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

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

Annual Financial Statements
with Independent Auditors' Report

and

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

For the Year Ended December 31, 1998

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

Release Date 7-28-99

ST. MARY PARISH COUNCIL

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PITTS & MATTE

a corporation of
certified public accountants



INDEPENDENT AUDITORS' REPORT

To the St. Mary Parish Council
Franklin, Louisiana

We have audited the accompanying primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council, as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the St. Mary Parish Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

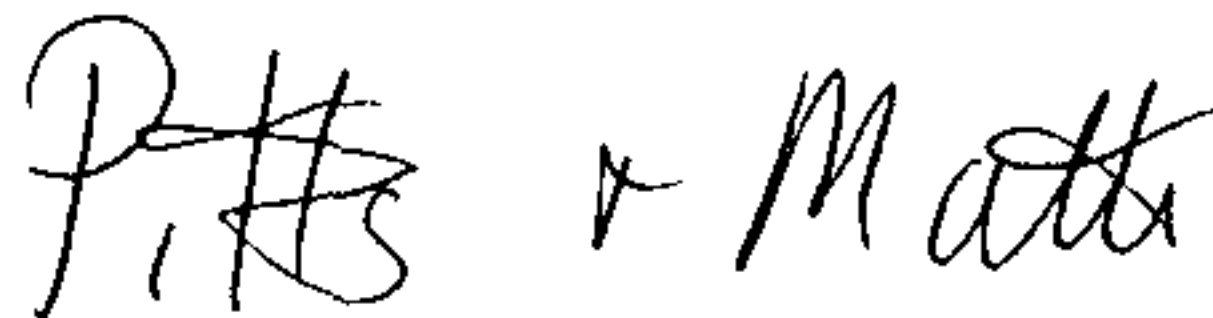
A primary government is a legal entity or body politic and includes all funds, organization, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the St. Mary Parish Council, as of December 31, 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. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and the account groups of the St. Mary Parish Council, as of December 31, 1998, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

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

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

The accompanying supplementary information required by the Governmental Accounting Standards Board (GASB) listed in the table of contents is not a required part of the primary government financial statements but is supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this 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. Mary Parish Council is or will become year 2000 compliant, that the year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Council does business are or will be year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 1999, on our consideration of the St. Mary Parish Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



CERTIFIED PUBLIC ACCOUNTANTS

April 29, 1999

ST. MARY PARISH COUNCIL

COMBINED BALANCE SHEET
All Fund Types and Account Groups
December 31, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS AND OTHER DEBITS								
Assets:								
Cash and cash equivalents	\$218	\$1,254,760	\$419,310	\$4,253,200	\$997,455			\$6,924,943
Investments		3,125,042	1,644,924	4,218,709				8,988,675
Receivables (net of allowances for uncollectibles)	1,512,182	130,792	794,842	23,086	224,198			2,685,100
Due from other funds			84,114	68,273				152,387
Advance to other funds		1,781,321	1,165,945	500,000				3,447,266
Due from component units		52,006	195,720	535,818				783,544
Due from other governments		1,129,057		46,875	1,850			1,177,782
Fixed assets (net of accumulated depreciation where applicable)					5,117,496	\$15,256,319		20,373,815
Other debits:								
Amount available for debt service							\$2,363,335	2,363,335
Amount to be provided for retirement of general long-term debt							15,347,071	15,347,071
Total assets and other debits	<u>\$1,512,400</u>	<u>\$7,472,978</u>	<u>\$4,304,855</u>	<u>\$9,645,961</u>	<u>\$6,340,999</u>	<u>\$15,256,319</u>	<u>\$17,710,406</u>	<u>\$62,243,918</u>

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE ENTERPRISE FUNDS	ACCOUNT GROUP		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
LIABILITIES, EQUITY, AND OTHER CREDITS								
Liabilities:								
Accounts payable and accrued expenses	\$260,780	\$338,892		\$85,802	\$153,809			\$839,283
Contracts payable	6,795	263		443,584				450,642
Retainage payable				215,736				215,736
Salaries and payroll deductions payable	67,780					\$115,457		183,237
Due to other governments		117,761						117,761
Due to other funds		152,387						152,387
Advance from other funds	361,359	162,164	\$10,254	2,787,103	126,386			3,447,266
Deferred revenue		106,978	382,759					489,737
Landfill closure costs and post-closure care costs					3,420,000			3,420,000
Bonds and debt payable						17,594,949		17,594,949
Total liabilities	696,714	878,445	393,013	3,532,225	3,700,195	17,710,406		26,910,998
Equity and other credits:								
Investment in general fixed assets						\$15,256,319		15,256,319
Contributed capital - net of amortization					4,402,291			4,402,291
Retained earnings (accumulated deficits)					(1,761,487)			(1,761,487)
Unreserved - undesignated Fund balances		84,236						84,236
Reserved for encumbrances								
Reserved for non-current portion of receivables		1,833,327	848,141	980,891				3,662,359
Reserved for debt service			2,363,335					2,363,335
Unreserved - undesignated	815,686	4,676,970	700,366	5,132,845				11,325,867
Total equity and other credits	815,686	6,594,533	3,911,842	6,113,736	2,640,804	15,256,319	--	35,332,920
Total liabilities, equity and other credits	\$1,512,400	\$7,472,978	\$4,304,855	\$9,645,961	\$6,340,999	\$15,256,319	\$17,710,406	\$62,243,918

