (28,095)                      | (2,219,153)          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                             |                          |                            |                                   |                               |                      |
| Proceeds from bonds  | 1,232,171                   |                          |                            |                                   |                               | 1,232,171            |
| Operating transfers in   | 264,121                     | \$158,633                | 266,845                    | 287,142                           | 37,816                        | 1,332,357            |
| Operating transfers out  |                             | (247,072)                | (117,075)                  |                                   |                               | (364,147)            |
| Total other financing sources (uses)   | <u>1,496,292</u>            | <u>(88,439)</u>          | <u>149,770</u>             | <u>287,142</u>                    | <u>37,816</u>                 | <u>2,200,381</u>     |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses) | 47,071                      | (88,439)                 | (150,754)                  | 136,369                           | 9,721                         | (18,772)             |
| Fund balances (deficits) at beginning of year  | 2,461,102                   | (964,752)                | 139,040                    | 1,594,143                         | 75,430                        | 1,779,176            |
| Fund balances (deficits) at end of year  | <u>\$2,508,173</u>          | <u>(\$1,053,191)</u>     | <u>(\$11,714)</u>          | <u>\$1,730,512</u>                | <u>\$85,151</u>               | <u>(\$1,498,527)</u> |

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENT FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | Actual             | Budget             | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|--|
| <b>REVENUES</b>  |                    |                    |  |
| Interest   | \$165,460          | \$82,869           | \$82,591                               |
| <i>Total revenues</i>  | <u>165,460</u>     | <u>82,869</u>      | <u>82,591</u>                          |
| <b>EXPENDITURES</b>  |                    |                    |  |
| Current:   |                    |                    |  |
| Capital outlay   |                    |                    |  |
| Public Works   |                    |                    |  |
| Chiller/Boiler replacement   | 42,222             | 42,222             |  |
| Courthouse Exterior Improvement  | 642,049            | 657,619            | 15,570                                 |
| Jupiter Road   | 6,364              | 46,872             | 40,508                                 |
| Green Acres Subdivision  | 14,413             | 63,452             | 49,039                                 |
| Genevieve & Yokely   |                    | 62,700             | 62,700                                 |
| Waterproofing Exterior   | 333,120            | 309,347            | (23,773)                               |
| Irish Bend Road  | 778                | 678                | (100)                                  |
| Health Unit '96  | 407,938            | 410,779            | 2,841                                  |
| Main Entrance Ramp   | 35,968             | 35,864             | (104)                                  |
| Martin Luther King Road  |                    | 360,000            | 360,000                                |
| Interior Renovation  | 125,996            | 98,140             | (27,856)                               |
| Culture & Recreation   |                    |                    |  |
| Hebert Washington Park   | 5,833              | 6,959              | 1,126                                  |
| <i>Total expenditures</i>  | <u>1,614,681</u>   | <u>2,094,632</u>   | <u>479,951</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | (1,449,221)        | (2,011,763)        | 562,542                                |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |  |
| Proceeds from bonds  | 1,232,171          | 1,232,000          | 171                                    |
| Operating transfers in   |                    |                    |  |
| Road Construction & Maintenance  | 214,121            | 214,121            |  |
| Sales Tax Bond Sinking   | 50,000             | 50,000             |  |
| <i>Total other financing sources<br/>(uses)</i>  | <u>1,496,292</u>   | <u>1,496,121</u>   | <u>171</u>                             |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | 47,071             | (515,642)          | 562,713                                |
| Fund balance at beginning of year  | 2,461,102          | 2,461,102          |  |
| <i>Fund balance at end of year</i>   | <u>\$2,508,173</u> | <u>\$1,945,460</u> | <u>\$562,713</u>                       |

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

ST. MARY PARISH COUNCIL  
CAPITAL PROJECTS FUND - FRANKLIN & VICINITY FUND  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 1996

|  | <u>Actual</u>     | <u>Budget</u>     | Variance<br>Favorable<br>(Unfavorable) |
|--|-------------------|-------------------|--|
| <b>REVENUES</b>  |                   |                   |  |
| Interest   | \$1,679           | \$3,000           | (\$1,321)                              |
| Sewerage District #7   | 21,479            | 32,306            | (10,827)                               |
| Total revenues   | <u>23,158</u>     | <u>35,306</u>     | <u>(12,148)</u>                        |
| <b>EXPENDITURES</b>  |                   |                   |  |
| Current:   |                   |                   |  |
| Sanitation   |                   |                   |  |
| Franklin & Vicinity  | 86,730            | 99,371            | 12,641                                 |
| Sewer District #7  | 236,952           | 229,532           | (7,420)                                |
| Total expenditures   | <u>323,682</u>    | <u>328,903</u>    | <u>5,221</u>                           |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | <u>(300,524)</u>  | <u>(293,597)</u>  | <u>(6,927)</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                   |                   |  |
| Operating transfers in-Sanitation  | 266,845           | 238,110           | 28,735                                 |
| Operating transfers out-3/4% Sales Tax<br>Bond Sinking   | (117,075)         | (117,075)         |  |
| Total other financing sources<br>(uses)  | <u>149,770</u>    | <u>121,035</u>    | <u>28,735</u>                          |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | <u>(150,754)</u>  | <u>(172,562)</u>  | <u>21,808</u>                          |
| Fund balance at beginning of year  | 139,040           | 139,040           |  |
| Fund balance at end of year  | <u>(\$11,714)</u> | <u>(\$33,522)</u> | <u>\$21,808</u>                        |

