



1988  
29 JAN 24 11:11:12

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

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

**Year Ended December 31, 1998**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the parish, or parish board, and to other appropriate public officials. This report is available for public inspection in the Motion Picture Department of the Legislative Building and, where appropriate, of the office of the parish clerk of court.

Release Date: JAN 24 1999

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA

Primary Government Financial Statements  
As of and for the Year Ended December 31, 1988

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report .....	1
Primary Government Financial Statements:	
Combined Balance Sheet, All Fund Types and Account Groups .....	4
Governmental Funds:	
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances .....	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) Basis and Actual: General and Special Revenue Funds .....	10
Proprietary Funds:	
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings .....	12
Combined Statement of Cash Flows .....	13
Notes to the Financial Statements .....	13

SUPPLEMENTAL INFORMATION

Special Revenue Funds:	
Combining Balance Sheet .....	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	47

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA

Primary Government Financial Statements  
As of and for the Year Ended December 31, 1998

TABLE OF CONTENTS (CONTINUED)

SUPPLEMENTAL INFORMATION (CONTINUED)

Debt Service Funds:

Combining Balance Sheet .....	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	51

Capital Project Funds:

Combining Balance Sheet .....	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	54

Enterprise Funds:

Combining Balance Sheet .....	55
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings .....	57
Combining Statement of Cash Flows .....	59

Internal Service Funds:

Combining Balance Sheet .....	61
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings .....	62
Combining Statement of Cash Flows .....	63

Agency Funds:

Combining Balance Sheet .....	64
-------------------------------	----

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA

Primary Government Financial Statements  
As of and for the Year Ended December 31, 1998

TABLE OF CONTENTS (CONTINUED)

<b>SUPPLEMENTAL INFORMATION (CONTINUED)</b>	
Schedule of Compensation Paid to Board Members .....	65
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Year 2000 Disclosure (Unaudited) .....	66
<b>SINGLE AUDIT SECTION</b>	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	67
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 .....	69
Schedule of Expenditures of Federal Awards .....	71
Schedule of Findings and Quantified Costs .....	72
Summary Schedule of Prior Audit Findings .....	79
Corrective Action Plan .....	81

## FINANCIAL SECTION

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS  
A FIRM OF EQUAL OPPORTUNITY

2601 N. Gumbert Blvd. • Suite 400 • P.O. Box 4000 • Metairie, LA 70002  
Phone (504) 837-9110 • Fax (504) 837-9323 • E-mail [reb@rcpa.com](mailto:reb@rcpa.com)

## 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** (the Parish), as of and for the year ended December 31, 1998, 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.

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

Due to the inadequacy of accounting records pertaining to the Parish's General Fixed Asset Account Group, we were unable to form an opinion regarding the amounts at which property and equipment are recorded in the accompanying balance sheet at December 31, 1998 (stated at \$19,121,238).

In addition, due to the inadequacy of accounting records pertaining to the property and equipment of the Parish's enterprise funds as of December 31, 1998, and the Utilities System Enterprise Fund as of June 30, 1998, we were also unable to form an opinion regarding the amounts at which property and equipment and accumulated depreciations are recorded in the accompanying balance sheet (stated at \$84,186,869 and \$26,541,238, respectively), or the amount of depreciation expense for the year then ended (stated at \$2,110,423).

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, except for the effects of such adjustments, if any, as might have been determined to be necessary had records concerning property and equipment and related accumulated depreciation been adequate, 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** as of December 31, 1998, 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.

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**, do not purport to, and do not, present fairly the financial position of the **St. JOHN THE BAPTIST PARISH COUNCIL** as of December 31, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 7, 1999, on our consideration of the **St. JOHN THE BAPTIST PARISH COUNCIL**'s internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements of the **St. JOHN THE BAPTIST PARISH COUNCIL**, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. Also, the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

The year 2000 supplementary information on page 67 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the **St. JOHN THE BAPTIST PARISH COUNCIL** is or will become year 2000 compliant, that the **St. JOHN THE BAPTIST PARISH**

Company's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the St. John the Baptist Parish Council does business are or will become year 2000 compliant.

*Release & Consistency*

May 7, 1999



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

**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**December 31, 1998**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<b>Assets and Other Debits</b>				
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 6,940,418	\$ 3,978,057	\$ 1,702,643
Investments	-	900,893	189,940	5,497,807
Receivables, net	1,004,326	3,213,874	2,062,354	38,321
Due from other funds	116,077	1,964,321	428,720	-
Other receivables	8,878	7,312	-	-
Inventory	-	-	-	-
Due from other governments	38,688	717,838	-	62,196
Other assets	-	-	-	-
Restricted assets	-	-	-	-
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
<i>Other debits</i>				
Amount available in debt service funds	-	-	-	-
Amount to be provided for satisfaction of general long-term obligations	-	-	-	-
<b>Total Assets and Other Debits</b>	<u>\$ 1,169,181</u>	<u>\$ 13,400,815</u>	<u>\$ 6,724,951</u>	<u>\$ 7,798,437</u>

(Continued)

Proprietary Fund Types		Fiduciary	Account Groups		Total (Millions of Dollars)
Enterprise Funds	Internal Service Funds		General Fixed Assets	General Long-term Liabilities	
\$ 1,342,833	\$ 534,770	\$ 33,091	\$ -	\$ -	\$ 19,031,278
-	-	-	-	-	6,687,482
1,848,640	-	-	-	-	8,283,313
411,284	181,273	-	-	-	3,348,868
115,691	-	-	-	-	151,975
95,352	-	-	-	-	80,332
17,964	-	-	-	-	495,318
54,331	-	-	-	-	81,331
2,408,353	-	-	-	-	2,494,153
37,444,849	-	-	19,031,278	-	76,766,127
-	-	-	-	6,278,310	6,278,310
-	-	-	-	21,821,088	21,821,088
<u>\$ 64,688,857</u>	<u>\$ 716,043</u>	<u>\$ 33,091</u>	<u>\$ 19,031,278</u>	<u>\$ 44,099,318</u>	<u>\$ 156,767,375</u>

**City of Los Angeles Unified School District  
 Los Angeles, California**

**Continental Balance Sheet (Continued)  
 All Fund Types and Account Groups  
 December 31, 1998**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<b>Liabilities, Equity, and Other Credits</b>				
<b>Liabilities</b>				
Accounts and salaries payable	\$ 186,286	\$ 196,262	\$ -	\$ 348,542
Cash overdrafts	158,862	22,817	-	-
Contracts payable	-	18,283	-	11,277
Due to other funds	582,155	1,171,751	446,721	8,343
Due to other governments	28,152	24,886	-	-
Payable from restricted assets	-	-	-	-
Other liabilities	-	178,848	-	-
Capital leases payable	-	-	-	-
Loans payable	-	-	-	-
Books payable	-	-	-	-
<b>Total liabilities</b>	<b>995,655</b>	<b>1,583,587</b>	<b>446,721</b>	<b>387,944</b>
<b>Fund equity and other credits</b>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balance:				
Reserved	-	791,561	6,278,239	6,902,483
Unreserved	298,236	11,623,687	-	-
<b>Total fund equity and other credits</b>	<b>298,236</b>	<b>11,815,248</b>	<b>6,278,239</b>	<b>6,902,483</b>
<b>Total Liabilities, Equity, and Other Credits</b>	<b>\$ 1,293,891</b>	<b>\$ 13,398,835</b>	<b>\$ 6,724,960</b>	<b>\$ 7,290,427</b>

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary	Business Groups		Total (Memorandum Only)
Description Funds	Internal Service Funds	Agency Fund	General Fixed Assets	General Long-term Obligations	
\$ 320,899	\$ -	\$ -	\$ -	\$ -	\$ 3,352,864
56,308	852,800	-	-	-	488,958
-	-	-	-	-	50,338
983,358	186,261	26,899	-	-	3,314,771
-	-	-	-	-	84,858
718,958	-	-	-	-	718,958
308,908	-	(1,851)	-	-	347,908
60,317	-	-	-	805,718	667,815
-	-	-	-	5,000	5,000
9,814,688	-	-	-	(3,488,868)	69,387,658
<u>8,188,642</u>	<u>318,261</u>	<u>25,048</u>	<u>-</u>	<u>(44,089,318)</u>	<u>96,287,151</u>
49,528,187	-	-	-	-	49,528,187
-	-	-	19,021,278	-	19,021,278
1,100,587	-	-	-	-	1,100,587
8,901,676	398,788	-	-	-	9,508,268
-	-	-	-	-	13,674,574
-	-	-	-	-	11,283,183
<u>11,781,651</u>	<u>588,788</u>	<u>-</u>	<u>19,021,278</u>	<u>-</u>	<u>189,544,254</u>
<u>\$ 84,168,097</u>	<u>\$ 717,049</u>	<u>\$ 28,051</u>	<u>\$ 19,021,278</u>	<u>\$ 44,089,318</u>	<u>\$ 196,247,321</u>

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

**Governmental Fund Types**  
**Combined Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**For the Year Ended December 31, 1998**

	Governmental Fund Types				Total (Millions Only)
	General Fund	Special Revenue Funds	Enterprise Funds	Capital Projects Funds	
<b>Revenue</b>					
<b>From:</b>					
<b>Ad valorem</b>	1	780,000	1,268,700	1,173,000	4,200,700
<b>Sales and use</b>	-	-	8,000,000	-	8,000,000
<b>Other taxes and penalties</b>	-	-	-	-	-
<b>Interest and penalties</b>	960,000	-	-	-	960,000
<b>Intergovernmental revenues:</b>					
<b>Federal grants</b>	-	551,247	-	-	551,247
<b>State grants:</b>					
<b>Health/transportation</b>	-	601,870	-	-	601,870
<b>State revenue sharing</b>	171,000	77,146	-	-	248,146
<b>Other</b>	111,500	581,000	-	111,700	804,200
<b>Fees, charges, and commissions</b>	188,000	290,000	-	-	478,000
<b>Financial institutions</b>	50,000	291,000	-	-	341,000
<b>Interest income</b>	80,700	240,000	202,000	270,500	793,200
<b>Other revenues</b>	11,000	401,000	-	4,000	456,000
<b>Total Revenue</b>	<b>2,041,000</b>	<b>30,683,000</b>	<b>1,470,700</b>	<b>971,500</b>	<b>34,166,200</b>
<b>Expenditures</b>					
<b>Of or for government:</b>					
<b>Legislation</b>	11,000	-	-	-	11,000
<b>Legal</b>	701,000	280,000	-	-	981,000
<b>Executive</b>	451,000	-	-	-	451,000
<b>Finance</b>	11,000	-	-	-	11,000
<b>Finance and administrative</b>	-	1,000	10,000	-	11,000
<b>Fuel service</b>	11,000	-	-	-	11,000
<b>Building and plant</b>	831,000	-	-	-	831,000
<b>Planning and auditing</b>	171,000	-	-	-	171,000
<b>Public utility</b>	491,000	1,011,000	-	-	2,002,000
<b>Public works</b>	-	-	-	1,049,000	1,049,000
<b>Health and welfare</b>	681,000	481,900	-	-	1,162,900
<b>Economic development</b>	-	231,000	-	-	231,000
<b>Transportation</b>	-	1,000,000	-	-	1,000,000
<b>Miscellaneous</b>	171,000	18,000	1,000,000	-	1,169,000
<b>Total Expenditures</b>	<b>3,181,000</b>	<b>4,608,000</b>	<b>1,010,000</b>	<b>1,049,000</b>	<b>10,848,000</b>

(continued)

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

**Governmental Fund Types**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**For the Year Ended December 31, 1998**

	Governmental Fund Types				Total (Major Funds Only)
	General Fund	Special Revenue Funds	Enterprise Funds	Capital Projects Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,237,000)	\$ 809,000	\$ (1,909,000)	\$ (1,482,000)	\$ 2,671,000
Other Financing Sources (Uses)					
Proceeds of debt issued	-	-	-	7,500,000	7,500,000
Proceeds of loans	-	44,000	-	-	44,000
Sale of fixed assets	-	503,000	-	-	503,000
Operating transfers in	1,414,004	503,000	1,402,000	50	5,500,000
Operating transfers out	(180,000)	(5,134,000)	(100,000)	(4,000)	(6,460,000)
Transfers Financing Sources (Used)	1,234,004	(4,631,000)	1,302,000	1,490,000	7,500,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(17,996)	1,889,000	260,000	6,004,000	8,981,400
Fund Balances, Beginning of Year	209,894	8,188,100	1,761,111	889,100	10,248,205
Fund Balances, End of Year	\$ 191,900	\$ 11,217,000	\$ 2,021,111	\$ 1,903,400	\$ 25,233,411

The accompanying notes are an integral part of this statement.

**St. John the Baptist Parish Council**  
Lafayette, 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, 1998**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variances	Budget	Actual	Variances
			(Favorable/Unfavorable)			(Favorable/Unfavorable)
<b>Revenues</b>						
Taxes:						
Ad valorem	\$ 798,000	\$ 789,097	\$ (8,903)	\$ 1,211,000	\$ 1,245,186	\$ 34,186
Sales and use	-	-	-	2,880,000	1,601,943	(1,278,057)
Other licensed penalties	-	-	-	-	-	-
Licenses and permits	792,000	769,000	(23,000)	-	-	-
Intergovernmental revenues:						
Federal grants	-	-	-	321,000	332,947	11,947
State funds:						
Public transportation	-	-	-	356,000	502,878	146,878
State revenue sharing	185,000	171,000	(14,000)	43,200	31,140	(12,060)
Other	109,000	113,938	4,938	270,000	243,000	(27,000)
Fees, charges, and commissions	187,200	199,832	12,632	402,532	299,000	(103,532)
Fines and forfeitures	30,000	30,000	-	130,225	128,000	(2,225)
Interest income	11,000	9,793	(1,207)	24,000	140,000	116,000
Other income	50,000	51,375	1,375	383,811	400,177	16,366
<b>Total Revenues:</b>	<b>2,798,200</b>	<b>2,549,139</b>	<b>(249,061)</b>	<b>1,504,107</b>	<b>1,645,116</b>	<b>141,009</b>
<b>Expenditures</b>						
General government:						
Legislative	229,620	211,038	18,582	-	-	-
Judicial	503,880	493,114	10,766	871,180	790,617	80,563
Executive	408,000	411,000	(3,000)	-	-	-
Firefighting	55,000	55,000	-	-	-	-
Finance and administration	-	-	-	100	1,000	900
Public works	26,250	1,671	24,579	-	-	-
Building and plant	178,500	181,044	(2,544)	-	-	-
Planning and zoning	180,000	171,904	8,096	-	-	-
Public safety	482,000	449,158	32,842	1,700,000	1,551,000	149,000
Public works	-	-	-	-	-	-
Health and welfare	497,460	580,000	(82,540)	488,517	480,000	8,517
Economic development	-	-	-	205,111	208,000	(2,889)
Transportation	-	-	-	1,683,000	1,620,762	62,238
Other services	193,000	170,880	22,120	14,828	18,000	(3,172)
<b>Total Expenditures:</b>	<b>\$ 2,885,620</b>	<b>\$ 2,586,046</b>	<b>\$ 299,574</b>	<b>\$ 7,000,004</b>	<b>\$ 6,609,148</b>	<b>\$ 390,856</b>

(Continued)

**St. John the Baptist Parish Council  
Officers, Employees**

**Governmental Fund Types  
Combined 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 Unfavorable	Budget	Actual	Variance Favorable Unfavorable
<b>Revenues (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 1,171,079</u>	<u>\$ 1,171,007</u>	<u>\$ 78,072</u>	<u>\$ 6,000,000</u>	<u>\$ 6,070,044</u>	<u>\$ 7,044,078</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds of debt issued	-	-	-	-	-	-
Proceeds of loans	-	-	-	84,000	84,000	-
Sale of fixed assets	-	-	-	80,441	100,000	19,559
Operating transfers in	1,714,497	1,614,764	99,733	673,000	643,000	30,000
Operating transfers out	(194,615)	(190,699)	3,916	(1,738,999)	(1,714,646)	24,353
<b>Total Other Financing Sources (Uses)</b>	<u>1,714,492</u>	<u>1,614,764</u>	<u>99,733</u>	<u>649,441</u>	<u>649,454</u>	<u>15,000</u>
<b>Revenues (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>171,671</u>	<u>171,760</u>	<u>89,000</u>	<u>1,099,732</u>	<u>1,549,944</u>	<u>1,079,078</u>
<b>Fund Balances, Beginning of Year</b>	<u>373,834</u>	<u>373,834</u>	<u>-</u>	<u>8,278,304</u>	<u>8,278,304</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 485,505</u>	<u>\$ 545,594</u>	<u>\$ 60,089</u>	<u>\$ 9,378,036</u>	<u>\$ 11,827,648</u>	<u>\$ 2,449,612</u>

The accompanying notes are an integral part of this statement.