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

ST. MARY PARISH COUNCIL

GOVERNMENTAL FUND TYPES
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 1998

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES					
Taxes					
Ad valorem	\$1,406,465		\$236,940		\$1,643,405
Sales		\$3,348,227	1,475,524		4,823,751
Other taxes, penalties, & interests, etc.	67,549				67,549
Intergovernmental revenues			500,307	\$207,092	707,399
Federal grants	162,523	376,842		349,761	889,126
Slate grants	281,891	25,000			306,891
State funds					
Parish transportation funds		540,672			540,672
State revenue sharing	334,574				334,574
Royalty road funds		2,820,821			2,820,821
Severance taxes	500,126				500,126
Criminal court fund	13,108				13,108
Local grants	7,000	34,749			41,749
Gaming		1,389,729			1,389,729
Special assessments			149,824		149,824
Interest	104,739	356,380	150,281	434,956	1,046,356
Licenses & Permits	305,659	24,129			329,788
Fees, Charges, & Commission	293,767	602,049			895,816
Other revenues		17,543			17,543
Total revenues	3,477,401	9,536,141	2,512,876	991,809	16,518,227
EXPENDITURES					
Current:					
General government	3,032,361	414,014	376	1,466	3,448,217
Public safety	352,472	902,315	17,816	156,809	1,429,412
Public works		4,012,751			4,012,751
Sanitation				432,981	432,981
Culture and recreation	426,454	319,671			746,125
Health and welfare	322,139				322,139
Economic development & assistance	108,355				108,355
Capital outlay		29,781		4,428,225	4,458,006
Debt service		57,512			57,512
Principal	2,732		1,324,863		1,327,595
Interest	66		961,630		961,696
Fees			34,137		34,137
Total expenditures	4,244,579	5,736,044	2,338,822	5,019,481	17,338,926
Excess (deficiency) of revenues over (under) expenditures	(767,178)	3,800,097	174,054	(4,027,672)	(820,699)
OTHER FINANCING SOURCES (USES)					
Proceeds from bonds				322,089	322,089
Operating transfers in	1,366,286	72,445	1,066,933	4,252,697	6,758,361
Operating transfers out	(174,061)	(5,741,282)	(951,926)	(392,557)	(7,259,826)
Residual equity transfer	(142,000)				(142,000)
Total other financing sources(uses)	1,050,225	(5,668,837)	115,007	4,182,229	(321,376)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	283,047	(1,868,740)	289,061	154,557	(1,142,075)
Fund balances at beginning of year	532,639	8,463,273	3,622,781	5,959,179	18,577,872
Fund balances at end of year	\$815,686	\$6,594,533	\$3,911,842	\$6,113,736	\$17,435,797

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

ST. MARY PARISH COUNCIL

GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Ad valorem	\$1,406,465	\$1,241,008	\$165,457
Other taxes, penalties, & interest, etc.	67,549	54,559	12,990
Licenses and permits	305,659	299,645	6,014
Intergovernmental revenues			
Federal grants	162,523	174,042	(11,519)
State funds			
State grants	281,891	280,958	933
State revenue sharing (net)	334,574	309,921	24,653
Severance taxes	500,126	500,018	108
Local grants	7,000	7,000	
Criminal Court Fund	13,108	15,596	(2,488)
Charges for services	293,767	274,447	19,320
Interest	104,739	101,051	3,688
Total Revenues	3,477,401	3,258,245	219,156
EXPENDITURES			
Current:			
General government			
Legislative	258,011	255,684	(2,327)
Judicial	700,442	709,740	9,298
Executive	93,597	96,615	3,018
Elections	61,771	63,741	1,970
Finance and administrative	488,461	513,968	25,507
Courthouse	697,584	677,645	(19,939)
Other	732,495	730,786	(1,709)
Public Safety	352,472	353,142	670
Health and welfare	322,139	344,428	22,289
Culture & recreation	426,454	405,342	(21,112)
Economic development & assistance	108,355	99,500	(8,855)
Debt service			
Principal	2,732	3,136	404
Interest	66	18	(48)
Total Expenditures	4,244,579	4,253,745	9,166
Deficiency of revenues over expenditures	(767,178)	(995,500)	228,322
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,366,286	1,366,286	
Operating transfers out	(174,061)	(174,061)	
Residual equity transfer out	(142,000)	(142,000)	
Total other financing sources(uses)	1,050,225	1,192,225	
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses	283,047	196,725	228,322
Fund balance at beginning of year	532,639	532,310	329
Fund balance at end of year	\$815,686	\$729,035	\$228,651

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

ST. MARY PARISH COUNCIL
 CERTAIN SPECIAL REVENUE FUNDS
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended December 31, 1998