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

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUND - CYPREMORT POINT & VICINITY FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u>      | <u>Budget</u>      | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|--|
| <b>REVENUES</b>  |                    |                    |  |
| Interest   | \$89,809           | \$67,711           | \$22,098                               |
| State grant  | 5,137              | 5,137              |  |
| <b>Total revenues</b>  | <u>94,946</u>      | <u>72,848</u>      | <u>22,098</u>                          |
| <b>EXPENDITURES</b>  |                    |                    |  |
| Current:   |                    |                    |  |
| Public safety  | 3,498              | 3,502              | 4                                      |
| Capital Outlay   |                    |                    |  |
| Sanitation   |                    |                    |  |
| Sewer District #11   | 466                | 466                |  |
| Sewer District #9  | 190,772            | 188,179            | (2,593)                                |
| Sewer District #10   | 25,000             | 25,000             |  |
| Four Corners   | 5,137              | 5,137              |  |
| Sorrell Community Sewer Project  | 20,000             | 20,000             |  |
| Appolon Rd.  | 846                | 846                |  |
| <b>Total expenditures</b>  | <u>245,719</u>     | <u>243,130</u>     | <u>(2,589)</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | (150,773)          | (170,282)          | 19,509                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |  |
| Operating transfers in<br>Sanitation Fund  | 287,142            | 256,221            | 30,921                                 |
| <b>Total other financing sources<br/>(uses)</b>  | <u>287,142</u>     | <u>256,221</u>     | <u>30,921</u>                          |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | 136,369            | 85,939             | 50,430                                 |
| Fund balance at beginning of year  | 1,594,143          | 1,594,143          |  |
| <b>Fund balance at end of year</b>   | <u>\$1,730,512</u> | <u>\$1,680,082</u> | <u>\$50,430</u>                        |

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

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUND - MORGAN CITY & VICINITY FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | Actual   | Budget   | Variance<br>Favorable<br>(Unfavorable) |
|--|----------|----------|--|
| <b>REVENUES</b>  |          |          |  |
| Interest   | \$1,119  | \$1,000  | \$119                                  |
| Total revenues   | 1,119    | 1,000    | 119                                    |
| <b>EXPENDITURES</b>  |          |          |  |
| Current:   |          |          |  |
| Sanitation   |          |          |  |
| Morgan City & Vicinity   | 9,214    | 9,214    |  |
| Sewer District #1  | 15,000   | 15,000   |  |
| Public safety  | 5,000    | 5,000    |  |
| Total expenditures   | 29,214   | 29,214   |  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | (28,095) | (28,214) | 119                                    |
| <b>OTHER FINANCING SOURCES (USES)</b>  |          |          |  |
| Operating transfers in - Sanitation  | 37,816   | 33,743   | 4,073                                  |
| Total other financing sources<br>(uses)  | 37,816   | 33,743   | 4,073                                  |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | 9,721    | 5,529    | 4,192                                  |
| Fund balance at beginning of year  | 75,430   | 75,430   |  |
| Fund balance at end of year  | \$85,151 | \$80,959 | \$4,192                                |

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

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUND - WARDS 5 & 8 FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | Actual        | Budget        | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------|---------------|--|
| <b>EXPENDITURES</b>  |               |               |  |
| Current:   |               |               |  |
| Sanitation   |               |               |  |
| Sewer Dist. #2   | \$219,358     | \$211,365     | (\$7,993)                              |
| Sewer Dist. #8   | 71,182        | 68,588        | (2,594)                                |
| Total expenditures   | 290,540       | 279,953       | (10,587)                               |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | (290,540)     | (279,953)     | (10,587)                               |
| <b>OTHER FINANCING SOURCES (USES)</b>  |               |               |  |
| Operating transfers in - Sanitation  | 317,800       | 283,578       | 34,222                                 |
| Total other financing sources<br>(uses)  | 317,800       | 283,578       | 34,222                                 |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | 27,260        | 3,625         | 23,635                                 |
| Fund deficit at beginning of year  | (1,525,787)   | (1,622,162)   | 96,375                                 |
| Fund deficit at end of year  | (\$1,498,527) | (\$1,618,537) | \$120,010                              |

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

ST. MARY PARISH COUNCIL  
 CAPITAL PROJECTS FUND - AMELIA & VICINITY FUND  
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 1996

|  | <u>Actual</u>        | <u>Budget</u>        | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------------|----------------------|--|
| <b>OTHER FINANCING SOURCES (USES)</b>  |                      |                      |  |
| Operating transfers in - Sanitation  | \$158,633            | \$141,550            | \$17,083                               |
| Operating transfers out - 3/4% Sales Tax   | (247,072)            | (247,073)            | 1                                      |
| <br>   |                      |                      |  |
| Total other financing sources<br>(uses)  | <u>(88,439)</u>      | <u>(105,523)</u>     | <u>17,084</u>                          |
| <br>   |                      |                      |  |
| Excess (deficiency) of revenues and<br>other sources over (under)<br>expenditures and other (uses) | (88,439)             | (105,523)            | 17,084                                 |
| <br>   |                      |                      |  |
| Fund deficit at beginning of year  | (964,752)            | (964,752)            |  |
| <br>   |                      |                      |  |
| Fund deficit at end of year  | <u>(\$1,053,191)</u> | <u>(\$1,070,275)</u> | <u>\$17,084</u>                        |

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

ST. MARY PARISH COUNCIL  
ENTERPRISE FUNDS  
December 31, 1996

REDUCTION AND TRANSFER FUND

The Reduction and Transfer Fund accounts for the operation of the parish solid waste disposal plant. All garbage and trash in the Morgan City-Berwick area of the parish are collected at the reduction station in Berwick. All garbage and trash in the Franklin-Baldwin area is first collected at the transfer station in Franklin and then transferred to the Berwick reduction station for disposal.

SMALL ANIMAL CONTROL FUND

The Small Animal Control Fund accounts for the operation of a small animal pound. This fund was established for the collection, housing, and disposal of small stray animals within St. Mary Parish and is funded by the parish, cities, and public of St. Mary Parish.