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

**Regulatory Fund Types**  
**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**For the Year Ended December 31, 1998**

	Regulatory Funds		Total
	Regulatory Funds	Interest Funds	
<b>Revenue</b>			
Taxes	\$ 4,873,889	-	\$ 4,873,889
Fees	71,879	-	71,879
Other fees, charges, and miscellaneous	4,576,873	-	4,576,873
Grant revenue	17,264	-	17,264
Other income	388,858	-	388,858
<b>Total Revenues</b>	<b>9,927,763</b>	<b>-</b>	<b>9,927,763</b>
<b>Operating Expenses</b>			
Gas and water distribution	3,888,855	-	3,888,855
Service collection	4,376,260	-	4,376,260
Solid waste	1,888,876	-	1,888,876
Management information	278,460	-	278,460
Interest	-	80,673	80,673
<b>Total Operating Expenses</b>	<b>10,432,451</b>	<b>80,673</b>	<b>10,513,124</b>
<b>Operating Income (Loss)</b>	<b>(504,687)</b>	<b>(80,673)</b>	<b>(585,360)</b>
<b>Nonoperating Income (Expense)</b>			
Interest income	183,968	20,566	204,534
Interest expense	(268,773)	-	(268,773)
Gain on sale of equipment	383,844	-	383,844
Gain on bond refunding	16,878	-	16,878
Operating transfers in	713,000	87,900	800,900
Operating transfers out	(288,188)	(182,888)	(471,076)
Other	-	(47,588)	(47,588)
<b>Net Nonoperating Income (Expense)</b>	<b>686,629</b>	<b>(131,790)</b>	<b>554,839</b>
<b>Net Income (Loss)</b>	<b>(18,057)</b>	<b>(254,463)</b>	<b>(272,520)</b>
<b>Reconciliation of Contributions Capital</b>	<b>1,786,243</b>	<b>-</b>	<b>1,786,243</b>
<b>Income (Decrease) in Retained Earnings</b>	<b>1,427,884</b>	<b>(131,943)</b>	<b>1,295,941</b>
<b>Retained Earnings, Beginning of Year</b>	<b>1,411,798</b>	<b>153,731</b>	<b>1,565,529</b>
Other adjustments, see note 19	404,414	-	404,414
<b>Retained Earnings, Beginning of Year, as restated</b>	<b>1,816,212</b>	<b>153,731</b>	<b>1,970,043</b>
<b>Retained Earnings, End of Year</b>	<b>3,244,100</b>	<b>(78,204)</b>	<b>3,165,896</b>

The accompanying notes are an integral part of this statement.

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

**Proprietary Fund Types**  
**Combined Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

	Proprietary Funds		Total
	Enterprise Funds	Internal Service Funds	
<b>Cash Flows From Operating Activities</b>			
Operating income (loss)	\$ (841,967)	\$ (88,672)	\$ (930,639)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	2,182,433	-	2,182,433
Gain on sale of equipment	383,844	-	383,844
Gain on liquidation	16,870	-	16,870
Changes in assets and liabilities:			
Accounts receivable	(261,711)	-	(261,711)
Due from other funds	(248,177)	(182,270)	(430,447)
Due from other governments	(17,564)	-	(17,564)
Other receivables	(16,846)	-	(16,846)
Inventory	22,742	-	22,742
Accounts and notes payable	(12,813)	-	(12,813)
Due to other funds	366,333	156,281	522,614
Accrued expenses	40,408	-	40,408
Deposits payable	(13,896)	-	(13,896)
Interest payable	(7,898)	-	(7,898)
Other payables	156,500	-	156,500
Other assets	43,294	-	43,294
Net cash provided (used) by operating activities	<u>1,361,627</u>	<u>(56,686)</u>	<u>1,304,941</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Operating transfers in	711,080	87,928	799,008
Operating transfers out	(288,238)	(182,088)	(470,326)
Other	-	(21,588)	(21,588)
Net cash provided (used) by noncapital financing activities	<u>422,842</u>	<u>(115,748)</u>	<u>307,094</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Proceeds from bond issue	8,364,326	-	8,364,326

(Continued)

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

**Proprietary Fund Types**  
**Combined Statement of Cash Flows (Continued)**  
**For the Year Ended December 31, 1998**

	Proprietary Funds		Total
	Enterprise Funds	Internal Service Funds	
<b>Cash Flows From Capital and Related Financing Activities (Continued)</b>			
Acquisition of capital assets	\$ (4,848,924)	\$ -	\$ (4,848,924)
Cash from sale of fixed assets	1,402,858	-	1,402,858
Increase in contributed capital	1,802,577	-	1,802,577
Repayment of loans payable	(8,178)	-	(8,178)
Bonds payable			
Principal and defeasance payments	(8,091,738)	-	(8,091,738)
Interest payments	(288,974)	-	(288,974)
Capital leases payable	61,317	-	61,317
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by capital and related financing activities	(2,216,640)	-	(2,216,640)
<b>Cash Flows From Investing Activities</b>			
Interest income	183,968	27,305	211,273
Sale of investment securities	80,598,684	1,481,100	82,079,784
Purchases of investment securities	(9,446,187)	(895,811)	(10,342,000)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by investing activities	1,088,125	272,494	1,360,619
<b>Net Increase in Cash</b>	<b>481,091</b>	<b>340,218</b>	<b>1,056,258</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,841,828</b>	<b>8,342</b>	<b>1,850,170</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,322,919</b>	<b>\$ 372,170</b>	<b>\$ 2,695,089</b>
<b>Reconciliation to Balance Sheet:</b>			
Cash and cash equivalents	\$ 1,943,823	\$ 319,170	\$ 2,262,993
Cash and cash equivalents, restricted	479,126	-	479,126
Cash over/short	(79,980)	(52,000)	(131,980)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total cash and cash equivalents	<b>\$ 2,322,919</b>	<b>\$ 372,170</b>	<b>\$ 2,695,089</b>

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, 1998

**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 30% 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 Statutes, at LSA-R.S. 33:1306, give the Council various powers in regulating and directing the affairs of the Parish and its institutions. 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 income sharing, and various state and federal grants.

St. John the Baptist Parish occupies 251 square miles with a population of approximately 42,806. Council offices are located in the Parish office building at 1881 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**  
**LaPlace, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government Accounting Standards Board (GASB) Statement No. 34 established criteria for determining which component units should be considered part of the St. Johns 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 appoint 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 Year End</u>	<u>Criteria Used</u>
Council on Aging	June 30	2
Community Action Agency	June 30	1 a,b
Library	December 31	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, most 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**  
Lafayette, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 1998

**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.

*GASB 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.*

**II. 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 governmental 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 follows:

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**  
Lafayette, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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 not funds. They are concerned only with the measurement of financial position, not with results of operations.

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

**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 unknown 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 retailers. 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 those funds by the General Fund.

The Parish reports deferred revenue on its combined balance sheet. Deferred revenue arise 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**  
**LaPlaze, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**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 aggregated 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 at the time liabilities are incurred. Unbilled enterprise fund service receivables are recorded as fund assets at year-end.

In accordance with Statement No. 38 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," it is the policy of the Parish's proprietary funds to apply all applicable GASB pronouncements as well as all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**D. 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.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
Lafayette, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 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.

Louisiana Revised Statutes, at LSA-R.S. 33:2055, authorize the Council to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government; (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities; (3) direct security repurchase agreements of any federal bank-entry-only securities; (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations; (5) in trust or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies; or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investor Service, provided that no such investment may be made except in connection with a financing program approved by the State Board Commission.

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank.

Investments consist of U.S. Treasury Bills with original maturities of one year or less, and are stated at amortized cost.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**I. INVENTORIES**

The cost of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of consumption. Proprietary fund type inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

**J. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**K. RESTRICTED ASSETS**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by the governing board covenants. Additionally, customer deposits held by the Utilities System Enterprise Fund are restricted for use in paying outstanding bills when customers discontinue service.

**L. FIXED ASSETS**

**General Fixed Assets**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. Assets in the general fixed assets account group are not depreciated. All purchased fixed assets

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
Lafayette, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. FIXED ASSETS (CONTINUED)**

are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date donated.

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

Public domain (infrastructure) general fixed assets consisting of roads, bridges, canals and gutters, and streets and sidewalks are not capitalized, as these assets are inseparable and of value only to the government.

**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 45 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 charged out to the related contributed capital accounts rather than retained earnings. This method is considered preferable under the matching concept whereas acquisition of these fixed assets is recorded as an addition to contributed capital.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. 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 4 to 15 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, 1998, therefore, 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 260, 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 expense.

**N. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures 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 appropriate 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.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LaPlata, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. INTERFUND TRANSACTIONS**

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

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

**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.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**Lafayette, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

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

- (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 revenues. If the Parish Council fails to act on either budget within the time limit provided, it shall be adopted as submitted by the President.

**NOTE 3 - AD VALOREM TAX**

Ad valorem tax on real property is levied as of November 1<sup>st</sup> 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 1<sup>st</sup>). The tax bills are mailed by the Sheriff's Office in early December and are due upon receipt. The taxes become delinquent on January 1<sup>st</sup> 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	4.24	4.24	12/31/05
Courthouse and Jail	1.04	1.04	12/31/05
Library	0.99	0.99	12/31/01
Public Health	1.00	1.00	12/31/01
Public Buildings	0.50	0.50	12/31/02
Water Improvement	2.50	2.50	12/31/00
Road Lighting District No. 1	4.00	4.00	12/31/01
Parishwide Sewerage	4.20	4.20	12/31/03
Mosquito Abatement District	0.50	0.50	12/31/98
Juvenile Detention Center	1.01	1.01	12/31/09
Public Buildings Training Center	0.50	0.50	12/31/01
Public Buildings ARC Maintenance	0.50	0.50	12/31/03
Senior Citizens Center	1.00	1.00	12/31/03
Drainage Works and Building Improvements	2.50	2.50	12/31/17

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

**NOTE 4 - SALES AND USE TAX**

The Parish levies a four percent sales and use tax. The Parish and the St. John the Baptist Parish 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. Sales and use tax revenue recognized in 1998 totaled \$10,071,913.

**NOTE 5 - CASH AND CASH EQUIVALENTS**

At December 31, 1998, the Council has cash and cash equivalents (book balances) totaling \$14,533,094 of which \$14,063,758 is unrestricted and \$469,336 is restricted. Restricted cash is included with restricted assets on the combined balance sheet. In the category funds, restricted cash equals \$469,336 and unrestricted cash equals \$1,286,533 for total cash of \$1,755,879, 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 (or the resulting 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, 1998, the Council has \$15,777,962 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$13,457,962 of pledged securities held by the federal reserve bank in the name of the fiscal agent bank and the Parish (CASH Category 1).

**NOTE 6 - INVESTMENTS**

The Parish's investments at December 31, 1998, consist of United States Treasury Bills, all of which were purchased with original maturities of one year or less. Under the provisions of Government Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, these investments are reported at amortized cost.

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 counterparty's trust department or agent in the Parish's name.



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

**NOTE 6 - INVESTMENTS (CONTINUED)**

**Category 2** - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Parish's name.

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

	Category <u>1</u>	Carrying <u>Amount</u>	Market <u>Value</u>
United States Treasury Bills	<u>\$1,643,322</u>	<u>\$1,643,322</u>	<u>\$1,692,453</u>

All investments maintained in the proprietary funds are classified as held-to-maturity. These investments consist exclusively of U.S. Treasury Bills with original maturities of one year or less. The carrying amount of investments in the proprietary funds is \$1,854,817, and the market value is \$1,954,817. The total market value of the Parish's investments is \$6,692,453 net of unrealized gain on investments of \$50,394.

**NOTE 7 - RECEIVABLES**

The following is a summary of receivables at December 31, 1998:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds	Agency Funds	Total
<b>Taxes:</b>							
Ad Valorem	\$ 200,210	\$1,011,184	\$7,890,689	\$ -	\$ 29,550	\$ -	\$1,939,633
Sales & Use	-	1,963,559	-	-	13,245	-	1,976,804
Other	73,607	-	-	-	-	-	73,607
<b>Intergovernmental:</b>							
Federal	-	251,368	-	-	17,554	-	268,932
State	38,440	125,626	-	61,156	-	-	225,222
<b>Accounts receivable</b>	290,000	300,121	3,380	28,121	1,782,082	-	2,393,704
<b>Other receivables</b>	<u>3,978</u>	<u>7,812</u>	<u>-</u>	<u>-</u>	<u>103,685</u>	<u>-</u>	<u>115,475</u>
<b>Gross receivables</b>	1,801,234	3,618,204	2,603,294	90,277	2,608,264	-	8,989,617
<b>Less: Allowance for estimated uncollectibles</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,156</u>	<u>-</u>	<u>80,156</u>
<b>Net receivables</b>	<u>\$1,801,234</u>	<u>\$3,618,204</u>	<u>\$2,603,294</u>	<u>\$ 90,277</u>	<u>\$1,527,108</u>	<u>\$ -</u>	<u>\$8,809,461</u>

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

**NOTE 7 – RECEIVABLES (CONTINUED)**

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

<b>Proprietary Funds:</b>	
Sewer District 1B	\$14,631
Solid Waste	2,032
Gas and Water	<u>13,463</u>
<b>Total allowance for uncollectible accounts</b>	<b><u>\$30,166</u></b>

**NOTE 8 – FIXED ASSETS**

The changes in the General Fixed Asset Account Group during the year ended December 31, 1998, follow:

	Balance January 1, <u>1998</u>	Additions	Deletions	Balance December 31, <u>1998</u>
Land & building	\$ 10,255,889	\$ 461,108	\$ 582,240	\$ 10,234,797
Equipment & fixtures	8,116,836	288,049	30,489	8,374,376
Construction in progress	-	<u>532,135</u>	-	<u>532,135</u>
<b>Total</b>	<b><u>\$18,372,725</u></b>	<b><u>\$1,281,293</u></b>	<b><u>\$ 612,729</u></b>	<b><u>\$ 19,121,278</u></b>

Construction in progress consists of the following:

	Expended to December 31, 1998
<b>Drainage Construction Fund</b>	
Drainage Projects	\$ 438,185
<b>Building Construction Fund</b>	
Main Building Improvements	<u>93,950</u>
<b>Total construction in progress</b>	<b><u>\$ 532,135</u></b>

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

**NOTE 8 - FIXED ASSETS (CONTINUED)**

A summary of activity for property, plant, and equipment held in the Parish's Sewerage and Solid Waste Enterprise Funds as of December 31, 1998, and Utilities System Enterprise Fund as of June 30, 1998, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 181,883	\$ -	\$ -	\$ 181,883
Buildings	354,543	9,551	9,132	354,962
Systems	76,797,884	3,669,949	2,363,215	78,104,618
Equipment	1,881,717	342,349	178,789	1,965,277
Construction in progress	2,830,032	4,187,425	3,257,629	3,659,828
<b>Subtotal</b>	<b>\$ 31,886,369</b>	<b>\$ 8,289,324</b>	<b>\$ 5,808,745</b>	<b>\$ 34,367,008</b>
Less: Accumulated Depreciation	(25,993,482)	(2,193,425)	(1,198,284)	(26,985,191)
Price posted adjustment (See Note 23)	414,411	-	-	414,411
<b>Total</b>	<b>\$ 36,307,198</b>	<b>\$ 6,095,899</b>	<b>\$ 4,610,461</b>	<b>\$ 37,692,636</b>

Construction in progress consists of the following:

	<u>Expended to December 31, 1998</u>
Sewer District:	
Highway Construction	\$ 625,144
Oxidation Pond	84,312
	<u>Expended to June 30, 1998</u>
Utilities System Enterprise Fund:	
Transmission Line	2,990,573
<b>Total construction in progress</b>	<b>\$ 3,620,029</b>

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

**NOTE 9 - PENSION PLAN**

*Plan Description.* Substantially all employees of the St. John the Baptist Council are members of the Parochial Employees' Retirement System of Louisiana (the System), a multiple-employer (cost-sharing), public-employer 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.

