

To the Honorable President
and Members of the Council
Page Two

However, the primary government financial statements, because they do not include the financial data of component units of the St. John the Baptist Parish Council, State of Louisiana, do not present to, and do not, present fairly the financial position of the St. John the Baptist Parish Council, State of Louisiana, as of December 31, 1995, 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.

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements, and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Roberts & Company

May 9, 1997

St. John the Baptist Parish Council
LaPlace, Louisiana

Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1996

	Governmental Fund Types			
	General Fund	Special Revenue Funds	ERM Service Funds	Capital Projects Funds
Assets and Other Debits				
Assets				
Cash and cash equivalents	\$ -	\$ 1,393,158	\$ 868,339	\$ 523,497
Investments	-	2,887,268	3,905,809	3,123,558
Receivables, net	1,839,831	2,548,807	1,819,086	14,187
Due from other funds	42,199	586,964	-	4,008
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other governments	18,881	38,158	-	4,880
Other assets	-	-	-	-
Restricted assets	-	154,366	-	-
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
Other debits				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total Assets and Other Debits	<u>\$ 1,899,895</u>	<u>\$ 7,581,594</u>	<u>\$ 5,792,534</u>	<u>\$ 3,676,284</u>

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary	Account Groups		Total (Intracompany Only)
Enterprise Funds	Internal Service Funds		Agency Funds	General Fixed Assets	
\$ 523,378	\$ 13,914	\$ 29,614	\$ -	\$ -	\$ 3,096,974
388,448	109,154	209,237	-	-	10,800,676
1,084,925	-	583,890	-	-	6,776,171
788,658	-	-	-	-	1,281,961
84,988	659	-	-	-	85,643
118,348	-	-	-	-	1,192,589
-	-	-	-	-	81,000
143,123	-	-	-	-	147,123
1,988,773	-	-	-	-	2,241,893
84,884,373	-	-	18,413,217	-	73,807,680
-	-	-	-	5,741,877	5,741,877
-	-	-	-	37,815,094	37,815,094
<u>\$ 58,271,924</u>	<u>\$ 579,792</u>	<u>\$ 971,744</u>	<u>\$ 18,413,217</u>	<u>\$ 43,766,871</u>	<u>\$ 118,990,311</u>

St. John the Baptist Parish Council
Lafayette, Louisiana

Combined Balance Sheet (Continued)
All Fund Types and Account Groups
December 31, 1996

	Governmental Fund Types			Capital Projects Fund
	General Fund	Special Revenue Funds	Debt Service Funds	
Liabilities, Equity, and Other Credits				
Liabilities				
Accounts and salaries payable	\$ 128,368	\$ 378,814	\$ -	\$ 117,811
Cash over/short	128,100	-	-	-
Contract payable	-	-	-	31,787
Due to other funds	287,452	99,348	51,000	-
Due to other governments	58,657	8,188	-	-
Payable from restricted assets	-	-	-	-
Other liabilities	6,800	30,549	-	-
Capital leases payable	-	-	-	-
Leases payable	358,008	800,800	-	-
Bonds payable	-	-	-	-
Total liabilities	882,587	1,118,650	51,000	349,778
Fund equity and other credits				
Contributed capital	-	-	-	-
Investment in general fund assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved	-	-	5,741,678	3,468,906
Unreserved	287,528	8,868,433	-	-
Total fund equity and other credits	287,528	8,868,433	5,741,678	3,468,906
Total Liabilities, Equity, and Other Credits	\$ 1,170,115	\$ 2,087,083	\$ 5,792,678	\$ 3,818,684

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary	Account Groups		Total
Enterprise Funds	Internal Service Funds	Agency Funds	General Fixed Assets	General Long-term Obligations	(Miscellaneous Only)
\$ 594,267	\$ -	\$ 259,277	\$ -	\$ -	\$ 1,709,418
-	-	-	-	-	128,600
-	-	-	-	-	50,767
341,537	-	309,476	-	-	1,418,866
-	-	-	-	-	68,792
1,856,871	-	-	-	-	1,059,874
9,866	-	3,831	-	-	58,187
-	-	-	-	1,058,271	1,058,271
6,869	-	-	-	12,408	471,468
1,482,880	-	-	-	81,771,889	47,203,000
<u>7,862,485</u>	<u>-</u>	<u>271,746</u>	<u>-</u>	<u>42,766,671</u>	<u>53,168,770</u>
44,712,182	-	-	-	-	84,702,600
-	-	-	18,413,257	-	18,413,257
1,274,148	-	-	-	-	1,274,148
3,871,778	573,722	-	-	-	6,448,900
-	-	-	-	-	9,302,342
-	-	-	-	-	8,771,860
<u>51,860,428</u>	<u>573,722</u>	<u>-</u>	<u>18,413,257</u>	<u>-</u>	<u>86,832,116</u>
<u>\$ 89,731,894</u>	<u>\$ 573,722</u>	<u>\$ 271,746</u>	<u>\$ 18,413,257</u>	<u>\$ 42,766,671</u>	<u>\$ 179,995,474</u>

**St. John the Baptist Parish Council
LaPlace, Louisiana**

**Governmental Fund Types
Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1996**

	Governmental Fund Types				Total Reconciliation Only
	General Fund	Special Revenue Funds	1995 Service Funds	Capital Projects Funds	
Revenues					
Taxes:					
Ad valorem	\$ 708,430	\$ 1,028,802	\$ 1,821,814	\$ -	\$ 3,559,046
Sales and use	-	2,938,383	-	-	2,938,383
Other taxes and penalties	-	-	-	-	-
Licenses and permits	708,144	-	-	-	708,144
Intergovernmental revenues:					
Federal grants	-	25,815	-	-	25,815
State funds:					
Fuels transportation	-	489,266	-	-	489,266
State revenue sharing	82,833	43,833	-	-	126,666
Other	227,134	794,389	-	414,833	1,436,356
Fees, charges, and contributions	74,211	988,471	-	-	1,062,682
Fines and forfeitures	38,533	689,833	-	-	728,366
Interest income	3,968	671,624	277,694	185,994	1,839,280
Other revenues	23,999	-	-	-	23,999
Total Revenues	1,868,368	11,827,947	2,109,508	681,827	16,587,650
Expenditures					
General government:					
Legislative	288,862	-	-	-	288,862
Judicial	754,733	1,893,808	-	-	2,648,541
Executive	381,239	-	-	-	381,239
Firemen	21,869	-	-	-	21,869
Finance and administration	-	4,973	66,618	-	71,591
Civil service	22,382	-	-	-	22,382
Building and plant	783,893	-	-	-	783,893
Planning and zoning	183,511	-	-	-	183,511
Public safety	224,423	1,886,947	-	-	2,111,370
Public works	-	-	-	1,292,300	1,292,300
Health and welfare	226,340	781,479	-	-	1,007,819
Economic development	-	388,741	-	-	388,741
Transportation	-	2,982,897	-	-	2,982,897
Other services	-	388,840	2,233,218	-	2,622,058
Total Expenditures	\$ 2,997,734	\$ 6,747,233	\$ 2,313,236	\$ 2,292,300	\$ 14,350,503

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Council
Lafayette, Louisiana**

**Governmental Fund Types
Compared Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Year Ended December 31, 1996**

	Governmental Fund Types				Total (Non-Proprietary Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (400,134)</u>	<u>\$ 3,189,622</u>	<u>\$ (1,892,822)</u>	<u>\$ (298,872)</u>	<u>\$ (112,202)</u>
Other Financing Sources (Uses)					
Proceeds of debt issued	300,000	609,624	288,268	3,493,734	5,691,626
Operating transfers in	904,540	862,799	3,499,177	289,880	8,556,496
Operating transfers out	(854,000)	(3,442,119)	(322,272)	-	(8,048,491)
Total Other Financing Sources (Uses)	<u>341,540</u>	<u>14,009,914</u>	<u>3,183,173</u>	<u>3,883,734</u>	<u>3,686,634</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(48,594)	1,190,706	294,287	1,244,858	1,774,132
Fund Balances, Beginning of Year	<u>10,139</u>	<u>4,611,209</u>	<u>3,880,898</u>	<u>2,098,322</u>	<u>11,700,578</u>
Prior period adjustment, net sales	79,338	140,329	(140,787)	(182,285)	196,795
Fund Balances, Beginning of Year, as revised	<u>89,477</u>	<u>4,751,538</u>	<u>3,740,111</u>	<u>1,916,037</u>	<u>11,823,176</u>
Fund Balances, End of Year	<u>\$ 40,883</u>	<u>\$ 5,942,244</u>	<u>\$ 3,541,324</u>	<u>\$ 1,733,789</u>	<u>\$ 11,658,240</u>

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Council
LaPlace, Louisiana**

**Governmental Fund Types
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 1996**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Ad valorem	\$ 711,880	\$ 708,440	\$ 3,440	\$ 1,130,000	\$ 1,160,182	\$ 30,182
Sales and use	-	-	-	7,070,588	7,049,783	(20,805)
Other taxes and penalties	-	-	-	3,880	-	(3,880)
Licenses and permits	689,718	740,140	50,422	-	-	-
Intergovernmental revenues:						
Federal grants	-	-	-	33,170	33,833	7,663
State funds:						
Payable incorporation	-	-	-	377,682	488,266	110,584
State revenue sharing	67,880	67,655	(225)	41,290	45,824	4,534
Other	164,800	171,754	6,954	404,271	504,089	99,818
Fees, charges, and contributions	79,898	74,235	(5,663)	307,288	308,421	1,133
Fines and forfeitures	59,880	30,000	(29,880)	742,784	689,832	(52,952)
Interest income	5,880	3,968	(1,912)	377,570	607,624	230,054
Other revenue	23,740	71,688	47,948	-	-	-
Total Revenues	1,928,146	1,940,268	(12,878)	11,645,272	11,927,947	282,675
Expenditures						
General government						
Legislative	200,790	304,862	(104,072)	-	-	-
Judicial	186,170	214,500	(28,330)	989,270	1,092,868	(103,598)
Executive	181,880	341,278	(159,398)	-	-	-
Education	60,815	77,868	(17,053)	-	-	-
Finance and administration	-	-	-	5,808	4,973	835
Civil service	29,184	10,583	18,601	-	-	-
Building and plant	777,964	745,890	32,074	-	-	-
Planning and zoning	126,971	105,811	21,160	-	-	-
Public safety	203,240	224,423	(21,183)	1,790,240	1,884,947	(94,707)
Public works	-	-	-	-	-	-
Health and welfare	228,190	218,748	9,442	704,024	781,439	(77,415)
Economic development	-	-	-	343,771	368,744	(24,973)
Transportation	-	-	-	1,779,874	2,282,397	(502,523)
Other services	-	-	-	284,211	388,842	(104,631)
Total Expenditures	\$ 1,441,692	\$ 1,347,754	\$ 93,938	\$ 6,876,417	\$ 6,341,325	\$ 535,092