KEMPER WILLIAMS PARK FUND

The Kemper Williams Park Fund accounts for the operations of Kemper Williams Park, a recreational facility available for parish residents. The facility charges its patrons for admission to the park which consists of picnic grounds, campsites, baseball fields, a jogging trail, a driving range, and tennis courts.



ST. MARY PARISH COUNCIL

ENTERPRISE FUNDS

Combining Schedule of Revenues, Expenses and Changes in Retained Earnings  
For the Year Ended December 31, 1996

|  | REDUCTION<br>AND<br>TRANSFER<br>FUND | SMALL<br>ANIMAL<br>CONTROL<br>FUND | KEMPER<br>WILLIAMS<br>PARK<br>FUND | TOTAL       |
|--|--------------------------------------|------------------------------------|------------------------------------|-------------|
| Operating revenues   |                                      |                                    |                                    |             |
| Charges for services   | \$1,357,408                          | \$43,145                           | \$81,704                           | \$1,482,257 |
| Licenses and permits   | 1,610                                |                                    | 156                                | 1,766       |
| Total operating revenues   | 1,359,018                            | 43,145                             | 81,860                             | 1,484,023   |
| Operating expenses   |                                      |                                    |                                    |             |
| Personal services  | 512,658                              | 86,629                             | 156,249                            | 755,536     |
| Contractual services   | 138,975                              | 6,192                              | 19,653                             | 164,820     |
| Supplies   | 16,820                               | 7,808                              | 1,272                              | 25,900      |
| Materials  | 212,780                              |                                    | 4,516                              | 217,296     |
| Utilities  | 15,898                               | 13,842                             | 16,389                             | 46,129      |
| Repairs and Maintenance  | 80,165                               | 1,307                              | 10,059                             | 91,531      |
| Landfill Closure Costs   | (20,000)                             |                                    |                                    | (20,000)    |
| Equipment and Rentals  | 175,767                              | 590                                | 376                                | 176,733     |
| Miscellaneous  | 2,646                                |                                    | 2,906                              | 5,552       |
| Depreciation   | 394,672                              | 19,007                             | 101,493                            | 515,172     |
| Total operating expenses   | 1,530,381                            | 135,375                            | 312,913                            | 1,978,669   |
| Operating loss   | (171,363)                            | (92,230)                           | (231,053)                          | (494,646)   |
| Non-operating revenues   |                                      |                                    |                                    |             |
| Interest earnings  | 2,527                                | 276                                | 510                                | 3,313       |
| Insurance proceeds   | 3,174                                |                                    |                                    | 3,174       |
| Gifts\Donations  |                                      |                                    | 61,413                             | 61,413      |
| State Grant  | 33,000                               |                                    |                                    | 33,000      |
| Total non-operating revenues   | 38,701                               | 276                                | 61,923                             | 100,900     |
| Loss before operating transfers  | (132,662)                            | (91,954)                           | (169,130)                          | (393,746)   |
| Operating transfers in   |                                      |                                    |                                    |             |
| General Fund   | 25,044                               | 121,227                            | 91,999                             | 238,270     |
| Sales Tax Sinking Fund   |                                      |                                    | 6,500                              | 6,500       |
| Total operating transfers in   | 25,044                               | 121,227                            | 98,499                             | 244,770     |
| Net income (loss)  | (107,618)                            | 29,273                             | (70,631)                           | (148,976)   |
| Depreciation of fixed assets acquired with<br>with contributed capital | 293,591                              | 4,588                              | 88,032                             | 386,211     |
| Net increase(decrease) in retained earnings                            | 185,973                              | 33,861                             | 17,401                             | 237,235     |
| Retained earnings (accumulated deficit) at<br>beginning of year        | (3,161,575)                          | 54,048                             | 186,327                            | (2,921,200) |
| Retained earnings (accumulated deficit) at<br>end of year              | (\$2,975,602)                        | \$87,909                           | \$203,728                          | (2,683,965) |

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

ST. MARY PARISH COUNCIL

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
Combining Statement of Cash Flows  
For the Year Ended December 31, 1996