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 age 68 with at least 10 years of creditable service, or 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 joint 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 Parochial Employees' Retirement System, Post Office Box 14679, Baton Rouge, Louisiana 70899-4618, or by calling (225) 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. Effective January 1, 1997, the current employer contribution rate is 7.75 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 Plans 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 11:183, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**Lafayette, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 9 - PENSION PLAN (CONTINUED)**

The following provides certain disclosures for the Parish's contributions to the System under Plan A.

	1996	1997	1998
Employer required contribution rate	7.25%	7.25%	7.25%
Covered payroll	\$2,674,207	\$2,866,916	\$2,988,979
Required employer contributions	\$193,680	\$212,086	\$214,024
Parish contributions	\$193,680	\$212,086	\$214,024

**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 Council. Benefits for retirees are paid in full by the Council. The Council recognizes the cost of providing these benefits as expenditures when paid during the year. At December 31, 1998, thirty-three retirees were eligible and receiving such health care benefits. Total premiums paid by the Parish for its retirees amounted to \$120,147 for the year ended December 31, 1998.

**NOTE 11 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The following is a summary of accounts, contracts, salaries, and other payables as of December 31, 1998.

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Salaries	\$ 4,071	\$ -	\$ -	\$ 84,864	\$ 88,935
Withholding	69,655	52,500	-	-	122,155
Contracts	-	39,963	31,257	-	71,220
Accounts	112,868	142,248	348,342	406,339	1,010,227
<b>Total</b>	<u>\$186,594</u>	<u>\$ 214,711</u>	<u>\$ 379,599</u>	<u>\$ 406,339</u>	<u>\$ 1,187,243</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LaPlata, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 12 - COMPENSATED ABSENCES**

Only full time regular employees with a minimum of six 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. As December 31, 1998, the Council employees had no accumulated or vested employee leave benefits that would materially affect the financial statements.

**NOTE 13 - LEASES**

The Parish is obligated under leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long Term Debt Account Group, respectively, except for leases associated with the proprietary funds, which are included on the balance sheet.

The following is a schedule of capital lease obligations at December 31, 1998:

Description	Capitalizable Amount	Interest Rate	Termination Date	Principal Balance	Interest to Maturity
Missouri Bufile	\$ 8,771,000	7.12%	06/01/00	\$ 24,991	\$ 1,334
Devised Loans	19,836	3.25	09/11/01	6,800	-
Cat 312 Excavator	77,311	6.50	03/05/99	3,681	19
LaPlata Recreac Truck	196,973	3.75	03/01/01	74,065	9,677
Kenner Recreac Truck	179,263	6.00	11/15/04	142,117	20,166
Garyville Pump	134,488	6.17	03/15/01	78,169	9,700
Food Saver Cleaner	159,800	3.25	08/20/01	115,912	9,094
Woodstock Recreac Truck	190,062	6.00	11/15/00	161,037	42,518
<b>Subtotal</b>	<b>10,734,263</b>			<b>682,118</b>	<b>89,209</b>
<b>Solid Waste Station Truck</b>					
Food Chassis Truck	67,898	3.40	03/12/01	62,117	6,800
<b>Total Leases Payable</b>	<b>\$10,799,562</b>			<b>\$ 744,235</b>	<b>\$ 96,009</b>

The Council records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital lease activity during the year ended December 31, 1998:

Capital lease obligations at January 1, 1998	\$ 694,584
Add: New lease obligations	67,098
Less: Principal payments	(285,467)
Capital lease obligations at December 31, 1998	<u>\$ 476,215</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL,  
Lafayette, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
December 31, 1998**

**NOTE 13 - LEASES (CONTINUED)**

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, 1998:

Year Ended	Equipment
1999	\$ 196,641
2000	185,360
2001	167,880
2002	64,513
2003	53,873
2004	53,873
2005	29,494
2006	<u>29,493</u>
Total Minimum Lease Payments	701,517
Less: Amounts Representing Interest	<u>306,480</u>
Present Value of Net Minimum Lease Payments	<u>\$ 395,037</u>

**NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of general long-term obligations transactions for the year ended December 31, 1998:

	Bonded Debt and Certificates of Indebtedness	Lease Purchase Agreements	Promissory Notes	Total
Long-Term Obligations Payable at January 1, 1998	\$ 35,089,000	\$ 684,564	\$ 10,580	\$ 40,004,004
Additions	7,300,000	-	-	7,300,000
Deductions	<u>2,801,000</u>	<u>298,789</u>	<u>4,980</u>	<u>3,104,669</u>
Long-Term Obligations Payable at December 31, 1998	<u>\$ 43,888,000</u>	<u>\$ 385,775</u>	<u>\$ 5,600</u>	<u>\$ 44,099,375</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
 Lafayette, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 1998

**NOTE 14 - 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 Accrued
<b>Public Improvement Bonds</b>						
Public Improvement Bonds, Series A, 1974 (2)	03/04/74	\$ 270,000	10-0-0	08/01/90	\$ 22,000	\$ 577
Public Improvement Bonds, Series B, 1974 (2)	03/04/74	240,000	0-0-0	08/01/90	21,000	577
Water Improvement-1980 (2)	03/01/75	5,000,000	0-0-0	08/01/90	101,000	18,124
Sanitary Sewer-1980 (2)	03/01/75	500,000	0-0-0	08/01/90	101,000	21,387
Public Improvement Refunding Bonds - Series 12, 1989	11/01/89	3,000,000	0-0-0	10/01/95	14,791,000	1,494,873
Public Improvement Bonds-13, 1990	03/01/90	2,150,000	7-0-0	12/01/95	791,000	34,390
Public Improvement Bonds-17, 1990 Economic Development	04/01/90	1,000,000	7-0-0	08/01/95	701,000	70,016
Bond A, Storage Public Use Bonds, 1990 Public Improvement Bonds, Series 17-1990	05/01/90	1,000,000	7-0-0	07/01/95	1,000,000	70,000
Public Improvement Bonds Public Improvement Bonds, Series 17-1990	05/01/90	\$ 500,000	0-0-0	08/01/95	\$ 440,000	\$ 30,134
Public Improvement Bonds, Series 18-1990	07/01/90	400,000	0-0-0	08/01/95	710,000	53,684
Public Improvement Refunding Bonds-1990	11/01/90	4,000,000	0-0-0	10/01/95	4,070,000	3,706,705
Public Improvement Bonds 21-1990	02/01/90	2,700,000	0-0-0	10/01/95	1,100,000	1,784,000
<b>Total Public Improvement Bonds</b>					<b>\$ 7,862,000</b>	<b>\$ 1,617,000</b>
<b>General Obligation Bonds</b>						
Public Works-1979 (2)	09/01/79	1,700,000	0-0-0	03/01/84	\$ 470,000	10,210
General Obligations Refunding Bonds 1993 (2)	04/01/93	6,375,000	0-0-0	08/01/98	5,400,000	1,011,000
General Obligation Bonds - Series 1993 (2)	05/01/93	500,000	0-0-0	08/01/98	141,000	177,100
General Obligation Bonds - Series 1995 (2)	03/01/95	6,000,000	5-0	05/01/98	6,000,000	2,900,700
General Obligation Bonds - Series 1998 (2)	03/01/98	1,200,000	5-0	05/01/98	1,100,000	77,100
<b>Total General Obligation Bonds</b>					<b>\$ 13,765,000</b>	<b>\$ 3,165,000</b>
<b>Certificates of Indebtedness</b>						
Certificate of Indebtedness-1993	04/01/93	1,200,000	7-0-0	05/01/95	\$ 800,000	\$ 1,000
Certificate of Indebtedness-1993	11/01/93	700,000	0-0	04/01/93	200,000	70,000
Certificate of Indebtedness-1993	05/12/94	700,000	0-0	07/01/94	200,000	40,000
Certificate of Indebtedness-1995	11/01/95	500,000	5-0-0	04/01/95	800,000	1,170,000
<b>Total Certificates of Indebtedness</b>					<b>\$ 1,600,000</b>	<b>\$ 1,210,000</b>
<b>Total Bonds and Certificates of Indebtedness</b>					<b>\$ 23,897,000</b>	<b>\$ 5,225,000</b>



**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)**

Bond Type	Issued	and Amort.	Retire	Issued	Outstanding	at year-end
Promissory Notes						
Madame Desobry Association		15,000	-	15,000	\$ 1,700	\$ -
Board Property		15,000	-	15,000	3,000	-
Total Promissory Notes					\$ 4,700	\$ -
<b>Total</b>					<b>\$ 15,000</b>	<b>\$ 3,000</b>

At December 31, 1998, the Council has accumulated \$6,278,230 in Debt Service Funds for future debt requirements. The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 1998, including total interest of \$24,036,431 (bonded debt and promissory notes \$23,974,451, capital leases \$91,980) are as follows:

Fiscal Year	Bonded Debt and Certificates of Indebtedness	Capital Lease Obligations	Promissory Notes	Total
1999	\$ 5,649,815	\$ 177,715	\$ 5,689	\$ 6,033,219
2000	5,690,817	166,440	-	5,857,257
2001	5,730,241	148,834	-	5,879,075
2002	5,811,140	11,871	-	5,823,011
2003	4,179,617	11,871	-	4,191,488
2004-2006	18,145,710	100,000	-	18,245,710
2007-2011	16,708,916	-	-	16,708,916
2014-2015	5,512,648	-	-	5,512,648
<b>Total</b>	<b>\$ 67,462,431</b>	<b>\$ 395,856</b>	<b>\$ 5,689</b>	<b>\$ 68,123,249</b>

General Obligation Bonds, totaling \$12,748,800, and Public Improvement Bonds totaling \$1,061,000, indented by a [1] on the schedule of debt issues, are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, 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, 1998, the total assessed value of property in the Parish was \$286,668,000, and the statutory limit was \$28,666,800. The total indebtedness secured by ad valorem taxes totaled \$14,809,800.

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.

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

**NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)**

In 1987, the Council defeased 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 defeased bonds are not included in the Council's financial statements.

In 1982, the Council defeased \$268,000 of Series 1983 Health Unit Bonds, \$3,150,000 of Series 1984 Water Improvement Bonds, and \$2,610,000 of Series 1984 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 1995, 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.

Total bonds defeased at December 31, 1998 was \$25,510,000.

The following is a summary of bonds, certificates, and notes payable of the Utilities System Enterprise Fund for the year ended June 30, 1998:

Bond Type	Date of Issuance	Authorized and Issued	Interest Rate (%)	Maturity Date	Percent Outstanding	Interest in Months
<b>Bonded Bonds</b>						
Water Revenue Refunding Series 1995a						
- Refunding Bonds	1/20/97	150,000	5.75	1/20/04	1	20/00
Water Revenue Refunding Series 1995b						
- Health Bonds	1/20/97	1,680,000	6.00	1/20/04	1,680,000	18/00
Water Revenue Utility Bonds Series 1998	6/30/98	3,500,000	7.125	6/30/04	3,500,000	3/20/04
- Total Revenue Bonds					<b>5,130,000</b>	<b>34/20/04</b>
<b>Certificates of Indebtedness</b>						
Certificates of Indebtedness 1991	6/27/91	100,000	6.50	6/27/95	1,000,000	1,000,000
- Total Certificates of Indebtedness					<b>1,000,000</b>	<b>1,000,000</b>

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

**NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)**

The following is a summary of bond and other long-term debt transactions of the Utilities System Enterprise Fund for the year ended June 30, 1998:

Long-term obligations payable at July 1, 1997	\$ 5,488,128
Additions	8,764,736
Principal payments	(2,979,855)
Defeasance Payments	<u>(5,061,000)</u>
Long-term obligations payable at June 30, 1998	<u>\$ 5,211,009</u>

In December 1997, the Council defeased \$875,000 of Water and Gas Series 1971 Serial Bonds, \$78,000 of Water and Gas Series 1972 Serial Bonds, \$12,000 of Water and Gas Series 1978 Serial Bonds, and \$2,580,000 of Water and Gas Series 1980 Serial Bonds by placing the proceeds from the sale of the natural gas system along with a portion of the proceeds from the issuance of St. John Utility Revenue Bonds Series 1997A and 1997B in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Utilities System's financial statements.

In December 1997, the Council defeased \$335,000 Water and Gas Series 1998 Serial Bonds by placing the proceeds from the sale of the natural gas system along with a portion of the proceeds from the issuance of St. John Utility Revenue Bonds Series 1997A and 1997B in an irrevocable trust to provide for all future debt service payments on the defeased bonds, which will be called for redemption on December 1, 2000. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Utilities System's financial statements.

Total bonds defeased at December 31, 1998 was \$3,001,000.

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

**NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (CONTINUED)**

According to the terms of the bond indenture agreements, the Utilities System Enterprise Fund 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, 1998, the bond debt service coverage factor was met.

All of the Fund's outstanding revenue bonds are subject to early redemption provisions.