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Council
LaPlace, Louisiana

Governmental Fund Types
Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 1998

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable Disadvantage	Budget	Actual	Variance Favorable Disadvantage
Excess (Deficiency) of Revenues Over Expenditures	\$ (483,346)	\$ (407,094)	\$ 76,252	\$ 4,779,366	\$ 5,188,612	\$ 409,246
Other Financing Sources (Uses)						
Proceeds of debt issued	-	500,000	500,000	179,137	489,404	310,267
Operating transfers in	963,238	969,960	6,722	859,880	863,799	3,919
Operating transfers out	(263,152)	(354,846)	(290,694)	(1,100,331)	(1,483,119)	(382,788)
Total Other Financing Sources (Uses)	699,986	111,114	(410,872)	(1,190,254)	(1,899,916)	(187,392)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	116,578	114,328	14,250	3,589,112	3,288,696	298,563
Fund Balances, Beginning of Year	65,138	(5,378)	-	4,668,764	4,653,369	(15,395)
Prior period adjustment, see notes	-	79,538	(79,538)	-	798,120	(798,120)
Fund Balances, Beginning of Year, as restated	65,138	74,160	(79,538)	4,668,764	5,451,489	(750,825)
Fund Balances, End of Year	\$ 181,716	\$ 188,528	\$ 6,812	\$ 1,206,632	\$ 1,264,415	\$ 57,783

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Council
Lafayette, Louisiana

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

	Proprietary Funds		Total
	Enterprise Funds	Internal Services Funds	
Revenues			
Sales	\$ 3,713,870	\$ -	\$ 3,713,870
Taxes	68,134	-	68,134
Other fees, charges, and commissions	1,571,829	-	1,571,829
Other income	2,863,680	7,718	2,871,398
Total Revenues	<u>8,444,593</u>	<u>7,718</u>	<u>8,452,311</u>
Operating Expenses			
Gas and water distribution	4,132,789	-	4,132,789
Garage collection	3,786,631	-	3,786,631
Solid waste	1,438,847	-	1,438,847
Miscellaneous materials	283,271	-	283,271
Insurance	-	94,528	94,528
Total Operating Expenses	<u>9,611,538</u>	<u>94,528</u>	<u>9,706,066</u>
Operating Income (Loss)	<u>(1,166,945)</u>	<u>(86,810)</u>	<u>(1,253,755)</u>
Nonoperating Income (Expense)			
Interest income	334,800	28,883	363,683
Interest expense	(344,502)	-	(344,502)
Amortization of bond discount	(30,388)	-	(30,388)
Operating transfers in	481,496	98,184	579,680
Operating transfers out	(111,004)	-	(111,004)
Other	-	2,886	2,886
Net Nonoperating Income (Expense)	<u>(11,498)</u>	<u>(10,837)</u>	<u>(22,335)</u>
Net Income (Loss)	<u>(1,178,443)</u>	<u>(97,647)</u>	<u>(1,276,090)</u>
Amortization of Contributed Capital	<u>3,453,474</u>	<u>-</u>	<u>3,453,474</u>
Decrease in retained retained earnings	<u>2,275,031</u>	<u>-</u>	<u>2,275,031</u>
Retained Earnings, Beginning of Year	<u>3,340,375</u>	<u>190,258</u>	<u>3,530,633</u>
Fiscal period adjustments, net into	<u>(173,802)</u>	<u>-</u>	<u>(173,802)</u>
Retained Earnings, Beginning of Year, as restated	<u>3,166,573</u>	<u>190,258</u>	<u>3,356,831</u>
Retained Earnings, End of Year	<u>\$ 1,888,130</u>	<u>\$ 190,258</u>	<u>\$ 2,078,388</u>

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Council
Lafayette, Louisiana

Proprietary Fund Type
Combined Statement of Cash Flows
For the Year Ended December 31, 1996

	Proprietary Funds		Total
	Enterprise Funds	Internal Service Funds	
Cash Flows From Operating Activities			
Operating income (loss)	\$ (1,178,171)	\$ (33,809)	\$ (1,211,980)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,808,150	-	1,808,150
Changes in assets and liabilities:			
Accounts receivable	(153,118)	-	(153,118)
Other receivables	80,540	(933)	80,288
Due from other funds	178,288	-	178,288
Due from other governments	-	-	-
Inventory	(14,512)	-	(14,512)
Cash over/short	10,254	-	10,254
Accounts and salaries payable	(67,889)	-	(67,889)
Due to other funds	(1,343)	-	(1,343)
Due to other governments	(182,789)	-	(182,789)
Accrued expenses	15,921	-	15,921
Deposits payable	-	-	-
Other payables	(3,194)	-	(3,194)
Net cash provided (used) by operating activities	<u>717,811</u>	<u>(84,264)</u>	<u>633,547</u>
Cash Flows From Noncapital Financing Activities			
Operating transfers in	487,496	88,184	575,680
Operating transfers out	(111,804)	-	(111,804)
Net cash provided (used) by noncapital financing activities	<u>375,692</u>	<u>88,184</u>	<u>463,876</u>
Cash Flows From Capital and Related Financing Activities			
Changes in other assets	10,388	-	10,388
Proceeds from bond issues	250,000	-	250,000

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Council
Lafayette, Louisiana**

**Proprietary Fund Types
Combined Statement of Cash Flows (Continued)
For the Year Ended December 31, 1996**

	Proprietary Funds		Total
	Enterprise Funds	Internal Service Funds	
Cash Flows From Capital and Related Financing Activities (Continued)			
Acquisition of capital assets	(1,761,228)	-	(1,761,228)
Contributed capital	3,231,193	-	3,231,193
Repayment of loans payable	(9,188)	-	(9,188)
Amortization of bond debt expense and bond discount	(18,788)	-	(18,788)
Bonds payable:			
Principal payments	(336,888)	-	(336,888)
Interest payments	(344,532)	-	(344,532)
Net cash provided (used) by capital and related financing activities	<u>(793,489)</u>	<u>-</u>	<u>(793,489)</u>
Cash Flows From Investing Activities			
Interest income	134,821	28,800	163,621
Sale of investment securities	4,697,802	1,214,749	5,912,551
Purchase of investment securities	(1,123,669)	(1,364,992)	(2,488,661)
Net cash provided (used) by investing activities	<u>3,708,954</u>	<u>(1,122,443)</u>	<u>2,586,511</u>
Net Increase (Decrease) in Cash	821,123	(107,320)	713,803
Cash and Cash Equivalents, Beginning of Year	<u>191,864</u>	<u>129,434</u>	<u>321,298</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,012,987</u>	<u>\$ 15,114</u>	<u>\$ 1,028,101</u>

The accompanying notes are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Parish of St. John the Baptist have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Parish's accounting policies are described below.

A. REPORTING ENTITY

The St. John the Baptist Parish Council (the Council) is the governing authority for the Parish of St. John the Baptist, a political subdivision of the State of Louisiana as authorized by the State Constitution. The Council consists of nine members, two of whom are elected from two divisions of the Parish consisting of 50% of the Parish's population and seven members elected to represent each of the seven districts. 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 Council and for the administration of all Parish departments, offices, agencies and special districts.

Louisiana Revised Statute 23-1224 gives the Council various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of these are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and its drainage system; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various state and federal grants.

St. John the Baptist Parish occupies 331 square miles with a population of approximately 40,000. Council offices are located in the parish office building at 1801 West Airline Highway, Lafayette.

As the governing authority of the Parish, for financial reporting purposes, the St. John the Baptist Parish Council is the reporting entity for St. John the Baptist Parish. The financial reporting entity consists of (a) the primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the St. John the Baptist Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth the following criteria to be considered in determining financial accountability:

1. Organizations for which the Council appoints a voting majority of the governing body, and:
 - a. The ability of the Council to impose its will on that organization or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but which are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data for the organization is not included because of the nature or significance of the relationship.

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

<u>Component Unit</u>	<u>Fiscal</u>	<u>Criteria Used</u>
	<u>Year End</u>	
Council on Aging	June 30	2
Community Action Agency	June 30	1,a,b
Library	June 30	1,a,b
Public Housing Authority	September 30	1,a
Assessor	December 31	2
Clerk of Court	June 30	2

The Council has elected to issue financial statements of the primary government (Council) only; therefore, none of the previously listed component units are included in the accompanying financial statements. However, these component units are required to submit annual financial statements to the State of Louisiana Legislative Auditor.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlata, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The primary government (Council) financial statements include all funds, account groups, and organizations for which the Council maintains the accounting records. The organizations for which the Council maintains the accounting records are considered part of the primary government for financial reporting purposes.

GAAP Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Council) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to government units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

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 relating to certain government functions or activities.

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

Funds of the Council are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

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

Special Revenue Funds - Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes are reported as special revenue funds.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlaze, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Funds - Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital projects funds account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those reported in enterprise funds.

Proprietary Funds

Enterprise Funds - Enterprise funds account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal service funds account for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.

Fiduciary Funds

Agency Funds - Agency funds are used to account for assets held by the Parish Council on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

General Fixed Assets Account Group - The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Debt Account Group - The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

The two account groups are net funds. They are concerned only with the measurement of financial position, not with results of operations.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlata, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under this method revenues are recognized when susceptible to accrual (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 the liabilities of the current period. The Parish considers all valuations taxes revenue in the year for which they are levied. Expenditures are recorded when the related fund liability is incurred, except for sick and vacation leave, which are recorded when paid. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues considered susceptible to accrual are sales and use tax revenues, federal and state grants, and certain franchise fees. Sales taxes are recognized when collected by vendors. Interest on time deposits is recorded when earned. Substantially all other revenues are recorded when received.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recorded at the time of transfer. Bank loans are recognized when the loan is authorized. Indirect cost reimbursements are the amounts the General Fund charges to several other funds based on the level of services provided to these funds by the General Fund.