Increase (Decrease) in Cash & Cash Equivalents

|   | REDUCTION AND<br>TRANSFER<br>FUND | SMALL ANIMAL<br>CONTROL<br>FUND | KEMPER WILLIAMS<br>PARK<br>FUND | TOTAL       |
|---|-----------------------------------|---------------------------------|---------------------------------|-------------|
| Cash flows from operating activities:   |                                   |                                 |                                 |             |
| Cash received from charges for services   | \$1,322,701                       | \$42,963                        | \$81,721                        | \$1,447,385 |
| Cash payments to suppliers for goods & services                                       | (644,042)                         | (29,431)                        | (54,359)                        | (727,832)   |
| Cash payments to employees for services   | (512,658)                         | (86,629)                        | (156,249)                       | (755,536)   |
| Net cash flows (deficiency) from operating activities                                 | 166,001                           | (73,097)                        | (128,887)                       | (35,983)    |
| Cash flows from noncapital financing activities:                                      |                                   |                                 |                                 |             |
| Interest  | 2,527                             | 276                             | 510                             | 3,313       |
| Contributions   |                                   |                                 | 61,413                          | 61,413      |
| Loans paid to other funds   | (210,728)                         |                                 | (51,826)                        | (262,554)   |
| Operating grants received   | 33,000                            |                                 |                                 | 33,000      |
| Operating transfers in from other funds   | 25,044                            | 121,227                         | 98,499                          | 244,770     |
| Other   | 3,174                             |                                 |                                 | 3,174       |
| Net cash flows from noncapital financing activities                                   | (146,983)                         | 121,503                         | 108,596                         | 83,116      |
| Cash flows from capital and related financial activities                              |                                   |                                 |                                 |             |
| Fixed asset acquisitions  | (17,234)                          | (69,971)                        | (13,221)                        | (100,426)   |
| Net cash flows from capital and related financing activities                          | (17,234)                          | (69,971)                        | (13,221)                        | (100,426)   |
| Net increase (decrease) in cash and cash equivalents                                  | 1,784                             | (21,565)                        | (33,512)                        | (53,293)    |
| Cash and cash equivalents at beginning of year  | 18,073                            | 47,175                          | 40,592                          | 105,840     |
| Cash and cash equivalents at end of year  | \$19,857                          | \$25,610                        | \$7,080                         | \$52,547    |
| Reconciliation of operating loss to net cash, provided by operating activities:       |                                   |                                 |                                 |             |
| Operating loss  | (\$171,363)                       | (\$92,230)                      | (\$231,053)                     | (\$494,646) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: |                                   |                                 |                                 |             |
| Depreciation and amortization   | 394,672                           | 19,007                          | 101,493                         | 515,172     |
| Increase in accounts receivable   | (36,318)                          | (182)                           | (139)                           | (36,639)    |
| Increase (decrease) in accounts payable and accrued expenses                          | (20,990)                          | 308                             | 812                             | (19,870)    |
| Total adjustments   | 337,364                           | 19,133                          | 102,166                         | 458,663     |
| Net cash provided by (used for) operating activities                                  | \$166,001                         | (\$73,097)                      | (\$128,887)                     | (\$35,983)  |

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

GENERAL SUPPLEMENTARY INFORMATION

ST. MARY PARISH COUNCIL  
Compensation Paid Council Members and Parish President  
For the Year Ended December 31, 1996

The general supplementary information portion of this document contains information related to the compensation paid to Council Members and Parish President.

|                               |                 |
|-------------------------------|-----------------|
| Robert Ayres                  | \$ 5,400        |
| Earl J. Bergeron              | 5,329           |
| Larry J. Besse                | 145             |
| Steve Bierhorst               | 9,600           |
| Wendell C. Bogan              | 1,994           |
| William Cefalu                | 5,400           |
| Albert Foulcard               | 10,192          |
| Gerald A. Hebert              | 2,835           |
| Harold A. Louviere            | 5,400           |
| Lionel Metz                   | 5,400           |
| Paul Naquin, Jr.              | 5,400           |
| Scott R. Ramsey, Jr.          | 145             |
| Henry Steckler                | 258             |
| Oray Rogers, Parish President | 12,000          |
| Tim Tregle                    | 145             |
| Kevin J. Voisin               | 5,255           |
| Charles A. Walters            | <u>9,342</u>    |
|                               | <u>\$84,240</u> |

INDEPENDENT AUDITORS' REPORTS ON FEDERAL FINANCIAL ASSISTANCE,  
INTERNAL CONTROL, AND COMPLIANCE



INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF  
FEDERAL FINANCIAL ASSISTANCE

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997. These primary government financial statements are the responsibility of the St. Mary Parish Council management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the primary government financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the primary government combining, individual fund, and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements and the combining and individual fund and account group financial statements taken as a whole.

*Pitts & Matthews*

CERTIFIED PUBLIC ACCOUNTANTS

ST. MARY PARISH COUNCIL

Schedule of Federal Financial Assistance  
For the Year Ended December 31, 1996

| <u>FEDERAL GRANTOR/<br/>PASS-THROUGH GRANTOR NAME/<br/>PROGRAM TITLE</u>   | <u>CFDA<br/>NUMBER</u> | <u>REVENUES</u>  | <u>EXPENSES</u>  |
|--|------------------------|------------------|------------------|
| <u>U.S. Department of Agriculture</u>  |                        |                  |                  |
| Food and Nutrition Service<br>Passed through Louisiana<br>Department of Social<br>Services<br>Office of Eligibility<br>Determination |                        |                  |                  |
| * Food Stamps  | 10.551                 | \$ 9,273,085     | \$ 9,273,085     |
| State Administrative<br>Matching Grants for<br>Food Stamp Program  | 10.561                 | 50,790           | 50,790           |
| Passed through Louisiana<br>Department of Education  |                        |                  |                  |
| Summer Food Service<br>Program for Children<br>(Summer Feeding<br>Program)   | 10.559                 | 149,264          | 149,264          |
| Forest Service<br>Passed through Louisiana<br>Department of Agriculture<br>& Forestry  |                        |                  |                  |
| Cooperative Forest<br>Assistance   | 10.664                 | <u>25,577</u>    | <u>14,516</u>    |
| Total U.S. Department<br>of Agriculture  |                        | <u>9,498,716</u> | <u>9,487,655</u> |
| <u>U.S. Department of Transportation</u>   |                        |                  |                  |
| Urban Mass Transportation<br>Administration<br>Passed through Louisiana<br>Department of Transportation<br>and Development           |                        |                  |                  |
| Public Transportation<br>for Nonurbanized Areas<br>(Nonurbanized Formula<br>Grants, Section 18)                                      | 20.509                 | <u>35,400</u>    | <u>31,352</u>    |
| Total U.S. Department<br>of Transportation   |                        | \$ <u>35,400</u> | \$ <u>31,352</u> |