The annual requirements to amortize Utilities System Enterprise Fund debt outstanding as of June 30, 1998, including interest payments of \$4,635,162, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
1999	\$ 542,379
2000	547,060
2001	546,388
2002	534,406
2003	546,781
2004 and thereafter	7,731,568
<b>Total</b>	<b><u>\$ 10,449,782</u></b>

**NOTE 15 - CHANGES IN AGENCY FUNDS**

A summary of changes in assets and liabilities follows:

	<u>Balance</u>			<u>Balance</u>
	<u>Beginning of</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of</u>
	<u>Year</u>			<u>Year</u>
<b>Assets</b>				
Cash	\$ 37,480	\$ 681,645	\$ 680,987	\$ 28,053
Investments	286,466	-	286,466	-
Receivables, net	189,929	-	189,929	-
<b>Total assets</b>	<b><u>\$ 513,875</u></b>	<b><u>\$ 681,645</u></b>	<b><u>\$ 1,177,392</u></b>	<b><u>\$ 28,053</u></b>
<b>Liabilities</b>				
Accrued expenses	\$ 2,157	\$ 1,053	\$ 2,157	\$ 1,053
Interest payable	286,466	-	286,466	-
Due to other funds	225,175	26,999	225,175	26,999
<b>Total liabilities</b>	<b><u>\$ 513,798</u></b>	<b><u>\$ 28,053</u></b>	<b><u>\$ 513,798</u></b>	<b><u>\$ 28,053</u></b>

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**Lafayette, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 16 - DUE TO/FROM OTHER FUNDS**

The following is summary of amounts due to/from from other funds at December 31, 1998:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 136,433	\$ 553,353
Special Revenue Funds	1,904,328	1,177,731
Debt Service Funds	438,723	440,721
Capital Projects Funds	-	8,343
Enterprise Funds	611,254	983,359
Internal Service Funds	182,275	156,261
Agency Funds	<u>-</u>	<u>26,999</u>
	3,248,989	3,334,771
Difference due to Utilities System Enterprise Fund with fiscal year ended June 30, 1998	<u>68,763</u>	<u>-</u>
<b>Total Due To/From Other Funds</b>	<b><u>\$3,314,771</u></b>	<b><u>\$3,334,771</u></b>

**NOTE 17 - OPERATING TRANSFERS (IN/OUT)**

The following is summary of operating transfers made during the year ended December 31, 1998:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$1,414,364	\$ 105,855
Special Revenue Funds	663,000	3,734,614
Debt Service Funds	3,472,997	146,000
Capital Project Funds	38	4,878
Enterprise Funds	313,000	398,238
Internal Service Funds	<u>87,690</u>	<u>162,000</u>
	6,281,719	6,446,547
Difference in Utilities System Enterprise Fund with fiscal year ended June 30, 1998	<u>358,828</u>	<u>-</u>
<b>Total Operating Transfers In/Out</b>	<b><u>\$6,640,547</u></b>	<b><u>\$6,646,547</u></b>

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
Lafayette, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 1998

**NOTE 18 - CRIMINAL COURT FUND**

Louisiana Revised Statutes, at LSA-R.S. 15:571.01 requires that one-half of any surplus remaining in the Criminal Court Fund at year-end shall be transferred to the Parish's General Fund. The Parish transferred \$24,108 to the General Fund at December 31, 1998.

**NOTE 19 - COMMITMENTS AND CONTINGENCIES**

Litigation

The Parish is a named defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, assessments, and construction 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 review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies as defined in GAOB Codification C50. The Parish's "reasonably possible" loss contingencies at December 31, 1998, for which an amount of liability can be estimated, approximate \$161,000. In accordance with the GAOB 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 1996 Amendments 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.

Debt

In March 1998, the St. John the Baptist Parish Council issued Certificates of Indebtedness, Series 1998 in the amount of \$2,925,000 for the purpose of constructing public libraries in the Parish, as set out in Proposition No. 1 approved by the voters on January 17, 1998. The Certificates are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Parish from the levy and collection of a special ten (10) mills tax authorized to be levied each of the years 1998 through 2005, inclusive, on all the property subject to taxation within the corporate boundaries of the Parish pursuant to an election held on January 17, 1998.

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

**NOTE 19 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The debt and related ad valorem tax revenues are recorded in the financial statements of St. John the Baptist Parish Library, a component unit of St. John the Baptist Parish Council. The Council has elected to issue financial statements of the primary government (Council) only, therefore the component unit is not included in the accompanying financial statements.

However, the Certificate of Indebtedness, Series 1998 is a direct obligation of the Parish Council, as issuer of the Certificates.

**NOTE 20 - 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	\$8,278,238
Fund balances available to pay the principal balances of the Parish's general long-term obligations.	
Fund balances - Reserved for capital projects	\$ 6,802,483
Unexpended funds remaining in a departmental budget dedicated for capital projects to be performed in future years.	
Fund balances - Reserved for operations, capital improvements and maintenance of sewer district	
Excess sales tax received by the sales tax district for the one-cent sewer tax.	
	\$ 793,861
Retained earnings - Reserved for bond retirement and capital additions	\$ 1,332,987
Retained earnings restricted to paying principal and interest in the Sewer Fund and Utilities System Enterprise Fund as well as expenditures for capital projects or emergency repairs performed in future years for these funds.	

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**Lafayette, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 1998**

**NOTE 20 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

Segment information for the Parish's Enterprise Funds is as follows (in thousands of dollars):

Fund/Type of Service	Utilities (\$000)	Services	Solid Waste	Wastewater Treatment	Total
Operating revenues	\$ 4,693	\$ 2,446	\$ 1,679	\$ 351	\$ 9,173
Depreciation	824	1,282	4	-	2,110
Operating income (loss)	826	(1,790)	96	33	(843)
Operating transfer in	188	128	-	-	313
Ad valorem tax revenues	-	-	-	25	25
Net income (loss)	1,042	(1,257)	94	37	(103)
Current capital contributions	51	982	-	-	1,033
Amortization of contribution capital	520	1,070	-	-	1,590
Property, plant and equipment - additions	4,542	1,388	68	-	6,000
Property, plant and equipment - deletions	1,094	2,815	-	-	3,909
Net working capital	979	580	218	431	3,188
Total assets	28,155	21,884	472	417	51,028
Bonds payable	1,845	-	-	-	1,845
Total fund equity	26,310	21,870	282	417	51,297

**NOTE 21 - DEFERRED COMPENSATION PLAN**

The Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) 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.

In 1986, the U.S. Congress passed the Small Business Job Protection Act of 1986, which requires that employer governments place all amounts deferred under IRC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. This change was allowed as early as January 1, 1992, but must be done by January 1, 1999. In prior years, these assets were solely the property of the Parish and subject to claims of the Parish's general creditors, and were reported in the Parish's financial statements. During the year ended December 31, 1998, the Parish awarded its Plan to comply with the requirements of the Act. Thus, the Parish no longer has ownership of the Plan assets and they are no longer reported in the Parish's financial statements.

At December 31, 1998, the Plan had assets consisting of investments totaling \$206,553, and liabilities for the employee benefits totaling a like amount. Investments are managed by the



**ST. JOHN THE BAPTIST PARISH COUNCIL**  
Lafitte, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 1998

**NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)**

Plan's trustee (PERSCO). The choices of the investment option(s) are made by the Plan participants.

**NOTE 13 - PRIOR PERIOD ADJUSTMENT**

The Parish purchased equipment in 1975 and overstated its accumulated depreciation in an amount of \$414,411 for the year ended December 31, 1995. Had this error not occurred, accumulated depreciation in the Sewer Enterprise Fund would have decreased by \$414,411 along with a net increase in retained earnings of \$414,411 for the year ended December 31, 1995. The effect of the prior period adjustment to the Enterprise Fund's retained earnings is summarized below:

Retained earnings, beginning of year	\$ 8,411,706
Prior period adjustment	<u>    414,411</u>
Retained earnings, beginning of year, as restated	<u>\$ 8,826,117</u>

**NOTE 14 - SUBSEQUENT EVENTS**

In April 1999, the Parish issued \$885,000 of Public Improvement Refunding Bonds, Series ST-1999, for the purpose of an advance refunding of the Parish's outstanding Public Improvement Bonds, Series ST-1996.

In April 1999, the Parish issued a contract in the amount of \$216,000 to upgrade, test and validate the 911 Police and Fire Emergency Reporting System to become Year 2000-compatible.

## SUPPLEMENTAL INFORMATION

**St. John the Baptist Parish Council**  
**Rafinesse, Louisiana**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**December 31, 1998**

	Bank and Bridge	Capital Gain	Gift Rebate	Grant Leasing	Public Use Tax	Leisure Services Center	Signs Permit	Events Development	Other Revenues For Expenses
<b>Assets</b>									
Fund balance—special revenue:	\$ 797,947	\$ 12,000	\$ 83,176	\$ 487,123	\$ 487,123	\$ 8994	\$ -	\$ 80,000	\$ 507,894
Investments:	-	-	-	-	-	-	-	-	-
Receivables:	282,875	54,750	4,549	484,983	13,881	146,878	76,281	19,727	1,027,916
Other Receivables:	7,127	-	-	-	-	-	-	-	-
Due from other funds:	10,540	47,829	1,949	-	-	-	49,947	193,000	1,774
Due from other governments:	284,708	-	3,587	13,284	16,679	-	-	98,000	-
<b>Liabilities</b>	<u>1,464,437</u>	<u>112,579</u>	<u>122,741</u>	<u>1,065,287</u>	<u>17,780</u>	<u>146,878</u>	<u>126,228</u>	<u>1,426,024</u>	<u>507,894</u>
<b>Revolving and fund balance</b>									
Accounts:									
Accounts receivable payable:	189,740	-	1,000	-	-	-	-	64	41,000
Due from fund:	-	-	-	-	-	-	2,188	-	-
Due to other fund:	-	18,000	11,800	18,174	18,174	-	12,176	95,000	17,574
Due to other governments:	-	24,327	1,794	-	-	-	-	-	-
Other liabilities:	-	-	-	18,188	-	201	189,271	34,784	-
Unsettled payable:	-	-	-	-	-	-	-	86,614	-
<b>Total liabilities</b>	<u>189,740</u>	<u>42,327</u>	<u>12,794</u>	<u>18,188</u>	<u>18,174</u>	<u>201</u>	<u>191,451</u>	<u>130,814</u>	<u>126,624</u>
<b>Fund balance</b>									
Revolving:	1,274,697	70,251	110,747	1,047,105	16,606	146,677	109,271	1,295,210	381,070
Proprietary self-sustaining:	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<u>1,274,697</u>	<u>70,251</u>	<u>110,747</u>	<u>1,047,105</u>	<u>16,606</u>	<u>146,677</u>	<u>109,271</u>	<u>1,295,210</u>	<u>381,070</u>
<b>Revolving and fund balance</b>	<u>\$ 1,464,437</u>	<u>\$ 112,579</u>	<u>\$ 122,741</u>	<u>\$ 1,065,287</u>	<u>\$ 17,780</u>	<u>\$ 146,878</u>	<u>\$ 126,228</u>	<u>\$ 1,426,024</u>	<u>\$ 507,894</u>

See Independent Auditor's Report

Market Valuation Via Measurement	Market Valuation Via Adjustment	Special Valuation Via Adjustment	Common Stock Shares	Units In Market	Additional Paid	ABC Measurement Paid	Units Owned Tr	Overwrite Costs Paid	Sharewarrant Expense Paid	Total
\$ 16,704	\$ 16,704	\$ 16,704	\$ 16,704	\$ 1,500,000	\$ 80	\$ 100	\$ -	\$ 100,000	\$ 1,600	\$ 1,600,000
-	-	-	-	100,000	-	-	-	-	-	100,000
16,704	16,704	16,704	16,704	1,600,000	80,000	100,000	100,000	-	1,600	1,700,000
-	-	-	-	-	-	-	-	-	-	1,000
16,704	16,704	16,704	16,704	1,600,000	80,000	100,000	100,000	100,000	1,600	1,701,000
-	-	-	-	-	-	-	-	10,000	-	10,000
16,704	16,704	16,704	16,704	1,600,000	80,000	100,000	110,000	100,000	1,600	1,711,000
16,704	16,704	16,704	16,704	1,600,000	80,000	100,000	110,000	100,000	1,600	1,711,000
-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	10,000
16,704	16,704	16,704	16,704	1,600,000	80,000	100,000	110,000	100,000	1,600	1,711,000
-	-	-	-	100,000	-	-	-	-	-	100,000
16,704	16,704	16,704	16,704	1,700,000	80,000	100,000	110,000	100,000	1,600	1,811,000
-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	10,000
16,704	16,704	16,704	16,704	1,700,000	80,000	100,000	110,000	100,000	1,600	1,811,000
16,704	16,704	16,704	16,704	1,700,000	80,000	100,000	110,000	100,000	1,600	1,811,000
16,704	16,704	16,704	16,704	1,700,000	80,000	100,000	110,000	100,000	1,600	1,811,000

**St. John the Baptist Parish Council**  
**LaPlace, Louisiana**  
**Special Revenue Funds**  
**Comparing Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 1998**

	Funds and Budget		General Fund		State Lottery		Health Mill Fee		Special Revenue Comm.		Airport Authority		Economic Development		Lafayette Parish	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Revenues</b>																
<b>Taxes</b>																
Ad valorem																
Suburban	1,070,000	-	-	-	-	-	1,000,000	1	100.00	-	-	-	-	1,070,000	100.00	
Incorporated/overseas																
Federal/parish	500,000	-	-	-	11,000	-	-	-	-	-	59,000	-	-	-	-	
State bond	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public corporation	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special revenue sharing	-	-	-	-	25,000	-	50,000	-	-	-	-	-	-	-	-	
Other	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	
Fire, streets and pavements	50,000	-	-	-	45,000	-	-	-	-	-	4,000	-	-	-	-	
Enclosed facilities	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	
General license	1,000	-	-	-	1,000	-	4,000	-	1,000	-	1,000	-	-	1,000	100.00	
Other revenues	50,000	-	-	-	50,000	-	50,000	-	1,000	-	1,000	-	-	51,000	100.00	
<b>Total revenues</b>	<b>1,670,000</b>	<b>100.00</b>	<b>11,000</b>	<b>100.00</b>	<b>76,000</b>	<b>100.00</b>	<b>100,000</b>	<b>100.00</b>	<b>14,000</b>	<b>100.00</b>	<b>64,000</b>	<b>100.00</b>	<b>1,670,000</b>	<b>100.00</b>	<b>76,000</b>	<b>100.00</b>
<b>Expenditures</b>																
General government																
General	-	-	50,000	-	-	-	-	-	50,000	-	-	-	-	-	-	-
Financial and administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Health and welfare	-	-	-	-	-	-	147,000	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	17,000	-	-	
Transportation	1,540,000	-	-	-	50,000	-	-	-	-	-	50,000	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total expenditures</b>	<b>1,540,000</b>	<b>100.00</b>	<b>75,000</b>	<b>100.00</b>	<b>75,000</b>	<b>100.00</b>	<b>147,000</b>	<b>100.00</b>	<b>50,000</b>	<b>100.00</b>	<b>67,000</b>	<b>100.00</b>	<b>1,540,000</b>	<b>100.00</b>	<b>75,000</b>	<b>100.00</b>
<b>Change (deficiency) of unrestricted expenditures</b>	<b>130,000</b>	<b>8.40</b>	<b>(64,000)</b>	<b>(581.82)</b>	<b>(17,000)</b>	<b>(22.37)</b>	<b>(47,000)</b>	<b>(47.00)</b>	<b>(36,000)</b>	<b>(25.71)</b>	<b>(3,000)</b>	<b>(4.69)</b>	<b>(130,000)</b>	<b>(7.80)</b>	<b>(17,000)</b>	<b>(22.37)</b>
<b>Other financing sources (uses)</b>																
Bonds of other	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-	-
Debt refundments	50,000	-	-	-	50,000	-	-	-	-	-	-	-	50,000	-	-	-
Operating transfers in	247,000	-	-	-	247,000	-	-	-	-	-	-	-	247,000	-	-	-
Operating transfers out	(247,000)	-	-	-	(247,000)	-	-	-	-	-	-	-	(247,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(3.00)</b>	<b>50,000</b>	<b>454.55)</b>	<b>(50,000)</b>	<b>(65.79)</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>35.71)</b>	<b>50,000</b>	<b>35.71)</b>	<b>(50,000)</b>	<b>(3.00)</b>	<b>50,000</b>	<b>65.79)</b>
<b>Change (deficiency) of restricted and other resources</b>	<b>80,000</b>	<b>4.80</b>	<b>(14,000)</b>	<b>(127.27)</b>	<b>(67,000)</b>	<b>(88.16)</b>	<b>47,000</b>	<b>47.00)</b>	<b>(17,000)</b>	<b>(12.50)</b>	<b>(17,000)</b>	<b>(12.50)</b>	<b>80,000</b>	<b>4.80</b>	<b>(14,000)</b>	<b>(18.18)</b>
<b>Transfers, beginning of year</b>	<b>76,000</b>	<b>4.55</b>	<b>(76,000)</b>	<b>(681.82)</b>	<b>(76,000)</b>	<b>(100.00)</b>	<b>(76,000)</b>	<b>(76.00)</b>	<b>(76,000)</b>	<b>(54.29)</b>	<b>(76,000)</b>	<b>(54.29)</b>	<b>(76,000)</b>	<b>(4.55)</b>	<b>(76,000)</b>	<b>(100.00)</b>
<b>Transfers, end of year</b>	<b>1,520,000</b>	<b>90.20</b>	<b>(1,520,000)</b>	<b>(137.64)</b>	<b>(1,520,000)</b>	<b>(100.00)</b>	<b>(1,520,000)</b>	<b>(100.00)</b>	<b>(1,520,000)</b>	<b>(100.00)</b>	<b>(1,520,000)</b>	<b>(100.00)</b>	<b>(1,520,000)</b>	<b>(90.20)</b>	<b>(1,520,000)</b>	<b>(100.00)</b>