The Parish reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Parish before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

both revenue recognition criteria are met, or when the Parish has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary Funds

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 (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The proprietary funds are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized as the time liabilities are incurred. Unbilled enterprise fund service receivables are recorded as fund assets at year end.

B. BUDGETARY ACCOUNTING

Parish budgets are prepared and reported on the same basis of accounting as the financial statements. The General Fund, Special Revenue Funds, and Enterprise Funds are the only funds for which budgets are legally adopted by the Council. Budgets for the General and Special Revenue Funds are adopted on the modified accrual basis of accounting. Enterprise Fund budgets are adopted on the accrual basis of accounting. Other funds are administratively budgeted for management use only.

All unexpended budgetary appropriations lapse at year end.

Additional details on the budgetary process may be found at Note 2.

E. ENCUMBRANCES

The Council does not use an encumbrance accounting system.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

with original maturities of 90 days or less. For purposes of the statement of cash flows, the enterprise funds consider these same items to be cash.

Under state law, the Council may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash and cash equivalents are stated at cost, which approximates market. Under state law, time 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 or exceed the amount on deposit with the bank.

State laws permit the Council to invest in United States bonds, treasury notes or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies. In addition, local governments are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates as a local government investment pool. Investments are stated at cost, except for investments in the Deferred Compensation Agency Fund, which are reported at market value.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Fixed Assets

Fixed assets used in the proprietary fund operations (enterprise funds) are included on the balance sheet of the funds at cost where historical records are available and at estimated historical cost where no historical records exist, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method over the useful lives of the assets ranging from 5 to 40 years.

Interest expense incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The costs of maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Improvements that add to the value of assets are capitalized and depreciated over the remaining useful lives of the fixed assets.

Fixed assets acquired through capital contributions are capitalized. Depreciation expense applicable to these contributed assets is closed out to the related contributed capital accounts rather than retained earnings. This method is considered preferable under the matching concept wherein acquisition of these fixed assets is recorded as an addition to contributed capital.

ML. COMPENSATED ABSENCES

The Council has the following policy relating to vacation and sick leave:

Employees earn from 5 to 20 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year earned and cannot be accumulated. Also, employees earn 5 to 10 days of sick leave per year which can be accumulated and is paid only upon retirement. The accumulation of sick leave is minimal at December 31, 1996. However, a liability for compensated absences due employees has not been included in the combined financial statements.

The cost of current privileges, computed in accordance with GASB Codification Section 650, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Leave privileges associated with employees of the proprietary funds are recorded as a fund liability and operating expenses.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Liabilities for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

O. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

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

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

P. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that involve 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. Nonrecursing or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. SALES TAXES

Sales taxes are collected by the St. John the Baptist Parish School Board, a separate entity, for a fee equal to 50% of actual collection expenditures.

R. TOTAL COLUMNS ON COMBINED STATEMENTS

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget

The procedures used by the Parish in establishing the budgetary data reflected in the financial statements are as follows:

- (1) At least sixty (60) days before the beginning of the fiscal year, the President submits a line item operating budget and a capital budget in accordance with accepted accounting procedure in a format established by the Parish Council. The budget submitted shall be balanced. The President submits with the budget a message containing recommendations concerning the fiscal policy of the Parish, a description of the important features of the budget, and an explanation of all major increases or decreases in budget recommendations as compared with expenditures of the prior year.
- (2) The Parish Council publishes the proposed budget in the official journal two (2) weeks before the meeting at which the budget is to be adopted. The budget as adopted constitutes an appropriation of funds for all purposes contained therein. A budget ordinance becomes effective the first day of the fiscal year, unless otherwise provided therein.
- (3) The Parish Council may amend the budgets before adoption except that no items for debt service may be reduced below the amount certified by the President as necessary. In no event should the Parish Council cause the total expenditures to exceed anticipated revenue. If the Parish Council fails to act on either budget

ST. JOHN THE BAPTIST PARISH COUNCIL
 LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 1996

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

within the time limit as provided in the Section herein, it shall be adopted as submitted by the President.

Expenditures and Disburse - Actual and Budget

The following individual funds have actual expenditures/expenses over budgeted expenditures/expenses by 3% or more for the year ended December 31, 1996.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Criminal Court	\$ 642,558	\$ 672,358	\$ (29,800)
Juvenile Detention Center	237,708	304,034	(66,326)
LaPlace Volunteer Fire Department	599,409	638,263	(38,854)
Clayville Volunteer Fire Department	171,872	278,609	(106,737)
ABC Maintenance	78,923	78,854	(69)
Total	<u>\$ 1,730,530</u>	<u>\$ 1,963,321</u>	<u>\$ (232,791)</u>

NOTE 3 - AD VALOREM TAX

Ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the Sheriff's Office (usually in early December) and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The property taxes are levied on property values determined by the St. John the Baptist Parish Assessor's Office. The following is a summary of authorized and levied ad valorem taxes for the year:

<u>Parishwide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide	4.25	4.25	Permanant
Road Lighting	5.00	5.00	12/31/97
Library	10.00	7.21	12/31/91
Courthouse and Jail	1.00	1.04	12/31/92
Parish Health	1.07	1.00	12/31/98
Mosquito Abatement District	0.50	0.50	12/31/98
Fire Protection District No. 2	1.25	2.00	12/31/98

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 3 - AD VALOREM TAX (CONTINUED)

<u>Parishwide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Juvenile Detention Center	1.00	1.00	12/31/08
General Obligation Bonds	13.50	13.00	12/31/04
APC Maintenance	8.50	8.50	12/31/08
Senior Citizens Center	1.00	1.00	12/31/08

NOTE 4 - SALES AND USE TAX

The Parish levies a four (4) percent sales and use tax. The Parish and St. John the Baptist School Board have entered into an agreement under which the School Board collects the Parish's sales and use taxes for a stipulated fee. The School Board remits the proceeds of the sales and use taxes to the Parish on a monthly basis.

NOTE 5 - CASH AND CASH EQUIVALENTS

At December 31, 1996, the Council has cash and cash equivalents (bank balances) totaling \$4,303,940 of which \$3,399,934 is unrestricted and \$903,966 is restricted. Restricted cash is included with restricted assets on the combined balance sheet. In the enterprise funds, restricted cash equals \$488,699 and unrestricted cash equals \$527,278 for total cash of \$1,016,977 which is presented as total cash in the statement of cash flows.

These deposits are stated at cost, which approximates market. Under state law, these deposits for the remaining bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in joint custody in a federal reserve bank.

At December 31, 1996, the Council has \$4,180,326 in deposits (collected bank balances). These deposits are secured from risk by \$306,600 of federal deposit insurance and \$4,080,326 of pledged securities held by the federal reserve bank in the name of the fiscal agent bank and the Parish (D.A.S.S. Category 1).

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 6 - INVESTMENTS

Investments at year end are categorized below to give an indication of the level of risk assumed by the Parish. The categories of credit risk are as follows:

Category 1 - Insured or registered, or securities held by the Parish or its agent in the Parish's name.

Category 2 - Uninsured and unregistered, with securities held by the county's trust department or agent in the Parish's name.

Category 3 - Uninsured and unregistered, with securities held by the county's trust department or agent but not in the Parish's name.

At year end, the Parish's investment balances were as follows:

	<u>Category</u> <u>1</u>	<u>Carrying</u> <u>Amount</u>	<u>Market</u> <u>Value</u>
United States Treasury bills	<u>\$ 11,770,996</u>	\$ 11,770,996	\$ 11,801,908
Investments not subject to categorization: Deferred compensation agency fund		<u>319,207</u>	<u>319,207</u>
Total investments		<u>\$ 12,090,203</u>	<u>\$ 12,121,115</u>

The investments in the Deferred Compensation Agency Fund are not evidenced by securities that exist in physical or book-entry form and are therefore not categorized.

Unrestricted investments total \$10,034,876 and restricted investments total \$1,499,027.

All investments maintained in the proprietary funds are classified as hold-to-maturity. The carrying amount of investments in the proprietary funds is \$945,823, and the market value is \$947,804, resulting in an unrealized gain of \$1,431. All proprietary fund investments will mature within one year.

NOTE 7 - RECEIVABLES

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

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 7 - RECEIVABLES (CONTINUED)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds	Agency Funds	Total
Taxes:							
Ad Valorem	\$ 892,841	\$1,127,219	1,896,792	\$ -	\$ 66,800	\$ -	\$3,983,652
Sales & Use	-	1,008,790	-	-	-	282,891	1,297,681
Other	-	7,712	4,000	-	-	-	12,412
Intergovernmental:							
State	276,210	368,798	-	4,882	93,300	-	643,190
Accounts receivable	-	48,736	-	-	993,600	-	1,042,336
Other receivables	18,885	38,300	8,798	14,382	258,029	-	338,394
Grants receivable	1,087,636	2,187,433	1,818,186	18,268	1,298,182	282,891	4,690,606
Less: Allowance for estimated uncollectibles	-	-	-	-	58,816	-	58,816
Net total receivables	\$1,812,326	\$3,283,482	\$3,635,086	\$ 13,268	\$1,488,396	\$282,891	\$10,215,859

An allowance for estimated uncollectible receivables is based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles consists of the following amounts:

Proprietary Funds:	
Sewer District 108	\$14,631
Solid Waste	17,847
Gas and Water	26,338
Total allowance for uncollectible accounts	\$58,816

NOTE 8 - FIXED ASSETS

The changes in the General Fixed Asset Account Group during the year ended December 31, 1996 follow:

	Balance January 1, 1996	Additions	Deletions	Balance December 31, 1996
Land & building	\$16,469,241	\$ 12,250	\$ -	\$ 16,481,491
Equipment & furniture	7,815,624	828,249	-	7,857,883
Construction in progress	-	71,483	-	71,483
Total	\$24,284,865	\$ 911,982	\$ -	\$ 25,196,847

ST. JOHN THE BAPTIST PARISH COUNCIL
 LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 1996

NOTE 8 - FIXED ASSETS (CONTINUED)

Construction in progress consists of the following:

	Project Authorization	Expended to December 31, 1996	Committed	Required Future Financing
Roads & Bridges				
Pearline Boat Launch	\$ 73,483	\$ 73,483	-	-
Total construction in progress	<u>\$ 73,483</u>	<u>\$ 73,483</u>	<u>-</u>	<u>-</u>

A summary of Property, Plant and Equipment held in the Parish's Enterprise Funds follows:

	Enterprise Funds
Land	\$ 100,000
Buildings	943,806
Systems	73,506,253
Equipment	1,624,060
Construction in Progress	<u>7,948,373</u>
Subtotal	78,522,467
Less: Accumulated Depreciation	<u>73,833,894</u>
Net Property, Plant and Equipment	<u>\$ 4,688,573</u>

NOTE 9 - PENSION PLAN

Plan Description. Substantially all employees of the St. John the Baptist Council are members of the Parochial Employers' Retirement System of Louisiana (the System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Council are members of Plan A.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1998

NOTE 9 - PENSION PLAN (CONTINUED)

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the system. Under Plan A, employees who retire at or after 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parishial Employees' Retirement System, Post Office box 14818, Baton Rouge, Louisiana 70804-4818, or by calling (504) 928-1361.