| <u>FEDERAL GRANTOR/<br/>PASS-THROUGH GRANTOR NAME/<br/>PROGRAM TITLE</u>  | <u>CFDA<br/>NUMBER</u> | <u>REVENUES</u>     | <u>EXPENSES</u>     |
|---|------------------------|---------------------|---------------------|
| <u>U.S. Department of the Interior</u>  |                        |                     |                     |
| Fish and Wildlife Service<br>Passed through Louisiana<br>Department of Wildlife<br>and Fisheries<br>Sport Fish Restoration<br>(Quintana Landing Improve-<br>ments - Breaux-Wallop)      | 15.605                 | \$ <u>33,083</u>    | \$ <u>33,083</u>    |
| Total U.S. Department of<br>the Interior  |                        | <u>33,083</u>       | <u>33,083</u>       |
| <u>U.S. Department of Housing and<br/>Urban Development</u>   |                        |                     |                     |
| Community Planning and Development<br>Passed through the State<br>of Louisiana's<br>Division of Administration<br><br>Community Development Block<br>Grants/(Small cities pro-<br>gram) | 14.219                 | 25,607              | 25,607              |
| Passed through Louisiana<br>Department of Social Services<br>Office of Community Services<br><br>Emergency Shelter Grants   | 14.231                 | <u>10,300</u>       | <u>8,800</u>        |
| Total U.S. Department of<br>Housing and Urban Development   |                        | <u>35,907</u>       | <u>34,407</u>       |
| <u>Federal Emergency Management Agency</u>  |                        |                     |                     |
| Passed through the Louisiana<br>Department of Military Affairs<br>Office of Emergency Preparedness<br><br>Civil Defense - State & Local<br>Emergency Management<br>Assistance           | 83.503                 | <u>17,940</u>       | <u>17,940</u>       |
| Total Federal Emergency<br>Management Agency  |                        | <u>17,940</u>       | <u>17,940</u>       |
| <u>U.S. Dept. of Justice</u>  |                        |                     |                     |
| Church Arson Prevention Grant   | 16.580                 | <u>4,600</u>        |                     |
| Total U.S. Dept. of Justice   |                        | <u>4,600</u>        |                     |
| Total Federal Financial<br>Assistance   |                        | \$ <u>9,625,646</u> | \$ <u>9,604,437</u> |

\* denotes major program

The accompanying notes are an integral part of this schedule.

ST. MARY PARISH COUNCIL

Note to Schedule of Federal Financial Assistance

Note 1 - FOOD STAMPS

The value of U.S.D.A. food stamps is not presented within the financial statements of the Council, because the Council merely receives the food stamps and passes them directly to the recipients.

Note 2 - U.S. DEPARTMENT OF JUSTICE- Drug Court Discretionary Grant

The Council also received \$110,766 of federal dollars for the purpose of supporting and establishing drug courts. These grant funds are being deferred for revenue recognition purposes on the Local Law Enforcement Fund's financial statements because no expenditures were incurred relating to this grant at December 31, 1996.

Note 3 - U.S. DEPARTMENT OF INTERIOR

The following schedule reconciles amounts received from the U.S. Department of Interior to amounts recognized at December 31, 1996 under Generally Accepted Accounting Principles (GAAP) as shown on the Schedule of Federal Financial Assistance.

|   |                         |
|---|-------------------------|
| Total amount received 1/1/96<br>through 12/31/96  | \$ 313,864              |
| Less: Amount recognized at 1/1/95<br>through 12/31/95 according to<br>Generally Accepted Accounting<br>Principles | ( <u>280,781</u> )      |
| Amount recognized as revenue<br>at 12/31/96   | \$ <u><u>33,083</u></u> |



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

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

The management of the St. Mary Parish Council, 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 primary government 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 primary government financial statements of the St. Mary Parish Council, for the year ended December 31, 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 primary government financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 primary government financial statements. A description of these reportable conditions are included in the material weaknesses section of this report.

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

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 weaknesses as defined above. However, we believe that the reportable conditions described in this report are material weaknesses.

A similar report issued by us dated April 30, 1996, for the year ended December 31, 1995, reported one reportable condition which is repeated this year.

This report is intended for the information of the Council, Federal regulatory agencies, and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Pitt & Matte*

CERTIFIED PUBLIC ACCOUNTANTS

M A T E R I A L      W E A K N E S S E S

## Fund Balance

### Auditors' Comments

Condition: During the course of auditing the Parish's fund balances/retained earnings, certain differences were noted in those balances as compared to prior year audited fund balances/retained earnings.

Criteria: Generally accepted accounting principles state that only material corrections from prior periods should be debited or credited to fund balances or retained earnings balances.

Effect: Interim financial statements are not in accordance with generally accepted accounting principles.

Cause: Reversing prior year journal entries affects fund balances/retained earnings.

### Management's Comments

GENERAL FUND - The General Fund reflected a difference in fund balance due to the time elapsed from the end of 1996 and the completion of the audit. An adjusting entry was made in reference to the Quintana Landing Improvements, Phase II and the Berwick Boat Launch Federal Grant Projects.

SPECIAL REVENUE FUNDS - The Road Construction & Maintenance Fund reflected a difference of \$165 which was inadvertently posted to fund balance instead of fund balance res/ prior year encumbrance. The administration will review entries more closely in the future.

CAPITAL PROJECT FUNDS - The Cypremort Point & Vicinity Fund reflects a Community Development Block Grant cash balance from 1994 in the amount of \$1,797.10. The Community Development block Grant bookkeeping is provided by the St. Mary Parish CDBG administrator. The Capital Improvement Fund adjusting entry in the amount of \$89,546 changes an entry that was inadvertently posted to the fund balance instead of the expense account. The administration will avoid this in the future by closely following GAAP regulations.

ENTERPRISE FUNDS - The Reduction & Transfer Fund Reflects a difference of \$202 as a result of a 1993 adjusting entry to assets. This is due to a discrepancy between the amount of the asset and the amount in the adjusting entry.