See Independent Auditor's Report



**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**(Debt Service Funds)**  
**Combining Balance Sheet**  
**December 31, 1998**

	Fire Protection District 2 Sinking	Parishwide Sewerage Sales Tax Reserve	Parishwide Sewerage Sales Tax Sinking	Economic Development Sales Tax Reserve	Economic Development Sales Tax Sinking
<b>Assets</b>					
Cash and cash equivalents	\$ 12	\$ 3,155,190	\$ 508,901	\$ 371,618	\$ 11,174
Investments	-	289,940	-	-	-
Receivables	-	5,965	-	-	-
Due from other funds	19,845	28,472	-	11,602	-
<b>Total assets</b>	<b>19,857</b>	<b>3,479,567</b>	<b>508,901</b>	<b>383,220</b>	<b>11,174</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>					
Reserved for debt service	19,857	3,479,567	508,901	383,220	11,174
<b>Total fund balance</b>	<b>19,857</b>	<b>3,479,567</b>	<b>508,901</b>	<b>383,220</b>	<b>11,174</b>
<b>Total liabilities and fund balance</b>	<b>\$ 19,857</b>	<b>\$ 3,479,567</b>	<b>\$ 508,901</b>	<b>\$ 383,220</b>	<b>\$ 11,174</b>

See Independent Auditor's Report

Real and Estate Sales Tax Revenue	Real and Estate Sales Tax Sinking	1991 General Obligation Sinking	1989 Certificates of Indebtedness	Partially Sewerage Land Purchase	Total
\$ -	\$ 61,544	\$ 399,000	\$ 140,000	\$ 7	\$ 599,544
-	-	-	-	-	389,641
-	-	2,836,689	-	-	2,836,234
362,631	118,595	-	-	3,601	484,227
<u>362,631</u>	<u>179,139</u>	<u>2,836,289</u>	<u>140,000</u>	<u>3,608</u>	<u>6,774,931</u>
18,880	-	436,721	-	-	455,601
<u>18,880</u>	<u>-</u>	<u>436,721</u>	<u>-</u>	<u>-</u>	<u>455,721</u>
252,651	179,139	3,273,010	141,000	3,608	6,774,200
<u>252,651</u>	<u>179,139</u>	<u>3,273,010</u>	<u>141,000</u>	<u>3,608</u>	<u>6,774,200</u>
<u>\$ 261,651</u>	<u>\$ 179,139</u>	<u>\$ 3,814,289</u>	<u>\$ 141,000</u>	<u>\$ 3,608</u>	<u>\$ 6,734,951</u>



**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 1998**

	Fire Protection District 2 Sinking	Parishwide Sewerage Sales Tax Reserve	Parishwide Sewerage Sales Tax Sinking	Economic Development Sales Tax Reserve	Economic Development Sales Tax Sinking
<b>Revenues:</b>					
Taxes					
Ad valorem	\$ 162	\$ -	\$ -	\$ -	\$ -
Special assessment	-	-	-	-	-
Interest income	1,436	128,628	35,988	19,486	8,985
<b>Total revenues</b>	<b>1,598</b>	<b>128,628</b>	<b>35,988</b>	<b>19,486</b>	<b>8,985</b>
<b>Expenditures:</b>					
General government					
Financial and administrative	-	-	6,897	-	1,818
Debt service					
Principal	-	-	815,880	-	128,800
Interest	-	-	1,684,120	-	232,618
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>2,505,897</b>	<b>-</b>	<b>362,236</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>1,598</b>	<b>128,628</b>	<b>(2,469,909)</b>	<b>19,486</b>	<b>(348,711)</b>
<b>Other financing sources (uses)</b>					
Bond Proceeds					
Opening balances in	-	-	2,499,830	-	352,617
Opening, transfers out	-	(118,000)	118,000	(8,800)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(118,000)</b>	<b>2,617,830</b>	<b>(8,800)</b>	<b>352,617</b>
<b>Excess (Deficiency) of revenues and other sources over expenditures and other uses</b>	<b>1,598</b>	<b>18,628</b>	<b>11,921</b>	<b>11,486</b>	<b>5,904</b>
<b>Fund balances, beginning of year</b>	<b>24,331</b>	<b>1,551,344</b>	<b>217,700</b>	<b>214,626</b>	<b>8,270</b>
<b>Fund balances, end of year</b>	<b>\$ 25,929</b>	<b>\$ 1,570,172</b>	<b>\$ 229,621</b>	<b>\$ 226,112</b>	<b>\$ 14,174</b>

See Independent Auditor's Report

Food and Drainage Sales Tax Revenue	Food and Drainage Sales Tax Sinking	1992 General Obligation Sinking	1995 Certificates of Indebtedness	Permissible Borrowings and Purchases	Total
\$ -	\$ -	\$ 2,713,241	\$ -	\$ -	\$ 2,713,241
-	-	-	-	-	-
13,267	80,209	88,837	6,234	311	194,658
13,267	80,209	2,802,078	6,234	311	2,902,099
-	-	7,865	778	-	8,643
-	310,880	1,356,800	180,000	4,308	2,760,288
-	68,833	879,312	18,950	-	2,679,923
-	718,613	1,968,187	187,128	4,308	3,888,236
13,267	(268,416)	(294,000)	(178,188)	(2,889)	(2,809,964)
-	-	-	-	-	-
-	378,615	-	180,600	-	5,612,997
(18,008)	-	-	-	-	(146,888)
(18,008)	378,615	-	180,600	-	3,719,997
3,297	18,719	(294,000)	13,500	(1,889)	362,815
248,784	164,358	1,085,473	121,648	7,507	5,911,317
\$ 252,081	\$ 174,389	\$ 1,079,568	\$ 141,880	\$ 1,608	\$ 6,279,250

**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Capital Projects Funds**  
**Combining Balance Sheet**  
**December 31, 1998**

	Fond Balance		1998			1998 Liabilities	Total
	Parishwide Sewerage Construction Phase II	Woodland Sewerage Construction	Parishwide Sewerage Construction Phase II	Building Construction	Drainage Construction		
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 251,087	\$ 1,188,636	\$ 269,509	\$ -	\$ 1,709,232
Investments	-	-	-	-	5,000,000	-	5,000,000
Receivables	-	-	-	-	88,501	-	88,501
Due from other governments	-	-	-	-	-	62,136	62,136
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>251,087</b>	<b>1,188,636</b>	<b>3,758,006</b>	<b>62,136</b>	<b>5,260,855</b>
<b>Liabilities and fund balance</b>							
<b>Liabilities</b>							
Accounts payable	-	-	111,887	17,500	104,809	62,136	396,332
Contract payable	-	-	11,237	-	-	-	11,237
Due to other funds	-	-	3,345	-	-	-	3,345
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>126,470</b>	<b>17,500</b>	<b>104,809</b>	<b>62,136</b>	<b>311,915</b>
<b>Fund balance</b>							
Reserved for capital projects	-	-	60,178	1,170,900	3,678,688	-	4,809,766
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>60,178</b>	<b>1,170,900</b>	<b>3,678,688</b>	<b>-</b>	<b>4,809,766</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 251,087</b>	<b>\$ 1,188,636</b>	<b>\$ 3,758,006</b>	<b>\$ 62,136</b>	<b>\$ 5,260,855</b>

See Independent Auditor's Report.

**St. John the Baptist Parish Council**  
**Officers, Employees**  
**Capital Projects - Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2008**

	Fund Series						Total
	Police/Fire		Public Works		Capital		
	Construction	Maintenance	Construction	Maintenance	Construction	Maintenance	
Fund #	Fund #	Fund #	Fund #	Fund #	Fund #	Fund #	Total
<b>Revenues</b>							
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,790	\$ 122,790
Interest income	-	-	31,170	36,621	192,119	-	359,900
Other revenues	-	6,600	-	-	-	-	6,600
<b>Total revenues</b>	<u>-</u>	<u>6,600</u>	<u>31,170</u>	<u>36,621</u>	<u>192,119</u>	<u>122,790</u>	<u>359,900</u>
<b>Expenditures</b>							
Public works	-	7	1,111,730	66,742	226,134	122,790	1,527,433
<b>Total expenditures</b>	<u>-</u>	<u>7</u>	<u>1,111,730</u>	<u>66,742</u>	<u>226,134</u>	<u>122,790</u>	<u>1,527,433</u>
<b>Transfers (Refundings) of revenues and expenditures</b>	-	4,500	(2,098,409)	(26,882)	(229,645)	-	(2,358,436)
<b>Other financing sources (uses)</b>							
Bond proceeds	-	-	300,000	1,700,000	4,000,000	-	5,999,999
Operating activities in operating activities net	-	-	20	-	-	-	20
Other	-	(240)	(1,000)	-	-	-	(1,240)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(240)</u>	<u>298,980</u>	<u>1,700,000</u>	<u>4,000,000</u>	<u>-</u>	<u>5,998,759</u>
<b>Transfers (Refundings) of revenues and other financing sources</b>	-	4,554	(801,805)	1,716,000	2,079,999	-	4,998,759
<b>Fund balances, beginning of year</b>	134,767	(9,100)	296,870	-	-	-	322,537
<b>Revised Equity Shares</b>	<u>(134,767)</u>	<u>-</u>	<u>134,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361,832</u>	<u>\$ 1,716,000</u>	<u>\$ 2,079,999</u>	<u>\$ -</u>	<u>\$ 4,167,831</u>

See Independent Auditor's Report

**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Enterprise Fund**  
**Combining Balance Sheet**  
**December 31, 1998**

	4/20/98	12/31/98	11/30/98	1/20/99	Total
	Balance	Balance	Balance	Balance	
	System	Strategic	Retail	Abstract	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 811,351	\$ 180,273	\$ 699	\$ 321,385	\$ 1,303,608
Receivables, net	1,151,095	508,236	66,111	79,867	1,805,309
Due from other funds	-	215,713	339,556	55,980	601,254
Due from other governments	-	17,964	-	-	17,964
Other receivables	81,286	54,484	-	-	135,770
Inventory	94,552	-	-	-	94,552
<b>Total current assets</b>	<b>2,132,865</b>	<b>966,766</b>	<b>805,366</b>	<b>457,232</b>	<b>4,362,229</b>
<b>Restricted assets</b>					
Cash and cash equivalents	449,336	-	-	-	449,336
Investments	1,891,817	-	-	-	1,891,817
<b>Total restricted assets</b>	<b>2,341,153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,341,153</b>
<b>Property, plant &amp; equipment</b>					
Property, plant & equipment	36,170,348	47,548,976	45,865	-	83,765,189
Accumulated depreciation	(13,664,728)	(13,858,391)	(11,895)	-	(27,534,914)
<b>Net property, plant &amp; equipment</b>	<b>22,505,620</b>	<b>33,690,585</b>	<b>33,970</b>	<b>-</b>	<b>56,220,175</b>
<b>Other assets</b>					
Other assets	91,311	-	-	-	91,311
<b>Net other assets</b>	<b>91,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,311</b>
<b>Total assets</b>	<b>\$ 28,174,999</b>	<b>\$ 35,888,731</b>	<b>\$ 413,311</b>	<b>\$ 457,232</b>	<b>\$ 64,980,073</b>

(Continued)

**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Enterprise Funds**  
**Combining Balance Sheet (Continued)**  
**December 31, 1998**

	4,000 Utilities System	1,000,000 Sewerage	137,100 Solid Waste	1,700,000 Miscellaneous Activities	Total
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
<b>Current liabilities payable from current assets</b>					
Accounts and salaries payable	\$ 194,450	\$ 150,500	\$ 109,037	\$ 27,066	\$ 521,053
Cash over/short	-	56,380	-	-	56,380
Capital items payable	-	-	6,137	-	6,137
Due to other funds	834,000	150,940	39	8,349	993,328
Other accrued expenses	-	50,000	-	-	50,000
Other liabilities	100,500	-	-	-	100,500
<b>Total current liabilities payable from current assets</b>	<b>1,128,950</b>	<b>451,820</b>	<b>105,166</b>	<b>35,415</b>	<b>1,721,351</b>
<b>Current liabilities payable from restricted assets</b>					
Customer deposits	714,000	-	-	-	714,000
Accrued interest payable	18,000	-	-	-	18,000
<b>Total current liabilities payable from restricted assets</b>	<b>732,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>732,000</b>
<b>Long-term liabilities</b>					
Bonds payable	5,414,000	-	-	-	5,414,000
<b>Total long-term liabilities</b>	<b>5,414,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,414,000</b>
<b>Total liabilities</b>	<b>7,274,950</b>	<b>451,820</b>	<b>105,166</b>	<b>35,415</b>	<b>8,267,351</b>
<b>Fund equity</b>					
Cost shared capital	11,356,160	10,167,209	-	-	21,523,369
Retained earnings	1,067,864	264,703	-	-	1,332,567
Unreserved	2,000,137	2,038,441	281,620	401,278	4,721,476
<b>Total fund balances</b>	<b>14,424,161</b>	<b>12,470,353</b>	<b>281,620</b>	<b>401,278</b>	<b>27,577,412</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,158,661</b>	<b>\$ 15,881,973</b>	<b>\$ 413,514</b>	<b>\$ 437,283</b>	<b>\$ 34,881,431</b>