Funding Policy. Under Plan A, Members are required by statute to contribute 9.5 percent of their annual covered salary and the St. John the Baptist Parish Council is required to contribute at an actuarially determined rate. The current rate is 7.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the St. John the Baptist Parish Council are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuations and are subject to change each year based on the results of the valuation of the prior fiscal year. The St. John the Baptist Parish Council's contributions to the System under Plan A for the year ending December 31, 1998 totaled \$193,880, which is equal to the required contribution for the year.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The St. John the Baptist Parish Council provides certain continuing health care and life insurance benefits for its employees. Substantially all of the Council's employees become eligible for these benefits if they reach normal retirement age while working for the Council. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the Council. Benefits for active employees are paid in full by the Council. The Council recognizes the cost of providing these benefits as an expenditure when paid during the year. The cost recognized in 1996 totaled \$68,393 for active and retired employees.

NOTE 11 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of accounts, salaries, and other payables as of December 31, 1996.

Class of Payable	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Agency Funds	Total
Salaries	\$ 9,387	\$ 39,387	\$ -	\$ 49,160	\$ -	\$ 98,334
Withholdings	43,215	46,482	-	93,642	-	180,149
Accounts	86,737	482,935	137,611	456,685	258,237	1,451,145
Total	\$ 1,322,462	\$ 1,338,814	\$ 1,377,611	\$ 1,006,262	\$ 258,237	\$ 4,129,438

NOTE 12 - COMPENSATED ABSENCES

Only full time regular employees with a minimum of six (6) months of employment service are eligible for sick pay. At retirement, all accumulated, unused, and unpaid sick leave days are forwarded to the retirement system for conversion upon application for normal retirement. At December 31, 1996, the Council employees had no accumulated or vested employee leave benefits that would materially affect the financial statements.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 13 - LEASES

The following is a schedule of capital lease obligations at December 31, 1996:

Description	Capitalizable Amount	Interest Rate	Termination Date	Principal Balance	Interest to Maturity
Motorola Radio	\$ 8,775,600	7.12	06/01/98	\$ 25,156	\$ 1,069
Motorola Radio	106,877	6.97	09/15/98	44,805	2,871
Motorola Radio	51,181	6.97	09/15/98	21,288	1,386
Motorola Radio	38,719	6.97	09/15/98	17,768	832
Motorola Radio	48,189	6.97	09/15/98	18,490	1,280
Lafayette Fire Truck	204,566	5.94	02/01/98	91,817	6,946
Westbank Pumper Truck	158,249	6.97	06/05/98	58,851	6,219
Minolta Copier	5,179	11.00	03/08/97	1,156	215
Boonard Loan	18,845	5.25	08/31/81	11,000	-
Food Dump Truck	116,882	5.85	06/25/98	46,831	2,283
Equipment	48,850	5.85	01/08/98	20,288	841
Copier	6,231	11.00	01/08/97	1,048	73
Car 112 Escalator	77,771	6.98	01/08/99	44,148	3,500
Lafayette Rescue Truck	196,973	5.75	01/01/84	106,975	28,530
Rescue Rescue Truck	179,265	6.00	11/15/84	179,265	40,768
Garyville Pumper	136,608	6.10	02/15/81	123,001	23,214
Westbank Rescue Truck	198,665	6.00	11/15/86	188,660	48,232
Total Lease Payable				\$ 1,628,927	\$ 189,332

The Council records items under capital leases as Assets and Obligations in the accompanying financial statements. The following is an analysis of capital leases at December 31, 1996:

Type	Amount
Equipment	\$1,678,968
Total	\$1,678,968

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

Year Ended	Equipment
1997	\$ 138,647
1998	206,178
1999	135,807
2000	122,807

ST. JOHN THE BAPTIST PARISH COUNCIL
 LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 1996

NOTE 13 - LEASES (CONTINUED)

Year Ended	Equipment
2001	115,157
2002	55,875
2003	55,875
2004	55,875
2005	25,498
2006	<u>25,498</u>
Total Minimum Lease Payments	1,270,004
Less: Amounts Representing Interest	<u>389,731</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,030,273</u>

NOTE 14 - LOANS PAYABLE

At December 31, 1996, the Council had loans outstanding totaling \$450,000 to finance current operations of the General Fund, the Road and Bridges Special Revenue Fund, and the Senior Citizens Tax Account Special Revenue Fund. These bank loans are short-term notes secured by the pledge of revenues. All loans were repaid in early 1997.

NOTE 15 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of general long-term obligations transactions for the year ended December 31, 1996:

	Bonded Debt and Certificates of Indebtedness	Lease Purchase Agreements	Promissory Notes	Total
Long-Term Obligations Payable at January 1, 1995	\$ 40,389,157	\$ 614,914	\$ 20,000	\$ 41,024,071
Additions	3,800,000	809,504	300	4,610,804
Deductions	<u>(2,968,157)</u>	<u>(154,547)</u>	<u>(5,400)</u>	<u>(2,968,104)</u>
Long-Term Obligations Payable at December 31, 1995	<u>\$ 41,221,000</u>	<u>\$ 1,030,271</u>	<u>\$ 15,000</u>	<u>\$ 42,266,271</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 15 - CHANGES IN GENERAL, LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds, Revenue Bonds, Certificates of Indebtedness, and other long-term debt are comprised of the following individual issues:

Bond Type	Date of Issuance	Authorized and Issued	Interest Rate (%)	Maturity Date	Principal Outstanding	Interest in Maturity
Public Improvement Bonds						
Public Improvement Bonds, Series A-1974	03/01/74	\$ 712,000	3.8-4.0	05/01/90	\$ 62,000	\$ 4,704
Public Improvement Bonds, Series B-1974	03/01/74	224,000	3.8-4.0	05/01/90	76,000	4,771
Fire Protection Bonds No. 1-1972	06/01/72	487,000	4.8-5.1	04/01/97	48,000	1,700
Water Improvements - 1974	04/01/74	1,124,000	3.5-4.1	04/01/91	1,200,000	281,028
Eastland Office Bldg. - 1974	04/01/74	400,000	4.5-4.7	04/01/91	342,000	59,961
Public Improvement Refunding Bonds - Series D-1980	11/01/80	16,780,000	4.5-7.8	10/01/94	11,800,000	11,700,757
Public Improvement Bonds, All 1980	01/01/80	81,90,000	7.1-10.0	10/01/94	750,000	143,900
Public Improvement Bonds (T-1980)						
Educational Equipment	01/01/80	1,000,000	10.000	01/01/91	880,000	121,177
Roads, Drainage, Water Tax Bonds (1980)	04/01/80	1,000,000	4.7-10.0	03/01/90	1,284,000	200,000
Public Improvement Bonds, Series E-1980	04/01/80	1,400,000	7.8-10.0	01/01/93	1,250,000	166,450
Public Improvement Bonds, Series F-1980	11/01/80	100,000	11.0-10.0	01/01/94	470,000	106,407
Public Improvement Bonds, Series G-1980	05/01/80	800,000	11.0-10.0	01/01/91	700,000	107,004
Public Improvement Refunding Bonds (1980)	11/01/80	1,000,000	3.8-4.4	10/01/94	4,000,000	14,000,000
Public Improvement Bonds (T-1980)	11/01/80	1,700,000	3.5-5.5	10/01/94	1,700,000	1,600,000
Non-refundable Improvement Bonds					<u>\$ 14,710,000</u>	<u>\$ 14,070,000</u>
General Obligation Bonds						
Public Works (Revenue) 1975	04/01/75	1,500,000	8.1-8.75	01/01/84	\$ 470,000	2,607.11
General Obligation Refunding Bonds (1981)	04/01/81	4,575,000	8.1-8.75	01/01/88	1,200,000	1,600,682
General Obligation Bonds - Series 1981	04/01/81	200,000	10.5-8.0	04/01/88	470,000	101,111
Total General Obligation Bonds					<u>\$ 1,640,000</u>	<u>\$ 1,600,000</u>
Certificates of Indebtedness						
Certificate of Indebtedness 1981	01/01/81	1,210,000	7.1-11.0	04/01/88	\$ 470,000	\$ 30,718
Certificate of Indebtedness 1981	10/01/81	200,000	8.1	04/01/81	200,000	34,114
Certificate of Indebtedness 1984	05/01/84	200,000	8.1	04/01/84	200,000	40,714
Certificate of Indebtedness 1984	10/01/84	400,000	11.8-4.40	04/01/84	300,000	71,118
Total Certificates of Indebtedness					<u>\$ 1,170,000</u>	<u>\$ 146,714</u>
Prepaid Items						
Long-Term Restricted Investments		25,000	-	01/01/96	\$ 1,500	\$ -
Debtors Property		25,000	-	01/01/96	7,500	-
Total Prepaid Items					<u>\$ 1,500</u>	<u>\$ -</u>
Total					<u>\$ 14,710,000</u>	<u>\$ 14,616,714</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 15 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 1996, the Council has accumulated \$3,341,479 in Debt Service Funds for future debt requirements. The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 1996, including total interest of \$58,386,646 (bonded debt and promissory notes \$59,186,915, capital lease \$189,733) are as follows:

Fiscal Year	Bonded Debt and Certificates of Indebtedness	Capital Lease Obligation	Promissory Notes	Total
1997	\$ 7,472,691	\$ 128,647	\$ 5,400	\$ 7,606,738
1998	7,425,251	299,138	5,000	7,729,429
1999	7,448,029	125,187	5,000	7,578,216
2000	6,902,433	122,387	-	7,024,820
2001	6,322,743	112,137	-	6,434,880
2002-2005	68,136,788	312,688	-	68,449,476
Total	\$ 109,817,915	\$ 1,220,088	\$ 15,400	\$ 111,053,303

General Obligation Bonds, \$8,415,000, and Public Improvement Bonds totaling \$65,000, are secured by an annual Ad Valorem Tax levy. In accordance with Louisiana Revised Statute 79:962, the Council is legally restricted from incurring long-term bonded debt in excess of 10 percent of the assessed value of property in the Parish. At December 31, 1996, the statutory limit is \$28,043,519.