## FIXED ASSETS

### Auditors' Comments

Condition: During the course of auditing the Parish's proprietary fund fixed assets, discrepancies were found between actual assets retired or disposed of and assets removed from the Parish's fixed asset accounting records. In addition, some asset purchases that should have been capitalized, were recorded by the Parish as expenses in the period under audit instead of additions to fixed assets.

Criteria: One of the objectives of an internal control structure is to provide management with reasonable assurance that transactions are executed in accordance with management's authorization and recorded properly. In addition, generally accepted accounting principles state that costs attributable to tangible assets, of a relatively permanent nature, used in operations, and not intended for resale are to be capitalized.

Effect: A complete listing of all capitalized assets is not maintained. In addition, interim financial statements are not in accordance with generally accepted accounting principles.

Cause: Failure to consistently capitalize costs for items with useful lives of several years.

### Management's Comments

Several assets that were declared surplus property were deleted from inventory prior to the actual sale of assets. The administration will take steps to ensure that an asset has been sold or properly scrapped before removal from the fixed asset inventory system.

Several fixed assets were inadvertently not included on inventory when purchased. The administration will monitor this more closely in the future.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997. We have also audited the compliance of the St. Mary Parish Council, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated April 25, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement and about whether the St. Mary Parish Council, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits of the year ended December 31, 1996, we considered the internal control structure of the St. Mary Parish Council, in order to determine our auditing procedures for the purpose of expressing our opinions on the primary government financial statements of the St. Mary Parish Council, and on the compliance of the St. Mary Parish Council with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the primary government financial statements in a separate report dated April 30, 1997.



The management of the St. Mary Parish Council, 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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of primary government financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

#### Internal Accounting Controls

- General
- Cash
- Revenue and receivables
- Expenditures/expenses for goods and services and accounts payable
- Payroll
- Fund balance

#### Federal Program Administrative Controls

##### General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

### Specific Requirements

- Types of services
- Matching, level of effort, or earmarking requirements
- Special reporting requirements
- Monitoring subrecipients
- Procedures for physical security over food stamps
- Procedures followed by the food stamp issuing office

### Claims for advances and reimbursements

#### Amounts claimed or used for matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1996, the St. Mary Parish Council, expended 97 percent of its total federal financial assistance under a major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the St. Mary Parish Council's major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable 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 noncompliance with laws and regulations that would be material to a federal financial assistance program 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 operations that we consider to be material weaknesses as defined above.

A similar report issued by us dated April 30, 1996, for the year ended December 31, 1995, reported no material weaknesses.

This report is intended for the information of the Council, Federal regulatory agencies, and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Pitts + Matto*

CERTIFIED PUBLIC ACCOUNTANTS



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

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 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. 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 the St. Mary Parish Council is the responsibility of the St. Mary Parish Council's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the St. Mary Parish Council's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the primary government 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 instances of material noncompliance that are required to be reported herein under Government Auditing Standards. These instances of noncompliance are contained in the items of noncompliance section of this report.

We considered these instances of noncompliance in forming our opinion on whether the St. Mary Parish Council's 1996 primary government financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated April 25, 1997 on those primary government financial statements.

A similar report issued by us dated April 30, 1996, for the year ended December 31, 1995, reported similar instances of noncompliance. Similar comments are repeated this year for the similar prior year situations which were not corrected during 1996.

This report is intended for the information of the Council, Federal regulatory agencies, and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script, appearing to read "P. H. & M. Matthews". The initials "P. H." are written in a larger, more prominent style than the name "Matthews".

CERTIFIED PUBLIC ACCOUNTANTS

I T E M S   O F   N O N C O M P L I A N C E

## Budget Monitoring

### Auditors' Comments

Condition: During the course of the audit for the year ended December 31, 1996, it was noted that several of the Parish's individual funds needed budget amendments that were not made.

Criteria: State and local law require that budgets be amended when certain conditions exist. These conditions are explained in detail below.

Effect: Failure to amend budgets to recognize anticipated shortfalls or surpluses in funds prevents the governmental body from effectively curtailing or expanding projects and/or services in accordance with actual available resources.

Cause: Although the cause of the above condition was not fully determined during the audit, two reasons appear to have a significant effect. First, in accordance with the local charter, a significant time lag exists between the proposal of budget amendments and the enactment of those amendments. As a result, the final proposed budget amendments in a fiscal year must be based on the most current available information which is several months before year end. Secondly, although the Parish makes accruals for payables and receivables at year end, adjustments are not made in the interim period. When significant differences exist between payables and receivables from year to year, the amount of funds that appear to be available or costs that appear to have been incurred can be distorted. Failure to recognize the effect of these differences can lead to variances between budgeted and actual activity.

A more detailed description of the conditions and criteria is presented below:

### Auditors' Detailed Comments

Louisiana statutes require that the chief executive or administrative officer shall advise the governing authority in writing when revenues collected plus projected revenue collections for the remainder of the period, within a fund, are failing to meet estimated annual budgeted revenues by at least five percent or when actual expenditures plus projected expenditures for the remainder of the year within a fund exceed budgeted expenditures by at least five percent. Upon receiving notification, the governing authority is required to amend the budget.

Notification was not made and the following budgets were not amended although actual revenues failed to come within five percent of budgeted revenues:

| <u>Fund</u>              | <u>Budgeted Amount</u> | <u>Actual Amount</u> | <u>Variance</u> | <u>Percent</u> |
|--------------------------|------------------------|----------------------|-----------------|----------------|
| Special Revenue Fund     |                        |                      |                 |                |
| Local Law Enforcement    | \$110,766              | --                   | \$110,687       | 99.93%         |
| Debt Service Fund        |                        |                      |                 |                |
| Paving Series M          | 12,256                 | 11,487               | 769             | 6.27%          |
| Capital Projects Fund    |                        |                      |                 |                |
| Franklin & Vicinity Fund | 35,306                 | 23,158               | 12,148          | 34.40%         |

In the case of the Local Law Enforcement Fund, the grant funds had actually been received prior to year end; however, no services had been performed therefore the revenues were deferred.