See Independent Auditor's Report

**St. John the Baptist Parish Council**  
**LeFlore, Louisiana**  
**Enterprise Funds**

**Comparing Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**For the Year Ended December 31, 1998**

	6/30/98	12/31/98	12/31/98	12/31/98	
	Utilities	Sanitary	Water	Miscellaneous	Total
	System	Service	Works	Adjustment	
<b>Revenues</b>					
Water sales	\$ 3,918,215	\$ -	\$ -	\$ -	\$ 3,918,215
Gas sales	115,654	-	-	-	115,654
Sewer charges	-	3,581,149	-	-	3,581,149
Miscellaneous	-	-	-	205,004	205,004
Ad valorem tax	-	-	-	33,428	33,428
Fees, charges, and commissions	215,231	66,038	1,678,290	-	1,959,559
Grant revenue	-	13,564	-	-	13,564
Reimbursed indirect costs	212,754	-	-	-	212,754
Other income	178,157	143	350	-	178,650
<b>Total revenues</b>	<b>4,639,811</b>	<b>3,641,384</b>	<b>1,678,640</b>	<b>211,252</b>	<b>9,171,087</b>
<b>Operating expenses</b>					
Purchases	150,280	-	-	-	150,280
General administration	1,007,310	936,060	-	-	1,943,370
Purification	929,844	-	-	-	929,844
Distribution	1,000,000	-	-	-	1,000,000
Salaries, operations	-	733,570	-	25,293	758,863
Fuels	-	1,874,283	-	-	1,874,283
Vehicles	-	37,803	-	-	37,803
Indirect costs	-	171,093	74,338	27,808	273,239
Contract services	-	-	1,596,600	236,954	1,733,554
Interest/finance	-	-	3,496	199	3,695
Depreciation	624,000	1,281,075	4,048	-	2,909,123
<b>Total operating expenses</b>	<b>3,886,434</b>	<b>3,766,261</b>	<b>1,680,476</b>	<b>279,261</b>	<b>9,612,432</b>
<b>Operating Income (Loss)</b>	<b>753,377</b>	<b>(1,124,877)</b>	<b>98,164</b>	<b>(6,009)</b>	<b>(341,301)</b>
<b>Nonoperating income (expense)</b>					
Interest income	181,314	8,377	2,585	17,630	209,906
Interest expense	(281,170)	(599)	(1,294)	-	(283,063)
Gain on sale of equipment	383,804	-	-	-	383,804
Gain on bond defeasance	16,078	-	-	-	16,078
<b>Net nonoperating income (expense)</b>	<b>\$ 240,026</b>	<b>\$ 7,778</b>	<b>\$ 1,291</b>	<b>\$ 17,630</b>	<b>\$ 266,925</b>

(Continued)

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

**Combining Statement of Revenues, Expenses, and Changes in Retained Earnings (Continued)**  
**For the Year Ended December 31, 1998**

	6/30/98 (Balance System)	12/31/98 Reserves	12/31/98 Solid Waste	12/31/98 Miscellaneous Adjustment	Total
Operating transfers in (out)					
Operating transfers in	\$ 185,000	\$ 528,000	\$ -	\$ -	\$ 713,000
Operating transfers out	(197,814)	(1,480)	(95,800)	(71,000)	(1,744,114)
Net operating transfers	<u>(112,814)</u>	<u>(951,480)</u>	<u>(95,800)</u>	<u>(71,000)</u>	<u>(1,210,094)</u>
Net income (loss)	1,071,377	(1,298,059)	(3,215)	36,528	(152,197)
Amortization of contributed capital	328,820	1,876,227	-	-	1,547,407
Increase (decrease) in retained earnings	<u>1,400,197</u>	<u>(421,832)</u>	<u>(3,215)</u>	<u>36,528</u>	<u>1,071,688</u>
Retained earnings, beginning of year	3,446,409	2,731,189	285,160	184,758	6,647,516
Prior period adjustment, see note	-	814,811	-	-	814,811
Retained earnings, beginning of year, as restated	<u>3,446,409</u>	<u>3,545,999</u>	<u>285,160</u>	<u>184,758</u>	<u>7,462,326</u>
Retained earnings, end of year	<u>\$ 4,846,606</u>	<u>\$ 3,124,167</u>	<u>\$ 281,945</u>	<u>\$ 221,286</u>	<u>\$ 5,370,004</u>

See Independent Auditor's Report



**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2009**

	6/30/09	12/31/09	12/31/09	12/31/09	
	Utilities	Sewerage	Solid	Wastewater	Total
	System	System	Waste	Treatment	Total
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ 836,356	\$ (1,799,977)	\$ 96,164	\$ 34,899	\$ (862,658)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	824,000	1,382,375	4,044	-	2,210,419
Gain on sale of equipment	383,244	-	-	-	383,244
Gain on bond refinancing	16,870	-	-	-	16,870
Changes in assets and liabilities:					
Accounts receivable	(104,970)	(44,485)	(16,746)	(14,875)	(181,076)
Due from other funds	-	(211,365)	(32,420)	(4,587)	(259,377)
Due from other governments	-	(71,554)	-	-	(71,554)
Other receivables	17,426	(23,475)	-	-	(6,049)
Inventory	22,742	-	-	-	22,742
Accounts and salaries payable	(57,187)	(24,441)	9,185	8,286	(54,157)
Due to other funds	39,028	140,468	48	2,793	282,337
Accounts payable	-	40,488	-	-	40,488
Deposits payable	(71,890)	-	-	-	(71,890)
Interest payable	(7,898)	-	-	-	(7,898)
Other payable	146,820	-	-	-	146,820
Other assets	41,354	-	-	-	41,354
Net cash provided (used) by operating activities	2,891,452	(699,652)	64,344	40,672	1,704,816
<b>Cash flows from noncapital financing activities</b>					
Operating transfers in	140,000	938,000	-	-	701,000
Operating transfers out	(240,000)	(2,400)	(94,000)	(73,000)	(387,400)
Net cash provided (used) by noncapital financing activities	\$ 100,000	\$ 535,600	\$ (94,000)	\$ (73,000)	\$ 164,600

(Continued)

**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Enterprise Funds**  
**Combining Statement of Cash Flows (Continued)**  
**For the Year Ended December 31, 1998**

	6/30/98	12/31/98	12/31/98	12/31/98	
	System	Sewerage	Waste	Miscellaneous	Total
<b>Cash flows from capital and related financing activities</b>					
<b>Financing activities</b>					
Proceeds from bond issue	\$ 3,344,736	\$ -	\$ -	\$ -	\$ 3,344,736
Acquisition of capital assets	(1,640,230)	(1,088,716)	(67,898)	-	(2,796,844)
Gain from sale of fixed assets	1,152,898	-	-	-	1,152,898
Increase in contributed capital	51,888	(60,571)	-	-	1,042,571
Repayment of loans payable	(6,129)	-	-	-	(6,129)
Notes payable					
Principal and delinquency payments	(8,031,738)	-	-	-	(8,031,738)
Interest payments	(207,173)	(995)	11,284	-	(206,884)
Capital leases payable	-	-	(4,267)	-	(4,267)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(1,089,285)</b>	<b>(119,591)</b>	<b>(1,882)</b>	<b>-</b>	<b>(2,218,658)</b>
<b>Cash flows from investing activities</b>					
Interest income	155,938	8,717	2,585	17,638	184,878
Sale of investment securities	3,442,461	808,794	-	462,964	4,714,219
Purchase of investment securities	(8,194,675)	(604,836)	-	(641,882)	(9,441,393)
<b>Net cash provided (used) by investing activities</b>	<b>(4,596,276)</b>	<b>(516,935)</b>	<b>2,585</b>	<b>(161,280)</b>	<b>(5,171,806)</b>
<b>Net increase (decrease) in cash</b>	<b>(418,533)</b>	<b>(595,811)</b>	<b>(46,092)</b>	<b>(379,484)</b>	<b>(1,440,920)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>814,256</b>	<b>91,942</b>	<b>46,789</b>	<b>50,891</b>	<b>1,003,878</b>
<b>Cash and cash equivalents, end of year</b>	<b>395,723</b>	<b>318,131</b>	<b>4,697</b>	<b>131,407</b>	<b>769,958</b>
<b>Reconciliation to Balance Sheet</b>					
Unrestricted cash and cash equivalents	833,051	158,873	684	121,385	1,114,033
Restricted cash and cash equivalents	449,536	-	-	-	449,536
<b>Total cash and cash equivalents</b>	<b>\$ 1,282,587</b>	<b>\$ 158,873</b>	<b>\$ 684</b>	<b>\$ 121,385</b>	<b>\$ 1,563,529</b>

See Independent Auditor's Report

**St. John the Baptist Parish Council**  
**LaFlore, Louisiana**  
**Internal Service Funds**  
**Combining Balance Sheet**  
**December 31, 1999**

	Group Insurance Fund	Workers Compensation Fund	Unemployment Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 932,578	\$ 1,608	\$ 784	\$ 934,970
Due from other funds	9,140	143,129	26,094	258,363
<b>Total assets</b>	<b>941,718</b>	<b>144,737</b>	<b>26,798</b>	<b>1,113,253</b>
<b>Liabilities and fund equity</b>				
<b>Liabilities</b>				
Cash overdraw	(62,880)	-	-	(62,880)
Due to other funds	(47,221)	-	9,140	(38,081)
<b>Total liabilities</b>	<b>(110,101)</b>	<b>-</b>	<b>9,140</b>	<b>(101,061)</b>
<b>Fund equity</b>				
Retained earnings				
Unreserved	232,097	148,729	17,658	398,484
<b>Total fund equity</b>	<b>232,097</b>	<b>148,729</b>	<b>17,658</b>	<b>398,484</b>
<b>Total liabilities and fund equity</b>	<b>\$ 241,996</b>	<b>\$ 148,729</b>	<b>\$ 26,798</b>	<b>1,117,543</b>

**St. John the Baptist Parish Council**  
**Lafayette, Louisiana**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Retained Earnings**  
**For the Year Ended December 31, 1998**

	Group Insurance Fund	Workers Compensation Fund	Unemployment Fund	Total
Operating revenues				
Other income	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses				
Insurance	-	-	48,672	48,672
Total operating expenses	<u>-</u>	<u>-</u>	<u>48,672</u>	<u>48,672</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>(48,672)</u>	<u>(48,672)</u>
Nonoperating revenues (expenses)				
Interest income	39,513	7,782	10	47,305
Other	(41,988)	-	-	(41,988)
Net nonoperating revenue (expense)	<u>(2,475)</u>	<u>7,782</u>	<u>10</u>	<u>(46,355)</u>
Operating transfers in (out)				
Operating transfers in	-	9,488	18,328	27,816
Operating transfers out	(162,088)	-	-	(162,088)
Net operating transfers in (out)	<u>(162,088)</u>	<u>9,488</u>	<u>18,328</u>	<u>(84,272)</u>
Net income (loss)	<u>(169,942)</u>	<u>17,262</u>	<u>17,658</u>	<u>(135,022)</u>
Retained earnings, beginning of year	<u>422,344</u>	<u>171,541</u>	<u>-</u>	<u>593,885</u>
Retained earnings, end of year	<u>\$ 252,402</u>	<u>\$ 188,803</u>	<u>\$ 17,658</u>	<u>\$ 458,863</u>

See Independent Auditor's Report

**St. John the Baptist Parish Council**  
**LaPlace, Louisiana**  
**Internal Service Funds**  
**Comparing Statement of Cash Flows**  
**For the Year Ended December 31, 1998**

	Group Insurance Fund	Workers Compensation Fund	Unemployment Fund	Total
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ -	\$ -	\$ (88,475)	\$ (88,475)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Changes in Assets and Liabilities:				
Due from other funds	(9,140)	(147,021)	(26,814)	(182,975)
Due to other funds	147,021	-	9,140	156,161
Net cash provided (used) by operating activities	<u>137,881</u>	<u>(147,021)</u>	<u>(17,744)</u>	<u>(26,884)</u>
<b>Cash flows from noncapital financing activities</b>				
Operating transfers in	-	9,400	58,730	67,930
Operating transfers out	(140,000)	-	-	(140,000)
Other	(47,500)	-	-	(47,500)
Net cash provided (used) by noncapital financing activities	<u>(200,500)</u>	<u>9,400</u>	<u>58,730</u>	<u>(132,370)</u>
<b>Cash flows from investing activities</b>				
Interest income	19,235	7,782	10	27,027
Sale of investment securities	1,181,216	209,804	-	1,391,020
Purchase of investment securities	(164,859)	(134,872)	-	(299,731)
Net cash provided (used) by investing activities	<u>435,592</u>	<u>172,714</u>	<u>10</u>	<u>608,316</u>
<b>Net increase (decrease) in cash</b>	<u>362,263</u>	<u>(67,911)</u>	<u>784</u>	<u>295,136</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>3,121</u>	<u>6,431</u>	<u>-</u>	<u>9,552</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 365,384</u>	<u>\$ 1,000</u>	<u>\$ 784</u>	<u>\$ 367,168</u>

See Independent Auditor's Report

**St. John the Baptist Parish Council  
LaPlace, Louisiana  
Agency Fund  
Combining Balance Sheet  
December 31, 1998**

	Funds Clearing Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 18,011
<b>Total assets</b>	<b>18,011</b>
<b>Liabilities</b>	
<b>Liabilities</b>	
Due to other funds	16,999
Accrued expenses	1,012
<b>Total liabilities</b>	<b>18,011</b>

See Independent Auditor's Report

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
 LaPlata, Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULE**  
 For the Year Ended December 31, 1998

**COMPENSATION PAID TO BOARD MEMBERS**

The schedule of compensation paid to the Parish President and Parish Councilmembers is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Parish Council is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statutes, at LSA-R.S. 33:1213, the Parish Council has elected the monthly payment method of compensation. Under this method, the Councilmembers receive approximately \$686 per month.

<u>PARISH PRESIDENT</u>	<u>AMOUNT</u>
Arnold J. Labat, Parish President	\$ 51,000
 <u>PARISH COUNCIL</u>	
Richard D. Wolk, Division A	\$ 8,200
Dwaine Duffy, Council Chairman, Division B	8,200
Perry Bailey, Sr., District I	8,200
Kerwin Dubon, District II	8,200
Clinton Parfilioux, District III	8,200
Ranney Wilson, District IV	8,200
Nikki Molina, District V	8,200
Joel McTopy, District VI	8,200
Steven Thomson, District VII	<u>8,200</u>
Parish Council Total	\$ 74,000

See Independent Auditor's Report.

## REQUIRED SUPPLEMENTARY INFORMATION



**ST. JOHN THE BAPTIST PARISH COUNCIL,  
LA PLACE, LOUISIANA  
YEAR 2000 DISCLOSURES (UNAUDITED)  
Year Ended December 31, 1998**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the ST. JOHN THE BAPTIST PARISH COUNCIL's operations as early as 1999.

The ST. JOHN THE BAPTIST PARISH COUNCIL has completed an inventory of its computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conduct Parish operations. All of these systems and equipment are in the consolidation phase except for the Financial Reporting, Utility Bills, Payroll and Employee Benefit System, which is in the validation/testing phase. The Parish has identified the following systems which require Year 2000 consolidation:

**Financial Reporting, Utility Bills, Payroll and Employee Benefit System**

The ST. JOHN THE BAPTIST PARISH COUNCIL has upgraded its AS400 system through a contract with IBM and upgraded its software by contracting with SCT, its software vendor. The cost of this upgrade was approximately \$75,000 of which the majority of these costs were incurred in 1997. Some testing of the system has been performed and the Parish expects to have all testing completed by May 31, 1999.