The long-term debt account group does not include any of the Pollution Control Revenue Bonds or Industrial Revenue Bonds issued by the industrial districts of St. John the Baptist Parish. Obligations of the industrial districts are payable solely from the income and revenues derived from the industrial districts. Although the name of the Council appears on the face of the bonds, the Council has not guaranteed payment of those bonds in the event of default by the issuing authority.

In 1989, the Council defused certain 1987 Public Improvement Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the 1987 bonds. Accordingly, the trust account assets and the liability for the defused bonds are not included in the Council's financial statements.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 15 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

In 1992, the Council defeased \$265,000 of Series 1983 Health Unit Bonds, \$5,150,000 of Series 1984 Water Improvement Bonds, and \$2,610,000 of Series 1986 Parishwide Sewerage System Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

In 1996, the Council defeased \$6,200,000 of Public Improvement Bonds, Series ST 1990, by issuing \$6,800,000 of Public Improvement Refunding Bonds, Series 1996. The Council placed the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

The following is a summary of bond interest transactions of the Gas and Water Distribution System for the year ended June 30, 1996:

Bond Type	Date of Maturity	Authorized Amount	Interest Rate %	Maturity Date	Principal Outstanding	Interest Accrued
Revenue Bonds						
Water and Gas, Series 1975 Serial Bonds		120,071	6.00	120,071	\$ 1,000,000	\$ 99,000
Water and Gas, Series 1975 Serial Bonds		642,076	6.00	120,076	175,000	16,410
Water and Gas, Series 1976 Serial Bonds		124,076	6.00	120,076	15,000	1,000
Water and Gas, Series 1980 Serial Bonds		124,000	6.75-8.00	120,000	3,000	244
Water and Gas, Series 1980 Serial Bonds		550,000	6.75-8.00	140,000	140,000	132,450
Water and Gas, Series 1992 Serial Bonds		4,200,000	7.75-8.00	140,000	4,020,000	2,653,333
Total Revenue Bonds					\$ 4,358,000	\$ 3,002,437
Outstanding Indentures						
Outstanding Indentures 1994		200,000	6.00	200,000	\$ 200,000	\$ 11,000
Total Outstanding Indentures					200,000	11,000
Totals					\$ 4,558,000	\$ 3,013,437

\$271,000 of the Gas and Water Bonds Payable are payable from restricted assets, and the remaining \$3,882,000 constitute long-term debt.

According to the terms of the bond indenture agreements, the Gas and Water Distribution System must provide net revenues in each year equal to at least 130 percent of the bond principal and interest payments in that year. For the fiscal year ended June 30, 1996, the bond debt service coverage factor was met.

The annual requirements to amortize Gas and Water Distribution System debt outstanding as of June 30, 1996, including interest payments of \$3,199,487 are as follows:

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 15 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

<u>Year Ending June 30,</u>	<u>Amount</u>
1997	\$ 604,753
1998	598,720
1999	553,296
2000	563,323
2001	556,668
2002-2005	6,053,937
	<u>\$ 8,912,487</u>

NOTE 16 - CHANGES IN AGENCY FUNDS

A summary of changes in assets and liabilities follows:

	<u>Balance</u> <u>Beginning of</u> <u>Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
Assets:				
Cash	\$ 36,268	\$2,207,679	\$2,204,259	\$ 39,688
Investments	239,256	42,372	52,991	228,637
Receivables, net	151,719	282,891	151,719	282,891
Total assets	<u>\$ 448,173</u>	<u>\$2,532,942</u>	<u>\$2,409,969</u>	<u>\$ 571,216</u>
Liabilities:				
Accounts payable	\$ 169	\$ 3,031	\$ 393	\$ 3,031
Benefits payable	278,256	42,372	52,991	267,637
Due to other funds	173,758	2,189,521	2,657,819	365,476
Total liabilities	<u>\$ 448,173</u>	<u>\$2,234,924</u>	<u>\$2,111,483</u>	<u>\$ 571,216</u>

NOTE 17 - DUE TO/FROM OTHER FUNDS

The following is summary of amounts due to/from other funds at December 31, 1996:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 42,159	\$ 207,457
Special Revenue Funds	346,944	99,388

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 17 - DUE TO/FROM OTHER FUNDS (CONTINUED)

	<u>Due From</u>	<u>Due To</u>
Debt Service Funds	-	31,853
Capital Projects Funds	4,800	-
Proprietary Funds	788,838	743,528
Agency Funds	-	308,476
	<hr/>	<hr/>
	1,383,961	1,418,857
Difference in Gas and Water Fund with fiscal year ended June 30, 1996	<hr/>	<hr/>
	28,904	-
Total Due To/Due From Other Funds	<u>\$1,418,865</u>	<u>\$1,418,857</u>

NOTE 18 - OPERATING TRANSFERS IN/OUT

The following is summary of operating transfers made during the year ended December 31, 1996:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 803,500	\$ 864,048
Special Revenue Funds	862,799	5,482,118
Debt Service Funds	1,458,137	323,271
Capital Project Funds	508,808	-
Proprietary Funds	483,496	111,804
Internal Service Funds	58,188	-
	<hr/>	<hr/>
	6,308,176	6,779,441
Difference in Gas and Water Fund with fiscal year ended June 30, 1996	<hr/>	<hr/>
	(78,254)	-
Total Operating Transfers In/Out	<u>\$6,278,448</u>	<u>\$6,779,441</u>

NOTE 19 - CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.21 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the Parish's General Fund. There is no amount due at December 31, 1996.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation

The Parish is a named defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, and excessive assessment claims. The Parish Attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Parish and to arrive at an estimate, if any, of the amount or range of potential loss to the Parish. As a result of such reviews, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies as defined in GASB Codification 658. The Parish's "reasonably possible" loss contingency as of December 31, 1996, for which an amount of liability can be estimated, approximates \$3,950,887. In accordance with the GASB Codification, this amount has not been recorded as a liability of the General Fund, nor has it been recorded as a general long-term liability. Legal counsel's opinion on the ultimate resolution of these matters is that little or no loss to the Parish Council should be incurred.

Federally Assisted Programs

The Parish receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and are subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

The food stamp program is operated by the Parish under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the Parish is responsible for the issuance of food stamps to eligible participants in the Parish. The value of food stamps on hand, received, and issued is not recorded in the accompanying statements. Activity for the year follows:

Balance at January 1, 1996	\$ 1,658,000
Received	4,999,000
Issued	<u>(4,979,652)</u>
Balance at December 31, 1996	<u>\$ 1,477,348</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 21 - SUBSEQUENT EVENT

On May 13, 1997, the Parish Council entered into an agreement to sell the Parish's natural gas distribution system to Citizens Utilities, Inc. for \$2.1 million. The agreement is subject to the approval of voters and various regulatory agencies.

NOTE 22 - RESERVED FUND BALANCES AND RETAINED EARNINGS

The nature and purpose of the reserves of fund balances and retained earnings are as follows:

Fund balances - Reserved for debt service	\$5,381,479
Fund balance available to pay the principal balances of the Parish's general long term obligations.	
Fund balances - Reserved for capital projects	\$3,450,906
Unexpended funds remaining in a departmental budget dedicated for capital projects to be performed in future years.	
Retained earnings - Reserved for bond retirement and capital additions	\$1,274,148
Retained earnings restricted to paying principal and interest in the Sewer Fund and Gas and Water Fund as well as expenditures for capital additions for these funds.	

NOTE 23 - DEFERRED COMPENSATION PLAN

The Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Parish employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Parish (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Parish's general creditors; participants' rights under the plan are equal to those of general creditors of the Parish in an amount equal to the fair market value of the deferred account for each participant.

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 23 - DEFERRED COMPENSATION PLAN (CONTINUED)

It is the opinion of the Parish's legal counsel that the Parish has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Parish believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 24 - PRIOR PERIOD ADJUSTMENTS

Fund balances at the beginning of the year have been restated to reflect changes in classifications of certain funds and to correct errors as follows:

1. In the prior year, St. John Parish failed to adopt GASB Statement 22, *Accounting for Intergovernmental Tax Revenues in Governmental Funds*, which requires that revenues from these taxes be recognized using the modified accrual basis of accounting. This statement was effective for St. John Parish beginning with the year ended December 31, 1995. Prior to the effective date of GASB 22, these revenues were recorded using the cash basis of accounting. If GASB 22 had been implemented in the prior year, fund balance and revenues would have increased by \$609,930 in the Special Revenue Funds for the year ended December 31, 1995.
2. In the prior year, the Roads and Bridges Special Revenue Fund erroneously recorded a transfer of interest income from the Roads & Drainage Capital Improvement Fund as interest income rather than as a transfer. As a result, interfund transfers were not in balance; therefore, an audit adjustment was made to balance interfund transfers in the prior year. This adjustment caused interest income to be recorded twice in the prior year. Had this error not occurred, cash, revenues, and fund balance in the Roads and Bridges Fund would have decreased by \$5,000 for the year ended December 31, 1995.
3. Street lighting cost for December, 1995 was recorded as an expenditure for the year ended December 31, 1996 in the Street Lights Special Revenue Fund. Had this error not occurred, fund balance for the year ended December 31, 1995 would have decreased by \$26,832, and expenditures would have increased by a like amount.
4. Expenditures related to 1995 juvenile housing costs were not accrued in the prior year, but were incorrectly recorded in the current year. Had this error not occurred, fund balance for the year ended December 31, 1995 would have decreased by \$21,560 and expenditures would have increased by a like amount in the Juvenile Place Special Revenue Fund.