Notification was not made and the following budgets were not amended although actual expenditures exceeded budgeted expenditures by five percent or more:

| <u>Fund</u>          | <u>Budgeted Amount</u> | <u>Actual Amount</u> | <u>Variance</u> | <u>Percent</u> |
|----------------------|------------------------|----------------------|-----------------|----------------|
| Special Revenue Fund |                        |                      |                 |                |
| Wards 5 & 8          | \$225,960              | \$239,563            | \$13,603        | 6.00%          |

Failure to recognize and adjust for shortfalls in anticipated revenues or excesses over anticipated expenditures can lead to budget deficiencies. Budgets should be adjusted whenever actual revenues and future anticipated revenues fall short of budgeted revenues by five percent or more and when actual expenditures and anticipated expenditures exceed budgeted expenditures by five percent or more.

According to the budget ordinance, the Administration shall notify the Council within thirty days of a budget account fluctuation of five percent, up or down, in revenues or expenditures. The following actual revenues exceeded budgeted revenues by five percent or more at year end.



| <u>Fund</u>   | <u>Budgeted<br/>Amount</u> | <u>Actual<br/>Amount</u> | <u>Variance</u> | <u>Percent</u> |
|---|----------------------------|--------------------------|-----------------|----------------|
| Special Revenue Fund<br>Gaming Receipt Fund           | \$ 290,716                 | \$ 329,114               | \$ 38,398       | 13.21%         |
| Debt Service Funds<br>3/4% Sales Tax Bond<br>Reserve  | 74,346                     | 91,854                   | 17,508          | 23.55%         |
| SMP Library General<br>Obligation                     | 63,101                     | 47,396                   | 15,705          | 24.89%         |
| Capital Projects Funds<br>Capital Improvement<br>Fund | 82,869                     | 165,460                  | 82,591          | 103.28%        |
| Cypremort Point &<br>Vicinity Fund                    | 72,848                     | 94,946                   | 22,098          | 30.33%         |

The following actual expenditures were less than budgeted expenditures by five percent or more at year end.

| <u>Funds</u>   | <u>Budgeted<br/>Amount</u> | <u>Actual<br/>Amount</u> | <u>Variance</u> | <u>Percent</u> |
|--|----------------------------|--------------------------|-----------------|----------------|
| Special Revenue Funds<br>Boat Landing Fund           | \$ 47,804                  | \$ 42,730                | \$ 5,074        | 10.61%         |
| Royalty Road<br>(Texaco) Fund                        | 388,181                    | 1,197                    | 386,984         | 99.69%         |
| Capital Projects Fund<br>Capital Improvement<br>Fund | 2,094,632                  | 1,614,681                | 479,951         | 22.91%         |

Failure to apprise the Council of excess funds available due to excess revenues or under expenditures can result in the omission of additional projects or services which the government could have provided.

#### Management's Comments

##### REVENUES

##### Special Revenue Fund

Local Law Enforcement - 99.93%

The grant funds were received in 1996; however, since no funds were expended the revenues were classified as deferred through an adjusting entry. The Administration will consider these special circumstances in the future.

Debt Service Fund

Paving Series M - 6.27%

Anticipated paving assessment payments were not received as expected. The Administration will monitor this fund more closely in the future.

Capital Projects Fund

Franklin & Vicinity Fund - 34.40%

This deviation occurred due to a delay in the receipt of an invoice for operating expenses of the Franklin Sewer Plant. Once received, Sewer District No. 7 makes a reimbursement to this fund. Therefore, this revenue was not received in a timely manner. The Administration will follow this transaction more closely in the future.

Gaming Receipt Fund - 13.21%

Due to an underestimation of gaming revenues received from the State of Louisiana from its compact with Chitimacha Tribe of Louisiana, the revenues received were over the 5% deviation. The Administration will strive to work more closely with the state and tribe in order to estimate gaming revenues closer to actual.

EXPENDITURES

Special Revenue Fund

Wards 5 & 8 Fund - 6%

Administration intended to make notification through budget amendment; however, the deviation occurred as a result of an unintentional reversal of debit and credit to this fund. Proper debits and credits will be checked more carefully in future amendments.

Debt Service Funds

3/4% Sales Tax Bond Reserve - 23.55%

The interest earned on investments was more than anticipated and due to an adjustment in amortization of discounts, actual revenues exceeded budgeted amounts. The Administration will make every effort to allow for increases in interest earnings and to plan for adjusting effects to funds.

SMP Library General Obligation - 24.89%

A portion of ad valorem taxes for 1996 were received prior to the end of the year. A budget amendment did not reflect this revenue as the St. Mary Parish Tax Collector could not advise if funds from ad valorem taxes would be received before year end. The administration will continue to communicate with the tax collector in regards to future receipts of ad valorem taxes.

### Capital Projects Funds

Capital Improvement Fund - 103.28%

This deviation occurred due to the amortization on discounts through adjusting entries. The Administration will follow changes in amortization more closely in the future.

Cypremort Point & Vicinity - 30.33%

This deviation occurred due to the amortization on discounts through adjusting entries. The Administration will follow changes in amortization more closely in the future.

### Special Revenue Funds

Boat Landing Fund - 10.61%

Actual expenditures on various boat landing projects were not incurred as anticipated by the end of 1996. The Administration will strive to gauge expenditures more carefully in the future.

Royalty Road (Texaco) Fund - 99.69%

The anticipated expenditure for the new jail kitchen did not take place by year end as expected. Due to a delay in planning and design, bids were not received when originally planned. The Administration will watch these issues more closely in order to more accurately reflect budgeted expenditures.