**Tax Collection**

Tax collection for the St. JOHN THE BAPTIST PARISH COUNCIL is handled by the St. John the Baptist Parish Sheriff's Department. The Sheriff is responsible for maintaining this system, and is solely responsible for any costs associated with this project.

**A-111 Police and Fire Emergency Reporting System**

The ST. JOHN THE BAPTIST PARISH COUNCIL has issued a \$216,000 contract to upgrade, test and validate this system. As of December 31, 1998, no costs have been expended on this project. All testing should be completed by August 31, 1999.

The ST. JOHN THE BAPTIST PARISH COUNCIL has purchased from its software vendor the upgrade for the ACS General Ledger Software, which is used on several of the Parish's stand-alone computers. Installation of this software has not yet been completed.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related consolidation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the ST. JOHN THE BAPTIST PARISH COUNCIL is or will be Year 2000 ready, but the ST. JOHN THE BAPTIST PARISH COUNCIL's consolidation efforts will be successful in whole or in part, or that parties with whom the ST. JOHN THE BAPTIST PARISH COUNCIL does business will be Year 2000 ready.

## **SINGLE AUDIT SECTION**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A FIDELITY NATIONAL CORPORATION

201 N. Gateway Blvd. • Suite 100 • Ft. Lee, MS • Memphis, TN 38105  
Phone (901) 874-1100 • Fax (901) 874-1100 • E-Mail [arob@rebrowe.com](mailto:arob@rebrowe.com)

## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable President  
and Members of the Council  
**St. JOHN THE BAPTIST PARISH COUNCIL**  
LaPlata, Louisiana

We have audited the primary government financial statements of the **St. JOHN THE BAPTIST PARISH COUNCIL**, as of and for the year ended December 31, 1998, and have issued our report thereon dated May 7, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the **St. JOHN THE BAPTIST PARISH COUNCIL**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that is required to be reported under *Government Auditing Standards*, and is reported in the accompanying Schedule of Findings and Questioned Costs as items 98-1 and 98-2.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **St. JOHN THE BAPTIST PARISH COUNCIL**'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider

to be reportable conditions. Reportable conditions involve matters relating to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Parish's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 98-2 through 98-7.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-2, 98-5, 98-6 and 98-7 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated May 7, 1999.

This report is intended solely for the information and use of the Council, management of the Parish, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

### *Release & Copying*

May 7, 1999

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
COMPLIANCE

A MEMBER FIRM OF THE COOPERS & LYNDENBERG GROUP

2801 N. Causeway Blvd. • Suite 800 • P.O. Box 990 • Metairie, LA 70002  
Phone (504) 885-9900 • Fax (504) 885-9901 • E-mail rebowe@rebowe.com

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable President  
and Members of the Council  
**St. JOHN THE BAPTIST PARISH COUNCIL**  
Lafayette, Louisiana

### Compliance

We have audited the compliance of the **St. JOHN THE BAPTIST PARISH COUNCIL** with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB*) Circular *A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1995. **St. JOHN THE BAPTIST PARISH COUNCIL's** major federal program is identified in the summary of auditee's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the **St. JOHN THE BAPTIST PARISH COUNCIL's** management. Our responsibility is to express an opinion on the **St. JOHN THE BAPTIST PARISH COUNCIL's** compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*. These standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **St. JOHN THE BAPTIST PARISH COUNCIL's** compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the **St. JOHN THE BAPTIST PARISH COUNCIL's** compliance with these requirements.

In our opinion, the **St. JOHN THE BAPTIST PARISH COUNCIL**, compiled, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

### Internal Control Over Compliance

The management of the **St. JOHN THE BAPTIST PARISH COUNCIL** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our work, we considered the **St. JOHN THE BAPTIST PARISH COUNCIL**'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect **St. JOHN THE BAPTIST PARISH COUNCIL**'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 98-8 and 98-9.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable conditions described above as items 98-8 and 98-9 are considered to be material weaknesses.

This report is intended solely for the information and use of the Council, management of the Parish, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robson & Company*

May 7, 1999

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LA PLACE, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 1998**

Federal Officer/ Pass Through/Grantee/ Program Title	Federal CFDA Number	Fiscal Number	Federal or Award Agency	Funds Received/ Reverted 1998	Amount Expended	Expenditures/ Outlays	Funds or Amount Reverted 1998
<b>U.S. Federal Emergency Management Agency</b>							
Passed through the Louisiana Department of Military Affairs	03.504	0007-00- F9-0000	\$1.170	-	\$1.170	\$1.170	-
Disaster Relief*	03.500	FA 0000- 0000-0000 0001-00- 1140-00- 1.0	\$201.00	-	\$201.00	\$201.00	-
<b>Total U.S. Federal Emergency Management Agency</b>				-	<b>\$202.170</b>	<b>\$202.170</b>	-
<b>U.S. Department of Agriculture</b>							
Passed through the Louisiana Department of Health and Human Resources							
Senior Food Service Program	03.554	-	\$121.400	-	\$121.400	\$121.400	-
<b>Total U.S. Department of Agriculture</b>				-	<b>\$121.400</b>	<b>\$121.400</b>	-
<b>U.S. Department of Interior</b>							
Passed through Louisiana Department of Wildlife and Fisheries							
Recreation Boat Launch*	15.600	04-00-0000- 04 0000 500	\$11,700	-	\$11,700	\$11,700	-
<b>Total U.S. Department of Interior Human Services</b>				-	<b>\$11,700</b>	<b>\$11,700</b>	-
<b>U.S. Department of Housing and Urban Development</b>							
Passed through Division of Administration Office of Community Development							
LCRHS Living Water Towers	04.010	01-000004	\$100,000	-	\$100,000	\$100,000	\$1,000
<b>Total U.S. Department of Housing and Urban Development</b>				-	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$1,000</b>
<b>Total Federal Awards</b>				-	<b>\$404,270</b>	<b>\$404,270</b>	<b>\$1,000</b>

\* Major programs

**NOTE A - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting, in accordance with generally accepted accounting principles. The modified accrual basis of accounting, for this year used in preparing the financial statements, is disclosed in Note 1 of the financial statements.

**NOTE B - PASS THROUGH AWARDS**

The St. John the Baptist Parish Council, did not pass-through any of its federal awards to a subrecipient during the year ended December 31, 1998.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LA PLACE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 1998**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses a qualified opinion on the primary government financial statements of the **ST. JOHN THE BAPTIST PARISH COUNCIL** due to the inadequacy of accounting records pertaining to property and equipment.
2. Six reportable conditions disclosed during the audit of the financial statements are reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. These items are described in Sections B(1)(b) and B(2) of which items 98-2, 98-3, 98-6, and 98-7 are reported as material weaknesses.
3. Two instances of noncompliance material to the financial statements of the **ST. JOHN THE BAPTIST PARISH COUNCIL**, was disclosed during the audit and is reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. These items are described in Section B(1) below as items 98-1 and 98-2.
4. Two reportable conditions in internal control relating to the audit of the major federal award program are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-113*. These conditions are reported as material weaknesses. These items are described in Section C, below as items 98-8 and 98-9.
5. The auditor's report on compliance for the major federal award program administered by the **ST. JOHN THE BAPTIST PARISH COUNCIL**, expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs are reported. However, two reportable conditions are reported in Part C of this schedule.
7. The programs tested as major programs include:

	<b>CFDA Number</b>
Dignity Relief	83-545
Reverend Home Launch	15-685
8. The threshold for distinguishing Type A and Type B programs was \$390,000.
9. The **ST. JOHN THE BAPTIST PARISH COUNCIL**, was determined to be a high-risk auditee.



**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LA PLACE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended December 31, 1998**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**Ia. COMPLIANCE FINDING**

**FINDING 98-1 - SALARY ADVANCES**

Condition:

For the year ending December 31, 1998, we noted two instances in which the St. John the Baptist Parish Council advanced wages to a Parish employee.

Criteria:

LSA-R.S. 14:138 prohibits the payment of advanced wages or salaries to employees.

Effect:

This is a violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-R.S. 14:138, and AG Opinion 78-729.

Recommendation:

Procedures should be implemented which prohibits the advancing of wages to employees.

Response:

Management will not issue salary advances to Parish employees in the future.

**Ib. COMPLIANCE FINDING/MATERIAL WEAKNESS**

**FINDING 98-2 - PROPERTY AND EQUIPMENT RECORDS**

Condition:

As in the prior year, 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 or its General Fixed Assets Account Group. 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 or its enterprise funds.

Criteria:

Generally accepted accounting principles and Louisiana law, at LSA-R.S. 24:545(1)(I), require government agencies to maintain accurate, detailed accounting records of fixed assets.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
La Plaquette, Louisiana  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
Year Ended December 31, 1998

**FINANCIAL 88-2 - PROPERTY AND EQUIPMENT RECORDS (Continued)**

**Effect:**

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

**Recommendation:**

We recommend that the Parish conduct a comprehensive inventory of all property owned by the Parish, including assets held by the General Fixed Assets Account Group and various Enterprise Funds. Also, the Parish should develop a system whereby all fixed asset additions and disposals are properly accounted for in a timely manner.

**Response:**

A Grant has been filed by the Parish Council to conduct a fixed asset inventory for the Parish as well as its component funds. Once this inventory is completed, an Accounting Department employee will be assigned the task of maintaining the fixed asset listing in the current year. This employee will record all asset additions and disposals and insure the accuracy of this listing.

**3. REPORTABLE CONDITIONS**

**FINANCIAL 88-3 - SEGREGATION OF DUTIES**

**Condition:**

We noted a lack of segregation of duties in the Finance Department. We identified several instances in which the accountant who maintains accounting records also performs the bank reconciliations and supervises cash disbursements.

**Critique:**

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 and be undetected by management.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LA PLACE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended December 31, 1998**

**FINDING 98-3 - SEGREGATION OF DUTIES (CONTINUED)**

**Recommendation:**

We recommend that management review its current internal control structure and consider separating incompatible duties.

**Response:**

The Parish will review the current internal control structure and attempt to assign incompatible duties to other employees when feasible.

**FINDING 98-4 - REVIEW AND APPROVAL**

**Condition:**

The Parish does not have a system in place indicating that an appropriate review and approval of accounting records was performed by supervisory personnel.

**Criteria:**

Procedures should be in place that provide reasonable assurance that bank reconciliations, subsidiary ledgers, journal entries and other accounting records are reviewed and approved timely by the appropriate supervisory personnel.

**Effect:**

Undetected errors are occurring in the accounting records.

**Recommendation:**

We recommend that the Parish implement a policy wherein all accounting records are initialed by the appropriate supervisory personnel indicating that a proper review and approval was performed. Furthermore, a checklist should be developed to track and monitor the preparation, review, and approval of all accounting records.

**Response:**

Supervisory personnel will implement a checklist of review procedures over accounting records and will divide or distribute the responsibility of the different funds based upon volume.

**ST. JOHN THE BAPTIST PARISH COUNCIL,  
LA PLACE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended December 31, 1988**

**FINDING 88-8 - BANK RECONCILIATIONS**

**Condition:**

The Parish maintains over 50 bank accounts for various funds with numerous employees responsible for monthly bank reconciliations. In addition, several bank reconciliations were not performed on a timely basis, of which four bank reconciliations were not reconciled to the general ledger.

**Criteria:**

Internal controls should be in place that provide reasonable assurance that all bank accounts are reconciled on a monthly basis. Also, no legal requirement exists for the establishment of most of these accounts.

**Effect:**

Because of the failure to perform bank reconciliations on a monthly basis, unrecorded deposits and/or disbursements may not be identified timely. 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.

**Recommendation:**

The requirement for performing timely monthly bank reconciliations on all bank accounts should be enforced. Any unreconciled differences should be identified and adjusted accordingly. Also, management should attempt to minimize the number of bank accounts utilized by the Parish.

**Response:**

Procedures will be implemented to insure bank reconciliations are performed timely and reconciled to the general ledger on a monthly basis. We will also attempt to minimize the number of bank accounts utilized by the Parish.

**FINDING 88-8 - CASH DISBURSEMENTS**

**Condition:**

We noted that the check writing machine used by the Parish as part of the Accounts Payable function has several deficiencies including a lack of adequate controls to limit access to the machine, a lack of adequate supervision and review over the check writing function, a lack of adequate controls over blank checks, and a lack of adequate controls to prevent duplicate check numbers from being used.

**Criteria:**

Internal controls should be in place that provide reasonable assurance that all cash disbursements are authorized and accurately recorded in the general ledger.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LA PLACE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended December 31, 1998**

**FINDING 98-6 - CASH DISBURSEMENTS (CONTINUED)**

**Effect:**

Because of the lack of controls over the cash disbursements function, unintentional or intentional errors may occur and be undetected by management.

**Recommendation:**

Procedures should be implemented to insure adequate internal controls are in place over the cash disbursements function.

**Response:**

We will implement procedures to insure adequate internal controls over cash disbursements are maintained.

**FINDING 98-7 - PAYROLL**

**Condition:**

During the course of our audit, we noted improper usage of Parish time clocks. In particular, we noted two instances in which a time card was submitted to the Payroll Department with a date stamp that was 10 days later than the current date. Due to this inaccuracy, the time cards were returned to the appropriate department. Instead of the Supervisor correcting the erroneous time cards manually, the time clock was manipulated to produce two new "pre-dated" time cards with the correct hours worked. In two other instances, we noted that the time clock was manipulated which was evidenced by two time cards indicating that hours worked were from 7:30 p.m. to 3:30 a.m., rather than the regular work hours of 7:30 a.m. to 5:30 p.m.

In addition, we also noted that the Parish has at least 12 time clocks located throughout the Parish, of which there are several models in use by the Parish.

**Criteria:**

Procedures should be in place that provide reasonable assurance that hours worked by Parish employees are reflected in an accurate manner on time cards as recorded by the Parish time clocks. Also, the Parish should consider obtaining a time clock system whereby similar time clocks are located at multiple locations. This would result in uniform output on all Parish time cards.

**Effect:**

Due to a lack of adequate controls over the payroll time clocks, there is the potential for inaccurate hours to be recorded.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
1-A PLACE, BOSSMANA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
Year Ended December 31, 1998

**FINANC 98-7 – PAYROLL (CONTINUED)**

**Recommendation:**

We recommend that the Parish Administration review its internal controls presently in place over the payroll time clock and consider upgrading its present time clocks.

**Response:**

Parish Administration will review the payroll time clock system and make any modifications considered necessary.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

U.S. Federal Emergency Management Agency

U.S. Department of the Interior

**Finding 98-8 - Disaster Relief - CFDA Number 83-500; Grant Number P.A. ID NO. 085-90440; DECL. NO. 1248-DR-LA**  
Reserve Boat Launch - CFDA Number 15-505; Grant Number 16-01-0046  
(Part 57)

**Reportable Condition**

As discussed in 98-8, internal controls over cash disbursements, including those for expenditures of federal awards, have several deficiencies including a lack of adequate controls to limit access to the check writing machine, a lack of adequate supervision and review over the check writing function, a lack of adequate controls over blank checks, and a lack of adequate controls to prevent duplicate check numbers from being used. Procedures should be implemented to insure adequate internal controls are in place over the cash disbursement function.