ST. JOHN THE BAPTIST PARISH COUNCIL
Lafayette, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1996

NOTE 14 - PRIOR PERIOD ADJUSTMENTS (CONTINUED)

- Expenditures related to prior year ambulance service fees were not accrued in the prior year, but were incorrectly recorded in the current year. Had this error not occurred, fund balance for the year ended December 31, 1995 would have decreased by \$18,867 and expenditures would have increased by a like amount in the Ambulance Special Revenue Fund.
- Prior year revenues from hotel/motel taxes were recorded in the current year in the Convention Center Special Revenue Fund. Had this error not occurred, both fund balance and revenues for the year ended December 31, 1995 would have increased by \$18,649 in the Convention Center Special Revenue Fund.
- Prior year revenues from utility franchise fees were recorded in the current year in the General Fund. Had this error not occurred, both fund balance and revenues for the year ended December 31, 1995 would have increased by \$68,218.
- Prior year revenue from the St. John Sheriff's Office to reimburse the salary of the Probation Officer was recorded in the current year in the General Fund. Had this error not occurred, both fund balance and revenues for the year ended December 31, 1995 would have increased by \$18,803.
- Expenditures related to 1995 elections were recorded in the current year in the General Fund. Had this error not occurred, fund balance for the year ended December 31, 1995 would have decreased by \$19,183, and expenditures would have increased by a like amount.
- In the prior year, interfund receivables and payables did not reflect the write-down of uncollectible assessments in connection with construction of the Woodland Wastewater Treatment Plant. Had this error not occurred, capital projects funds fund balance for the year ended December 31, 1995 would have decreased by \$182,284 and interfund receivables would have decreased by a like amount.
- In the prior year the Parish failed to write down uncollectible assessments made in connection with construction of the Woodland Wastewater Treatment Plant to their net realizable values. Had this error not occurred, receivables in the Parish's debt service funds would have decreased by \$503,872, interfund payables would have decreased by \$182,283, and fund balances would have decreased of \$340,783 for the year ended December 31, 1995.

ST. JOHN THE BAPTIST PARISH COUNCIL
 LaPlaze, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 1996

NOTE 24 - PRIOR PERIOD ADJUSTMENTS (CONTINUED)

12. The Parish purchased equipment in 1990 but recorded no depreciation. Had this error not occurred, accumulated depreciation in the Solid Waste Enterprise Fund would have increased by \$17,847 along with a net decrease in fund balance of \$17,847 for the year ended December 31, 1995.

The effects of these prior period adjustments to fund balances and retained earnings are summarized below:

Adjustment	Special Revenue Funds	General Fund	Debt Service	Capital Projects	Enterprise Funds
1	\$ 809,950	\$ -	\$ -	\$ -	\$ -
2	(5,899)	-	-	-	-
3	(26,832)	-	-	-	-
4	(21,581)	-	-	-	-
5	(16,665)	-	-	-	-
6	10,649	-	-	-	-
7	-	69,718	-	-	-
8	-	19,883	-	-	-
9	-	(10,183)	-	-	-
10	-	-	-	(182,284)	-
11	-	-	(240,787)	-	-
12	-	-	-	-	(17,847)
Totals	\$ 340,528	\$ 79,328	\$ (240,787)	\$ (182,284)	\$ (17,847)
Fund balance (deficit) as previously reported	4,653,209	66,148	5,880,959	2,288,331	2,240,373
As restated	\$ 4,312,681	\$ 145,476	\$ 5,640,172	\$ 2,106,047	\$ 2,222,526

SUPPLEMENTAL INFORMATION

ST. JOHN THE BAPTIST PARISH COUNCIL
LaPlace, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 1996

COMPENSATION PAID TO BOARD MEMBERS

The schedule of compensation paid to the Parish President and Parish Councilmen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Parish Councilmen is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1213, the Parish Council has elected the monthly payment method of compensation. Under this method, the Parish President receives \$4,580 per month, and the Councilmen receive approximately \$875 per month.

<u>PARISH PRESIDENT</u>	<u>AMOUNT</u>
Arnold J. Labat, Parish President	<u>\$ 45,800</u>
 <u>PARISH COUNCIL</u>	
Dwayne Duffy, Council Chairman	875
Perry Halley, Sr.	875
Kevin Dubon	875
Joel McTopp	875
Nicholas Monahan	875
Clinton Penikese	875
Steven Thornton	875
Ramsey Wilson	875
Richard Wolfe	<u>875</u>
 Parish Council Total	 <u>\$ 7,225</u>

See Independent Auditor's Report

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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File # 10100, CA

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

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
Lafayette, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, (the Council) for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997.

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

Compliance with laws, regulations, contracts, and grants applicable to the St. John the Baptist Parish Council, State of Louisiana, is the responsibility of the St. John the Baptist Parish Council, State of Louisiana's management. As part of obtaining reasonable assurance about whether the primary government financial statements are free of material misstatement, we performed tests of the St. John the Baptist Parish Council, State of Louisiana'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 the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards* for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Council's December 31, 1996 financial statements.

BUDGET REQUIREMENTS

Amendments of Budgets

Finding:

The St. John the Baptist Parish Council, State of Louisiana, did not comply with the requirements set forth in Louisiana law concerning budget amendments, specifically, the requirements of LSA-R.S. 39:1303. This statute requires the Chief Executive Officer (i.e., the Parish President) to notify the governing authority in writing when revenues are falling to meet annual budgeted amounts by five percent or more, when expenditures are exceeding annual budgeted amounts by five percent or more, and when fund balances within a fund fall to meet annual budgeted amounts by five percent or more, and requires responsive action by the governing authority under the provisions of LSA-R.S. 39:1305.

For the fiscal year ending December 31, 1996, two funds of the St. John the Baptist Parish Council, State of Louisiana, had actual revenues below budgeted revenues by five percent or more.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent Variance</u>
Special Revenue Funds:				
Parish Transportation	\$ 294,162	\$ 275,788	\$ (18,374)	9.88%
Juvenile Place	8,130	5,137	(3,003)	35.83%
Total	<u>\$ 302,292</u>	<u>\$ 280,925</u>	<u>\$ (21,367)</u>	

For the fiscal year ending December 31, 1996, five funds of the St. John the Baptist Parish Council, State of Louisiana, had actual expenditures over budgeted expenditures by five percent or more. The Special Revenue funds marked with an asterisk (*) on the following page had expenditures exceeding budgeted amounts by five percent or more due to year end adjusting journal entries required during the audit. This finding was also noted during the prior year audit, when five Special Revenue funds had actual expenditures over budgeted expenditures by five percent or more.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent Variance</u>
Special Revenue Funds:				
Criminal Court	\$ 642,350	\$ 677,259	\$ (34,909)	5.42%
Juvenile Detention Center	257,790	304,896	(46,396)	27.91%

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent Variance</u>
<i>(Continued from prior page)</i>				
LaPlace Volunteer Fire Department*	599,409	658,263	(58,854)	9.82%
Garyville Volunteer Fire Department*	171,872	278,609	(106,737)	62.16%
ARC Maintenance	<u>79,993</u>	<u>79,054</u>	<u>(939)</u>	11.35%
Total	<u>\$1,751,524</u>	<u>\$1,995,935</u>	<u>\$244,411</u>	

For the fiscal year ending December 31, 1996, two funds of the St. John the Baptist Parish Council, State of Louisiana, had actual fund balances below budgeted fund balances by five percent or more.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent Variance</u>
<i>Special Revenue Funds:</i>				
Casner's Fund	\$ 9,478	\$ 2,294	\$ (7,184)	76.47%
Juvenile Fine	<u>2,824</u>	<u>1,724</u>	<u>(1,100)</u>	13.19%
Total	<u>\$ 12,302</u>	<u>\$ 4,018</u>	<u>\$ (8,284)</u>	

The above-described budget deficiencies place the St. John the Baptist Parish Council, State of Louisiana, in noncompliance with the Local Government Budget Act.

Management Response:

Management believes that budget controls have been strengthened by routinely monitoring of actual funds available for expenditures. Procedures will be adopted to insure that budget amendments are enacted timely to reflect the increase in funds available for expenditures.

Adoption of Budgets

Findings:

The St. John the Baptist Parish Council, State of Louisiana, did not comply with the requirements set forth in Louisiana law concerning publication of budget notices, specifically, the requirements of LSA-R.S. 29:1349. This statute requires the Council to publish a notice stating that the budget is available for public inspection upon completion of the proposed

budget, and requires that the date, time, and place of the public hearing on the budget be specified. Publication of this notice must occur at least ten days prior to the public hearing.

While considering the budget of the Council's Gas and Water Enterprise Fund for its year ended June 30, 1996, the Council published notice of the public hearing on May 3, 1995, and the public hearing took place on May 9, 1995.

Publishing notice less than ten days prior to the public hearing places the Council in non-compliance with the provisions of LSA-R.S. 39:1306.

Management Response:

This matter constituted an oversight due to changes to this budget just prior to adoption. Management has adopted procedures to insure that all budget notices are published timely.

SECURITY FOR DEPOSITS

Finding:

The St. John the Baptist Parish Council, State of Louisiana, did not comply with requirements set forth in Louisiana law concerning security for bank deposits, specifically, the requirements of LSA-R.S. 39:1225. This statute requires the Council to provide security for collected funds (a deposit equal to one hundred percent of the collected funds less any FDIC insurance). During January, June, and November, 1996, one financial institution failed to provide the required security for the Council's collected funds.

Management Response:

We have removed substantially all funds from this institution and have adopted a fiscal agent agreement with another institution. All collected funds were fully secured as of December 31, 1996.

PUBLIC BIDDING

Finding:

The St. John the Baptist Parish Council, State of Louisiana, did not comply with the requirements set forth in Louisiana law concerning the use of public bids for acquisition of supplies and materials, specifically, the requirements of LSA-R.S. 38:2212. This statute requires the Council to advertise and let to the lowest responsible bidder all contracts for purchases of materials and supplies exceeding \$10,000.

In one instance, a petroleum products supplier received \$34,000 for sales to the Parish during the year ended December 31, 1996. The Parish obtained three telephone price quotations prior to such purchases, but did not publish the required advertisement or sign the contract required for purchases exceeding \$10,000.

During the year ended December 31, 1996, the Parish paid \$23,000 to an aviation petroleum products supplier for products received after the expiration of the supplier's contract with the Parish. The contract contained no expiration provisions, and no additional contract was let by public bid.

Management Response:

Both of these contracts will be awarded in accordance with the provisions of LSA-R.S. 38:2212 in the current year. We have adopted procedures to insure compliance with this statute in the future.

Bond Requirements

Findings:

For two of sixteen bond sinking and reserve funds, the Parish failed to comply with the bond covenants requiring specified funding levels for these funds at December 31, 1996.