### Capital Projects Funds

Capital Improvement Fund - 22.91%

Actual expenditures for various projects under construction were less than projected at the time of budget amendment. The Administration will work more closely with project coordinators to more accurately reflect expenditures in the future.

FUND DEFICITS

Auditors' Comments

Condition: During the course of the audit it was noted that certain funds had deficit fund balances.

Criteria: State statute prohibits expending amounts in excess of fund balance, revenues, and other financing sources.

Effect: Violation of state statute.

Cause: For Capital Projects Funds, the Council expended amounts in excess of fund balance, revenues, and other financing sources. For the Enterprise Fund, the deficit resulted from adjustments necessary to comply with GASB 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs.

The following individual funds were in violation of state statutes and had deficit fund balances at year end:

| <u>Fund</u>                   | <u>Deficit Amount</u> |
|-------------------------------|-----------------------|
| <u>Capital Projects Funds</u> |                       |
| Amelia and Vicinity Fund      | \$(1,053,191)         |
| Wards 5 & 8                   | (1,498,527)           |
| Franklin & Vicinity           | ( 11,714)             |
| <u>Enterprise Fund</u>        |                       |
| Reduction & Transfer Fund     | (2,975,602)           |

Management's Comments

|                              |               |
|------------------------------|---------------|
| <u>Capital Project Funds</u> |               |
| Amelia & Vicinity Fund       | \$(1,053,191) |
| Wards 5 & 8 Fund             | (1,498,527)   |
| Franklin & Vicinity Fund     | ( 11,714)     |

The deficits for these funds were derived as a result of events described in audit Note 2. The deficit amount in Wards 5 & 8 has slightly decreased due to the agreement between the Parish and Sewer Districts 2 & 8. The St. Mary Parish Council created Water & Sewer Commission No. 1 to address the Amelia & vicinity Fund. The Commission is currently evaluating several options to raise additional revenue through millages, user fee increases or a combination of both in order to address this fund balance deficit next year. It is anticipated that increased revenues from sales taxes will cover the deficit in the Franklin & Vicinity Fund. New funding sources, reallocating existing funds or combining existing fund operations will be considered in the future.

|                           |               |
|---------------------------|---------------|
| <u>Enterprise Fund</u>    |               |
| Reduction & Transfer Fund | \$(2,975,602) |

This deficit is explained in audit Note 2 (last paragraph). St. Mary parish will continue to evaluate options to address the matter of landfill closure costs and post closure care.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997.

We have also audited the St. Mary Parish Council's compliance with the requirements governing special reporting requirements; procedures for physical security over food stamps; and procedures followed by the food stamp issuing office that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of the St. Mary Parish Council, is responsible for the St. Mary Parish Council's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

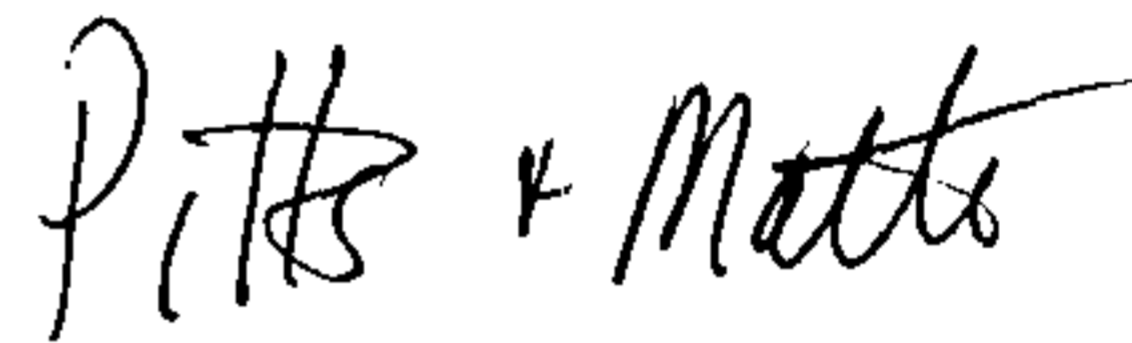
We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the St. Mary Parish Council's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, the St. Mary Parish Council complied, in all material respects, with the requirements governing special reporting requirements; procedures for physical security over food stamps; and procedures followed by the food stamp issuing office that are applicable to its major federal financial assistance program for the year ended December 31, 1996.

A similar report issued by us dated April 30, 1996, for the year ended December 31, 1995, reported no instances of noncompliance.

This report is intended for the information of the Council, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "Pitts & Matthews".

CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997.

We have applied procedures to test the St. Mary Parish Council's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1996:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the St. Mary Parish Council's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Mary Parish Council, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

A similar report issued by us dated April 30, 1996, for the year ended December 31, 1995, reported no instances of noncompliance with the general requirements applicable to federal financial assistance programs.

This report is intended for the information of the Council, Federal regulatory agencies, and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS





a corporation of  
certified public accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

April 25, 1997

Chairman and Members of the Council  
St. Mary Parish  
Franklin, Louisiana

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997.

In connection with our audit of the primary government financial statements of the St. Mary Parish Council, and with our consideration of the Council's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching, level of effort, earmarking; special reporting requirements; monitoring subrecipients; review of claims for statutorily established percentages of allowable disaster assistance administrative expenses; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the St. Mary Parish Council's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Mary Parish Council had not complied, in all material respects, with those requirements.

A similar report issued by us dated April 30, 1996, for the year ended December 31, 1995, reported one immaterial instance of noncompliance which was corrected this year.

This report is intended for the information of the Council, Federal regulatory agencies, and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Pitts & Matts*

CERTIFIED PUBLIC ACCOUNTANTS