U.S. Federal Emergency Management Agency

**FINANC 98-9 - Disaster Relief - CFDA Number 83-505; Grant Number P.A. ID NO. 085-91040; DECL. NO. 1248-DR-LA**

**Reportable Condition**

As discussed in 98-9, internal controls over the payroll function, including those for expenditures of federal awards, have several inadequacies including improper usage of Parish time clocks. Internal controls should be in place that provide reasonable assurance that hours worked by Parish employees are reflected in an accurate manner on time cards as recorded by the Parish time clocks.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LA PLACE, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended December 31, 1998**

**A. COMPLIANCE WITH LAWS AND REGULATIONS**

**FINDING 97-1 - BONDING REQUIREMENTS**

Condition:

The Parish failed to comply with the provisions of Louisiana law, specifically LSA-R.S. 39:1300. Two funds had actual fund balances below budgeted fund balances by five percent or more.

Current Status:

For the year ending December 31, 1998, there were no fund balances that were less than the budgeted fund balance by five percent or more.

**FINDING 97-2 - INVESTMENT POLICY**

Condition:

The Parish failed to comply with the provisions of Louisiana law, specifically LSA-R.S. 33:2855, which requires the Parish to adopt an investment policy containing certain prescribed criteria.

Current Status:

During the year ended December 31, 1998, the Parish's Chief Financial Officer introduced for adoption by the Council, an updated investment policy which is in compliance with LSA R.S. 33:2855.

**FINDING 97-3 - PUBLIC BID LAW**

Condition:

The Parish failed to comply with the provisions of Louisiana law concerning the use of public bids for acquisition of supplies and materials, specifically LSA-R.S. 38:2212. The statute requires the Parish to advertise and let to the lowest bidder all contracts for purchases of materials and supplies exceeding \$15,000. The Parish paid \$33,349 to an aviation petroleum products supplier for products received after the expiration of the supplier's contract with the Parish.

Current Status:

During the year ended December 31, 1998, the Parish bid and awarded the petroleum products contract described above in compliance with LSA-R.S. 38:2212.

**ST. JOHN THE BAPTIST PARISH COUNCIL,  
LA PLACE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)  
Year Ended December 31, 1998**

**B. INTERNAL CONTROL FINDINGS**

**FINDING 97-4 - PROPERTY AND EQUIPMENT RECORDS**

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 or its enterprise funds.

Current Status:

No significant improvements have been made in the maintenance and recording of the Parish's fixed asset records. This finding is included in the Schedule of Findings and Questioned Costs (98-7) at December 31, 1998.

**C. FINDINGS RELATED TO FEDERAL AWARD PROGRAMS**

There were no audit findings related to federal award programs for the year ended December 31, 1997, that were required to be reported as defined in Section 509(a) of OMB Circular A-133.



**ST. JOHN THE BAPTIST PARISH COUNCIL,  
LA PLACE, LOUISIANA  
CORRECTIVE ACTION PLAN  
Year Ended December 31, 1998**

Management's corrective actions are described in the responses to each of the auditor's compliance and internal control findings as reported in the Schedule of Findings and Questioned Costs. The contact person responsible for the corrective actions is the Finance Director, Claudette Raphael. All corrective actions are expected to be completed by December 31, 1999.



## TABLE OF CONTENTS

AUDITOR'S REPORT .....	1
<b>OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES</b>	
1. SUMMARY LEADERS .....	2
2. ALLOCATION OF IMPACT COSTS .....	2
3. OVERTIME PAY .....	2
4. RELATED PARTY TRANSACTIONS .....	3
5. SERVICE CENTER .....	3
6. INTERFUND TRANSACTIONS .....	4
7. ACCOUNTING POLICIES AND PROCEDURES MANUAL .....	4
8. COMPLETION OF ACCOUNTS PAYABLE .....	4
9. EXCESS OVER-COST SALES TAX COLLECTIONS .....	5
10. INTERFUND BORROWING .....	5
11. Cash Management .....	6
12. CERTIFICATE OF INDEBTEDNESS .....	6
13. OVERLAPSED-BIDDING AND RESERVE FUNDS .....	7
14. YEAR 2000 ISSUE .....	7

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

361 N. Gateway Blvd. • Suite 800 • P.O. Box 6802 • Metairie, LA 70006  
Phone (504) 885-4164 • Fax (504) 885-4129 • E-mail [info@rebowe.com](mailto:info@rebowe.com)

May 7, 1999

To the Honorable President  
and Members of the Council  
**St. John the Baptist Parish, State of Louisiana**  
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, 1998, and have issued our report thereon dated May 7, 1999. As part of our audit, we considered the Parish's internal control over financial reporting 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.

Our consideration of the internal control has been reported on in a separately issued report entitled *Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated May 7, 1999.

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 over financial reporting and improving the operating efficiency of the Parish.

We have discussed our recommendations with Parish personnel and have included their responses. We will be pleased to discuss these 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*

## OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

### 1. SUMMARY LEDGERS

#### Observation:

We noted that subsidiary ledgers maintained by the Parish for investments and accounts payable were not reconciled to the general ledger in a timely manner.

#### Recommendation:

We recommended that the Parish reconcile all subsidiary ledgers to the general ledger in a timely manner to insure that account balances are properly stated.

#### Management Response:

Management will implement procedures to insure that all subsidiary ledgers are reconciled to the general ledger on a monthly basis.

### 2. ALLOCATION OF INDIRECT COSTS

#### Observation:

We noted that St. John the Baptist Parish allocates indirect costs amongst various funds related to utility billings and administrative costs. The Parish does not maintain documentation to support their indirect cost allocation plan.

#### Recommendation:

We recommended that the Parish conduct a study to review their current method of indirect cost allocation. This study should determine if such allocation is reasonable and allowable with respect to designated revenues and federal funding requirements. This indirect cost allocation plan should be documented and reviewed annually.

#### Management Response:

Parish Administration will consider implementing such recommendation.

### 3. OVERTIME PAY

#### Observation:

During our testing of Sewer Department salaries, we noted that overtime wages represented approximately 20% of total wages. Approximately 50% of those overtime wages were attributable to 7 of the 35 employees in this department.

#### Recommendation:

We recommended that the Parish perform a review of its overtime policy. If feasible, the Parish may consider hiring additional personnel to meet the current workload. The hiring of additional personnel may reduce total payroll expenditures by minimizing the need for overtime pay, which is paid at a rate of time and a half.

## OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

### Management Response:

Management will review their overtime policy and will closely monitor overtime in an attempt to minimize overtime wages.

## 4. RELATED PARTY TRANSACTIONS

### Observation:

We noted that the Parish does not maintain a policy for its adherence to Louisiana Revised Statute 42:1112 "Participation in certain transactions involving the governmental entity." This statute prohibits public servants from participating in any transaction involving the governmental entity in which they have a personal financial interest, or in which a member of their immediate family has a personal financial interest.

### Recommendation:

We recommended that the Parish consult its legal counsel in addressing this matter.

### Management Response:

The Parish Administration has contacted the Parish Attorney who will send a letter to all elected officials, directors and supervisory personnel regarding such prohibited transactions under this statute.

## 5. SERVICE CENTER

### Observation:

We noted that the St. John the Baptist Parish Service Center has access to the maintenance billing module; however, has restricted ability to input customer utility payments into the computerized billing system upon receipt. The input of utility payments is performed at the Parish billing department.

### Recommendation:

We recommended that the Parish Administration consider implementing a procedure whereby customer payments are inputted upon receipt at the Service Center. This could strengthen internal controls and provide efficiencies in this collection process.

### Management Response:

Management will review the current procedure used to collect and record customer utility payments.

## OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

### 6. INTERFUND TRANSACTIONS

#### Observation:

During our audit, we noted numerous instances in which interfund transfers and interfund receivables and payables did not reconcile. It appears that these differences are the result of a lack of communication and review between department personnel.

#### Recommendation:

We recommend that the interfund transfers as well as interfund receivables and payables be reconciled on a monthly basis.

#### Management Response:

Management will implement procedures to insure that all subsidiary ledgers are reconciled to the general ledger on a monthly basis.

### 7. ACCOUNTING POLICIES AND PROCEDURES MANUAL

#### Observation:

As noted in the prior year, the Parish does not have an accounting policies and procedures manual defining the duties and responsibilities for each finance department employee.

#### Recommendation:

We recommend that the Parish develop a formal accounting manual that 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 insure consistent treatment of similar accounting transactions, use of proper accounting principles, and production of accounting reports in the form desired by management.

#### Management Response:

Management is in the process of preparing a formal accounting policies and procedures manual.

### 8. COMPLETION OF ACCOUNTS PAYABLE

#### Observation:

We noted that proper procedures for recording accounts payable at year-end are not being followed. We noted approximately \$706,000 of payables during our search for unrecorded liabilities, which were not included in the accounts payable listing as of December 31, 1998, but were later included in the financial report. This error occurred due to a lack of training and supervision regarding the proper recording of accounts payable at year-end.

## OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

### Recommendation:

We recommend that personnel should be adequately trained as to the proper procedures for recording accounts payable at year-end.

### Management Response:

The Parish's financial reports are maintained on a cash basis during the year and are converted to accrual basis at year-end in connection with the audit. We will train and supervise personnel as to the proper procedures for recording accounts payable at year-end.

## 9. EXCESS ONE-CENT SALES TAX COLLECTIONS

### Observation:

We noted that the Parish did not abide by Council Resolution 98-28, which states that any revenues collected from the one-cent sewer sales tax in excess of \$4 million should be reserved for future use. An excess amount of approximately \$794,000 was reserved by an audit adjustment for the year ending December 31, 1998.

### Recommendation:

We recommend that the excess one-cent sewer sales tax be reserved for future use as described in Council Resolution 98-28.

### Management Response:

The Parish will abide by this resolution in future years.

## 10. INTEREST-BEARING DEBTS

### Observation:

We noted that the Parish's General Fund borrowed funds from the Sales Tax District as initially approved by Council Resolution 95-38. The initial borrowing of \$200,000, which occurred in December 1985, was to be repaid in 1996 from tax collections. During 1996, the General Fund repaid the Sales Tax District \$50,000. In 1997 and 1998, administrative costs of \$25,000 per year due to the General Fund from the Sales Tax District were applied against the outstanding balance. During 1998, the General Fund borrowed an additional \$450,000 from the Sales Tax District.

### Recommendation:

We recommend that Parish Administration establish a repayment plan whereby the General Fund will repay the Sales Tax District over a pre-determined period of time.

### Management Response:

Subsequent to year-end, the General Fund made a \$200,000 payment to the Sales Tax District. In March 1999, the Parish implemented a payment plan whereby the General Fund pays \$20,000 each month to the Sales Tax District until the borrowing has been repaid.



## OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

### II. Cash Management

#### Observation:

We noted that the Parish's investment portfolio consists exclusively of U.S. Treasury Bills with original maturities of one year or less.

#### Recommendation:

We recommend that the Parish consider investing in U.S. Treasury Securities with longer-term maturities to obtain higher investment yields. Also, an investment portfolio containing both short-term and long-term investment securities would enable the Parish to minimize interest rate risk.

#### Management Response:

In addition to the continued purchasing of short-term investment securities, management will consider purchasing investment securities with scheduled maturities of greater than one year. The desired result of these actions is to have a more diversified portfolio which provides a higher rate of return on invested funds.

### II. CERTIFICATE OF INDEBTEDNESS

#### Observation:

In March 1998, the St. John the Baptist Parish Council issued Certificates of Indebtedness, Series 1998 in the amount of \$2,925,000 for the purpose of constructing public libraries in the Parish, as set out in Proposition No. 1 approved by the voters on January 13, 1998. These Certificates are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Parish from the levy and collection of a special tax (10) mills tax authorized to be levied each of the years 1998 through 2007, inclusive, on all the property subject to taxation within the corporate boundaries of the Parish pursuant to an election held January 17, 1998. The debt and related ad valorem tax revenues are recorded in the financial statements of St. John the Baptist Parish Library, a component unit of St. John the Baptist Parish Council. This debt is a direct obligation of the Parish Council, as issuer of the Certificates. However, there is no formal agreement between the Parish Council and the Library which states that the Library will collect the ten (10) mill tax revenues and pay the related debt.

#### Recommendation:

We recommend that the Parish consult its legal counsel regarding the preparation of such agreement between the Parish Council and the Library.

#### Management Response:

Management will consult its legal counsel regarding this matter.

### 13. OVERFUNDED-SINKING AND RESERVE FUNDS

#### Observation:

Fiscal accounts require certain funding levels to be maintained. Upon our review of both the sinking and reserve fund requirements, we noted that in the aggregate, the sinking funds were overfunded by approximately \$1.49 million and the reserve funds were overfunded by approximately \$71,000. The sinking fund coverage consists entirely of the ad valorem taxes receivable at December 31, 1998 which is needed to satisfy debt service requirements in subsequent years.

#### Recommendation:

We recommend that the Parish review funding levels on a monthly basis to minimize the occurrence of overfundings of sinking and reserve funds. The Parish could also invest in securities with longer-term maturities to obtain higher investment yields as deemed feasible in accordance with the debt service payment schedules.

#### Response:

Management will review funding levels on a monthly basis and consider investing in longer-term securities.

### 14. YEAR 2000 ISSUE

The Year 2000 issue results from a computer's inability to process year-date data accurately beyond the year 1999. Except in recently introduced Year 2000 compliant programs, computer programmers consistently have abbreviated dates by eliminating the last two digits of the year, with the assumption that these two digits would always be 19. Thus January 1, 1983, became 01/01/83. Unless corrected, this shortcut is expected to create widespread problems when the clock strikes 12:00:01 a.m. on January 1, 2000. On that date, some computer programs may recognize the date as January 1, 1900, and process data inaccurately or stop processing altogether.

The Year 2000 issue is likely to affect computer applications before January 1, 2000, when systems currently attempt to perform calculations into the Year 2000. Furthermore, some software programs use several dates in the year 1999 to mean something other than the date. Examples of such dates are 01/01/99, 09/09/99, and 12/31/99. As systems process information using these dates, they may produce erratic results or stop functioning.

The Year 2000 issue presents another challenge – the algorithms used in some computers for calculating leap years is unable to detect that the Year 2000 is a leap year. Therefore, systems that are not Year 2000 compliant may not register the additional day, and date calculations may be incorrect.

Upon our discussions with management, it appears that the Parish is aware of the Year 2000 issue and has taken steps to insure that its financial systems are Year 2000 compliant. However, the process of assessing systems requiring updating and the steps taken to update these systems have not been documented, nor has the Parish established milestone dates for completing various tasks.

We noted that the Parish's fixed asset software is not Year 2000 compliant. We also noted that the Parish has not yet inquired of its major suppliers, vendors and service providers to determine the status of each entity with respect to the Year 2000.

**Recommendation:**

We recommend that you take the necessary actions to immediately begin to identify, modify, and test all systems that may be negatively affected by the Year 2000 issue, particularly mission-critical systems. This program should be monitored closely to ensure completion before mission-critical systems begin to fail. Such failures may be evident before January 1, 2000. If the Parish fails to take timely and appropriate action, it may experience costly and significant application-program failures that could prevent it from performing its normal processing activities. Depending on the extent of the systems failures, noncompliance could have catastrophic consequences for the Parish.

Also, the Parish should implement additional verification procedures to test the accuracy of information received from its vendors, service providers, bankers, customers, and other third-party organizations with whom it exchanges data-dependent information, because these organizations must also become Year 2000 compliant. The Parish should also satisfy itself that vendors, service providers, bankers, customers, and other third party organizations will not experience problems relating to the Year 2000 issue that could affect the Parish's operations or cash flows.