	<u>Required</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Road and Drainage Sales Tax Bonds, Series 1990:			
Sinking Fund	\$ 157,777	\$ 136,528	\$ (21,499)
Reserve Fund	242,000	240,889	(1,100)
Total	\$ 399,777	\$ 377,218	\$ (22,559)

Management Response:

Management has reviewed its policies and procedures for ensuring compliance with bond covenants, and currently reviews funding levels monthly. This underfunding was caused by a journal entry prepared by our prior year external auditors.

We considered these noncompliance findings in forming our opinion on whether the St. John the Baptist Parish Council, State of Louisiana's 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 May 9, 1997 on these primary government financial statements.

The results of our tests disclosed immaterial instances of noncompliance with the aforementioned requirements, which we have communicated to the management of the St. John the Baptist Parish Council, State of Louisiana, in a separate letter dated May 9, 1997.

This report is intended for the information of management of the Parish, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. However, this report in a matter of public record and its distribution is not limited.

Roberts & Company

May 9, 1997

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Philip W. Johnson, CPA

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

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
Lafayette, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated May 9, 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. John the Baptist Parish Council, State of Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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. John the Baptist Parish Council, State of Louisiana, 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 assurance 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 financial statements.

The reportable conditions noted are as follows:

ACCOUNTING PROCEDURES

Computerized Accounting System

Condition:

The Parish maintains the accounting records for its approximately 60 funds on three different systems. A stand-alone personal computer system contains about 25 funds, an AS400 computer system contains about 15 funds, and the remaining five funds are maintained manually. This diversity of systems led to numerous differences in account interfund payables, receivables, and transfers at year end, as employees handling a paying fund on one computer system cannot interface with the receiving fund to record an offsetting entry.

Criteria:

Efficient business practices require consolidation of the financial accounting and reporting function for the Parish's funds. The Parish's AS400 computer system can adequately maintain all of the Parish's funds.

Effect:

Manual input of cross-fund journal entries and lack of communication between Parish employees handling paying and receiving funds has led to misstatements in interfund balances. The use of several different accounting systems has unduly complicated the financial reporting function.

Cause:

Time and employee training constraints have limited the Parish's ability to transfer all funds to the AS400 computer system.

Management Response:

The Parish will consider transferring funds maintained on the manual and personal computer systems to the AS400 computer system on a fund-by-fund basis. Employees handling individual funds will be required to more closely coordinate interfund transactions and journal entries.

ACCOUNTING RECORDS

Accounts Payable

Condition:

We noted that two out of thirteen accounts payable subledgers did not reconcile to the general ledgers. One account was out of balance by \$11,508 and the other by \$12,400.

Criteria:

Adequate supporting documentation should be maintained for account balances, and good business practices require periodic reconciliation of account balances to the supporting documentation.

Effect:

Without periodic reconciliation of these accounts payable records, the Parish may make financial decisions based on inaccurate information.

Cause:

The Parish employee maintaining one fund did not perform a periodic reconciliation. The second variance resulted from a prior-year journal entry prepared by the Parish's prior external auditor.

Management Response:

As stated above, one variance was due to an audit journal entry. The employee maintaining accounts payable for the other fund has been instructed to perform monthly reconciliations of the accounts payable balance. Management will insure that these reconciliations are performed.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts 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 noted the following matter involving the internal control

structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of St. John the Baptist Parish Council, State of Louisiana, for the year ended December 31, 1996.

ACCOUNTING RECORDS

Deferred Compensation Plans

Condition:

We noted that the Parish maintains a deferred compensation account in the amount of \$259,287 as of December 31, 1996 for its employees managed by a third party administrator. The plan balances were not recorded in an agency fund in the Parish's accounting records.

Citation:

GASB Statement No. 3, *Financial Reporting of Deferred Compensation Plans Adopted Under the Provisions of Internal Revenue Code Section 457*, at paragraph 9 requires employer governments to report deferred compensation plan balances in an agency fund.

Effect:

Exclusion of these balances may result in a material misstatement in the Parish's agency funds, and constitutes a violation of generally accepted accounting principles as applied to governmental entities.

Cause:

Parish employees did not receive information on this accounting requirement from their prior external auditors.

Management Response:

Deferred compensation plan balances are included in an agency fund for the year ended December 31, 1996. We will continue to report these balances in this fund in accordance with GASB Statement No. 3.

General Fixed Assets Account Group

Condition:

We noted that the Parish does not maintain adequate, detailed accounting records of fixed assets or fixed asset additions for assets included in its enterprise funds. In addition, we noted that the Parish did not remove assets sold during the year from the fixed assets listing for its General Fixed Assets Account Group. The Parish received \$16,908 in 1996 from the sale of certain assets, but we were unable to determine the cost of the assets or whether they were included in the fixed assets listing.

Criteria:

Generally accepted accounting principles and Louisiana law, at LSA-R.S. 34:545(B)(1) require government agencies to maintain accurate, detailed accounting records of fixed assets.

Effect:

Failure to maintain current and accurate records of fixed assets limits the Parish's ability to safeguard those assets against loss.

Cause:

In prior years the Parish relied on its external auditors to maintain this listing, but did not periodically receive the listing to verify its accuracy.

Management Response:

An Accounting Department employee has been assigned the task of maintaining the fixed asset listing in the current year. She will record all asset additions and disposals and insure the accuracy of this listing.

ACCOUNTING POLICY

Separation of Accounting Duties

Condition:

We noted that the employee who maintained accounting records and performed bank reconciliations for the Recreation Fund also received and deposited cash receipts for this fund. Furthermore, supporting documentation related to cash receipts from the Recreation Department was inadequate; therefore, we were unable to satisfy ourselves regarding the completeness of recorded revenues. We have determined that any misstatement would be immaterial to the financial statements of the Parish.

Criteria:

An appropriately designed system of internal controls attempts, within financial and personnel constraints, to separate incompatible accounting duties. The system should insure that no one employee has access to both physical assets and the related accounting records, and that one employee does not control all phases of a transaction.

Effect:

Unintentional or intentional errors may occur undetected by management.

Cause:

Limited number of employees and division of responsibilities results in incompatible duties.

Management Response:

The Parish has assigned the cash receipts function for this area to an employee independent of the recording of the transactions.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the St. John the Baptist Parish Council, State of Louisiana, in a separate letter dated May 9, 1997.

This report is intended for the information of management of the Parish, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. However, this report is a matter public record and its distribution is not limited.

Release & Copying

May 9, 1997

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Page 81 (Revised, C&A)

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
LaPlace, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997. These primary government financial statements are the responsibility of the St. John the Baptist Parish Council, State of Louisiana's, 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, *Audit 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 of the St. John the Baptist Parish Council, State of Louisiana, 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 financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Rebowe & Company
May 9, 1997

St. John the Baptist Parish Council

Schedule of Federal Financial Assistance
For the Year Ended December 31, 1998

Federal Grant Pass-Through Grants, Program Title	Federal CFDA Number	Program or Award Amount	Grant Number
U. S. Federal Emergency Management Agency			
Department of Military Affairs			
Total U. S. Federal Emergency Management Agency	83-500	\$ 28,965	DM0-98-0-0284
U.S. Department of Agriculture			
Financed through State Dept. of Health and Human Resources			
Office of Family Security - Food Stamp Program	18-350	\$4,899,000	-
Office of Family Security - Food Stamp Program - Administrative Costs	18-350	\$ 34,020	-
Summer Food Service Program	18-350	\$ 43,140	-
Total U.S. Department of Agriculture			
U.S. Department of Housing and Urban Development			
Financed through State Division of Administration;			
Community Development Block Grant - Small Cities Program - Contract 181-2835/01-3058			
Total United States Department of Housing and Urban Development	14-219	\$ 471,600	-
U.S. Department of Health and Human Services			
Financed through Louisiana State Department of Health and Hospitals - Office of Alcohol and Drug Abuse			
Youth Prevention Program	83-958	\$ 57,027	DHHS/08714, (204.731-700)21
Total U.S. Department of Health and Human Services			
U.S. Department of Justice			
Financed through State Department of Wildlife and Fisheries Parishes Boat Launch			
Total U.S. Department of Justice	15-600	\$ 32,278	44-01-00-06-0
Total Federal Financial Assistance			

Cash or Accrued (Deferred) Revenue \$1,000,000	Receipts or Revenue Recognized	Expenditures/ Disbursements	Cash or Accrued (Deferred) Revenue 1,000,000
\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
1,450,000	4,999,800	4,994,450	1,474,350
-	34,000	34,000	-
_____	_____	_____	_____
1,450,000	5,033,800	5,028,450	1,474,350
_____	_____	_____	_____
-	404,800	404,800	-
_____	_____	_____	_____
-	404,800	404,800	-
_____	_____	_____	_____
-	4,500	11,600	4,100
_____	_____	_____	_____
-	4,500	11,600	4,100
_____	_____	_____	_____
-	11,600	11,600	-
_____	_____	_____	_____
-	11,600	11,600	-
<u>\$ 1,450,000</u>	<u>\$ 5,641,900</u>	<u>\$ 5,636,850</u>	<u>\$ 1,482,450</u>

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Page 67 of 68 pages, 0/0

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
LaPlace, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997. We have also audited the compliance of the St. John the Baptist Parish Council, State of Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 9, 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. John the Baptist Parish Council, State of Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1996, we considered the internal control structure of the St. John the Baptist Parish Council, State of Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, and on its compliance 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 the internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed the internal control structure policies and procedures relevant to our audit of the primary government financial statements in a separate report dated May 9, 1997.

The management of the St. John the Baptist Parish Council, State of Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, 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 by the following categories:

ACCOUNTING CONTROLS

- Cash and investments
- Grants and similar programs
- Expenditures for goods and services and accounts payable
- Payroll and related liabilities

GENERAL REQUIREMENTS

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

SPECIFIC REQUIREMENTS

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, or cost-sharing
- Reporting
- Cost allocation
- Claims for advances and reimbursements
- Amounts claimed or used for matching

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

During the year ended December 31, 1996, the St. John the Baptist Parish Council, State of Louisiana, expended 50% of its total federal financial assistance under major federal financial assistance programs.

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 each of the St. John the Baptist Parish Council, State of Louisiana's, major federal financial assistance programs, which are 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 reasonable 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 considered to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the St. John the Baptist Parish Council, State of Louisiana, in a separate letter dated May 9, 1997.

This report is intended for the information of management of the Parish, the State of Louisiana Legislative Auditors, and officials of applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

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May 9, 1997

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Philip W. Rebowe, CPA

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

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
Lafayette, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997.

We have applied procedures to test for St. John the Baptist Parish Council, State of Louisiana'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 cost/ret 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. John the Baptist Parish Council, State of Louisiana'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 these 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. John the Baptist Parish Council, State of Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of management of the Parish, the State of Louisiana Legislative Auditors, and officials of applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Roberts & Company

May 9, 1993

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Philip W. Rebowe, CPA

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

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
Lafayette, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997.

We have also audited the St. John the Baptist Parish Council, State of Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of the St. John the Baptist Parish Council, State of Louisiana, is responsible for the St. John the Baptist Parish Council, State of Louisiana's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these 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-133, *Audit of State and Local Governments*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the St. John the Baptist Parish Council, State of Louisiana's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the St. John the Baptist Parish Council, State of Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; cost allocation; claims for advances and

reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1998.

This report is intended for the information of management of the Parish, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Roberts & Company

May 9, 1997

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May 19, 1997

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

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
Lafayette, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997.

In connection with our audit of the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, and with our consideration of the St. John the Baptist Parish Council, State of Louisiana's internal 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 and eligibility that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the St. John the Baptist Parish Council, State of Louisiana'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. John the Baptist Parish Council, State of Louisiana had not complied, in all material respects, with those requirements.

This report is intended for the information of management of the Parish, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Robson & Company

May 9, 1993

ST. JOHN THE BAPTIST PARISH COUNCIL
MEMORANDUM OF ADVISORY COMMENTS
FOR THE YEAR ENDING DECEMBER 31, 1996

HEBOWE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION

TABLE OF CONTENTS

AUDITOR'S REPORT	1
COMMENTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES	
1. CASH MANAGEMENT	2
2. ACCOUNTING POLICIES	2
3. CHART OF ACCOUNTS	3
4. FIXED ASSETS	3
5. DATA PROCESSING	3
6. PARISH TRANSPORTATION ACT	4
7. HOME RULE CHARTER	4
8. SECURITIES REPORTING	5
9. SPECIAL EVENTS	5
10. CENTRALIZATION OF PURCHASING FUNCTION	5

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
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May 9, 1997

May 9, 1997

To the Honorable President
and Members of the Council
St. John the Baptist Parish, State of Louisiana
LaPlace, Louisiana

We have audited the primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana for the year ended December 31, 1996, and have issued our report thereon dated May 9, 1997. As part of our audit, we considered the Parish's internal control structure in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control structure has been reported on in a separately issued report entitled *Independent Auditors' Report on the Internal Control Structure Based on an Audit of the Primary Government Financial Statements Performed in Accordance with Government Auditing Standards* dated May 9, 1997.

This memorandum summarizes various other matters which have come to our attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of the Parish.

We have discussed our comments and recommendations with various Parish personnel and have included their responses. We will be pleased to discuss those comments with you in further detail at your convenience, perform any additional analysis of these matters, or assist you in implementing our recommendations.

Sincerely,

Rebowe & Company

COMMENTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

1. Cash Management

Observation:

The Parish maintains over 28 bank accounts for various funds, with approximately seven employees responsible for monthly bank reconciliations. No legal requirement exists for the establishment of most of these accounts. As a result of the large number of accounts, accounting personnel expend an inordinate amount of time preparing bank reconciliations. Additionally, the Parish loses interest earnings on excess cash by maintaining small balances in many accounts rather than investing the pooled balance of all accounts.

Recommendation:

The Parish's fiscal agent bank has the resources to create a pooled cash account for the Parish. Such an account would allow the Parish to reduce its cash accounts with a corresponding decline in the number of bank account reconciliations and an increase in interest income.

Management Response:

We have begun the process of establishing pooled cash accounts in the current year. We will determine those accounts which are not legally required and combine them into pooled accounts.

2. Accounting Policies

Observation:

The Parish does not have an accounting policies and procedures manual defining the duties and responsibilities for each finance department employee.

Recommendation:

A formal accounting manual would clearly define employee responsibilities, aid in training employees, and provide management with a tool for monitoring employee performance. An accounting manual can also help to insure consistent treatment for similar accounting transactions, use of proper accounting principles, and production of accounting reports in the form desired by management.

Management Response:

Management will begin the process of preparing a formal accounting policies and procedures manual in the current year.

COMMENTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

3. CHART OF ACCOUNTS

Observation:

We noted that numerous duplicate accounts had been added to the charts of accounts in the current year. Additionally, the Parish does not utilize a standard chart of accounts for its funds, but maintains a unique chart for each fund.

Recommendation:

To simplify the entry of accounting transactions within a fund and among funds, we recommend that the Parish implement a standardized chart of accounts for all of its funds. Additionally, we recommend that only managerial personnel have authorization to add or delete accounts. The State of Louisiana Legislative Auditor's Office publishes a recommended prescribed chart of accounts that the Parish may wish to utilize.

Management Response:

Several duplicate accounts were caused by journal entries submitted by the Parish's prior external auditors. Management will make an effort to create a uniform chart of accounts in accordance with the chart of accounts established by the Legislative Auditor.

4. FIXED ASSETS

Observation:

The Parish does not have a minimal capitalization policy with regard to its fixed assets. As a result, the Parish's general fixed assets account group contains numerous items costing less than \$100 individually which might properly have been expensed when purchased.

Recommendation:

We recommend that the Parish establish a policy of expensing items costing less than \$500 rather than including these items in the general fixed assets account group. This policy may significantly reduce the number of items included in this account group without exposing the Parish to a significant risk of loss.

Management Response:

Management will implement this policy in the current year.

5. DATA PROCESSING

Observation:

The Parish stores all computer system back-up tapes in a fireproof safe located on-site and has no provision for off-site storage.

COMMENTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

Recommendation:

To insure proper safeguarding of this invaluable financial information against the risk of a catastrophic fire, flood, or other disaster, we recommended that the Parish maintain a copy of these computer tapes off-site.

Management Response:

Management is currently examining various off-site storage areas.

6. PARISH TRANSPORTATION ACT

Observation:

The Louisiana Parish Transportation Act, at LSA-R.S. 48:754, requires the Parish to maintain a listing of projects planned for the coming three years. The Parish maintains a one-year listing of planned projects, as well as a listing of all projects planned in the future, but does not maintain a specific document described as a three-year plan.

Recommendation:

We recommended that the Parish specifically identify planned projects in the three-year format described above.

Management Response:

The Parish currently has a one-year and a five-year plan in effect for these projects. We will consider preparing a specific three-year plan.

7. HOME RULE CHARTER

Observation:

Article IV, Section III of the St. John the Baptist Parish Home Rule Charter requires completion of the audit of the Parish with 90 days after year end. The governing Louisiana statute requires completion of the audit within 180 days after year end. The Parish has not complied with this section of the Charter, but has complied with Louisiana law.

Recommendation:

On the next ballot containing proposed Charter changes, we recommend that the Council consider amending the audit requirement to conform with state law.

Management Response:

Management will consider such a Charter amendment in the future.

CUSTOMERS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

8. SECURITIES REPORTING

Observation:

During 1995 the Parish issued Certificates of Indebtedness, Series 1995; Public Improvement Bonds, Series 1995; and Public Improvement Refunding Bonds, Series 1995. These debt issues contain covenants that require the Parish to file an annual report with a nationally recognized municipal securities information repository not later than August 31, 1997.

Management Response:

Mr. Hugh Martin of Foley & Kadell, Parish bond counsel, has informed us that the required reports will be filed upon receipt of our audited financial statements. We will insure that such reports are appropriately filed.

9. SPECIAL EVENTS

Observation:

The Recreation Department operates a booth selling beverages at the annual Arakoolis Festival. We noted that sufficient accounting records are not being maintained to support the cash received from beverage sales.

Recommendation:

We recommend that management implement a system to maintain adequate accounting records for beverage sales.

Management Response:

Management has implemented a policy whereby all beverage purchases will be made with tickets purchased at a ticket booth managed by Finance Department personnel. In order to distribute purchased beverages, other booths will be set up; however, these booths will have no access to cash.

10. CENTRALIZATION OF PURCHASING FUNCTION

Observation:

The Parish has re-centralized purchasing function. We noted seven Parish employees issuing purchase orders. This practice weakens the internal control environment and makes it difficult to insure that the Parish is purchasing certain goods at the lowest price.

Recommendation:

We recommend that the Parish centralize its purchasing function. Centralization will allow the purchasing function to operate more efficiently and the internal control environment will be strengthened.

COMMENTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

Management Response:

Management will centralize the purchasing function related to products used by all departments of the Parish to obtain these goods at the lowest price; however, goods specific to each department will still be purchased by employees of each respective department.

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**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA**

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT THEREON**

Year Ended December 31, 1996

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the Auditor, or otherwise, 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.

JUL 23 1997

Release Date: _____

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA

Primary Government Financial Statements
As of and for the Year Ended December 31, 1996

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report	1
Primary Government Financial Statements:	
Combined Balance Sheet, All Fund Types and Account Groups	3
Governmental Funds:	
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	9
Proprietary Funds:	
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings	11
Combined Statement of Cash Flows	12
Notes to the Financial Statements	14
SUPPLEMENTAL INFORMATION	
Schedule of Compensation Paid to Board Members	43
SINGLE AUDIT SECTION	
Independent Auditor's Report on Compliance Based on an Audit of Primary Government Financial Statements Performed in Accordance with Government Auditing Standards	47

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA

Primary Government Financial Statements
As of and for the Year Ended December 31, 1996

TABLE OF CONTENTS (Continued)

SINGLE AUDIT SECTION (Continued)

Independent Auditor's Report on the Internal Control Structure Based on an Audit of Primary Government Financial Statements Performed in Accordance with Government Auditing Standards	51
Independent Auditor's Report on the Schedule of Federal Financial Assistance	59
Schedule of Federal Financial Assistance	60
Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	62
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	64
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	67
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	69

FINANCIAL SECTION

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File # 01-00000000

INDEPENDENT AUDITOR'S REPORT

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
Lafayette, Louisiana

We have audited the accompanying primary government financial statements of the St. John the Baptist Parish Council, State of Louisiana, as of and for the year ended December 31, 1996, as listed in the table of contents. These primary government financial statements are the responsibility of the management of the Parish. 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, *Audit of State and Local Governments*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 primary government 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. John the Baptist Parish Council, State of Louisiana, 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 general accepted accounting principles.