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes			
Sales	\$3,348,227	\$3,245,025	\$103,202
Intergovernmental revenues			
Federal grants		204,624	(204,624)
Parish transportation funds	540,672	515,000	25,672
Royalty road funds	2,820,821	2,762,000	58,821
State grants	25,000	25,000	
Gaming	1,389,729	1,455,689	(65,960)
Interest	355,212	161,435	193,777
Licenses & Permits	24,129	24,000	129
Fees, Charges, & Commission	50,120	47,450	2,670
Other revenues	569,472	608,719	(39,247)
Total revenues	<u>9,123,382</u>	<u>9,048,942</u>	<u>74,440</u>
EXPENDITURES			
Current:			
General government	4,114	3,150	(964)
Public safety	901,992	894,518	(7,474)
Public works	4,012,751	4,643,106	630,355
Culture and recreation	321,461	395,572	74,111
Capital outlay	29,781	38,184	8,403
Debt service	57,745	49,390	(8,355)
Total expenditures	<u>5,327,844</u>	<u>6,023,920</u>	<u>696,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,795,538</u>	<u>3,025,022</u>	<u>770,516</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	72,445	72,445	
Operating transfers out	(5,741,282)	(5,480,566)	(260,716)
Total other financing sources (uses)	<u>(5,668,837)</u>	<u>(5,408,121)</u>	<u>(260,716)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(1,873,299)</u>	<u>(2,383,099)</u>	<u>509,800</u>
Fund balances at beginning of year	<u>8,457,912</u>	<u>8,273,789</u>	<u>184,123</u>
Fund balances at end of year	<u>\$6,584,613</u>	<u>\$5,890,690</u>	<u>\$693,923</u>

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

ST. MARY PARISH COUNCIL

CERTAIN DEBT SERVICE FUNDS
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended December 31, 1998

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes			
Sales	\$1,475,524	\$1,653,251	(\$177,727)
Ad Valorem	236,940	213,199	23,741
Special assessments	148,676	94,235	54,441
Interest	150,279	146,255	4,024
Intergovernmental	500,307	500,308	(1)
	<hr/>	<hr/>	<hr/>
Total revenues	2,511,726	2,607,248	(95,522)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	356	270	(86)
Public safety	17,816	5,556	(12,260)
Debt service			
Principal	1,324,863	1,324,863	
Interest	961,630	961,631	1
Fees	34,032	27,083	(6,949)
	<hr/>	<hr/>	<hr/>
Total expenditures	2,338,697	2,319,403	(19,294)
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	173,029	287,845	(114,816)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,066,933	1,004,302	62,631
Operating transfers out	(951,926)	(957,426)	5,500
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	115,007	46,876	68,131
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	288,036	334,721	(46,685)
Fund balances at beginning of year	3,618,635	3,613,421	5,214
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$3,906,671	\$3,948,142	(\$41,471)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUNDS
 Combined Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Budget
 and Actual (Non-GAAP Basis)
 For the year ended December 31, 1998

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Interest	\$434,956	\$322,760	\$112,196
Intergovernmental	207,092	161,786	45,306
Federal grant	295,376	513,722	(218,346)
	<hr/>	<hr/>	<hr/>
Total revenues	937,424	998,268	(60,844)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	1,461	21,435	19,974
Public safety	3,477	3,477	
Sanitation	454,740	445,342	(9,398)
Capital outlay	4,505,418	5,407,665	902,247
	<hr/>	<hr/>	<hr/>
Total expenditures	4,965,096	5,877,919	912,823
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(4,027,672)	(4,879,651)	851,979
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,574,786	4,086,780	488,006
Operating transfers out	(392,557)	(361,143)	(31,414)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	4,182,229	3,725,637	456,592
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	154,557	(1,154,014)	1,308,571
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	5,959,179	5,961,585	(2,406)
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$6,113,736	\$4,807,571	\$1,306,165
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

ST. MARY PARISH COUNCIL

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 Combined Statement of Revenues, Expenses and Changes in Retained Earnings
 For the Year Ended December 31, 1998

Operating revenues		
Charges for services		\$1,647,956
Licenses and permits		1,607

Total operating revenues		1,649,563
Operating expenses		
Personal services	\$863,264	
Contractual services	121,048	
Supplies	89,289	
Materials	48,149	
Utilities	47,002	
Repairs and maintenance	171,863	
Equipment and rentals	511,867	
Landfill closure costs	(680,000)	
Miscellaneous	11,166	
Depreciation	532,486	
Insurance	63,453	

		1,779,587
Operating loss		-----
		(130,024)
Non-operating revenues (expenses)		
Interest earnings	29,302	
Gifts/donations	61,409	
State grants	118,075	

		208,786
Income before operating transfers		-----
		78,762
Other financing sources		
Operating transfers in		501,465

Net income		580,227
Add depreciation of fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital		338,190

Increase in retained earnings		918,417
Retained earnings(accumulated deficit) at beginning of year	(2,617,404)	
Prior period adjustment	(62,500)	

Retained earnings(accumulated deficit) as restated		(2,679,904)

Retained earnings(accumulated deficit) at end of year		-----
		(\$1,761,487)

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

ST. MARY PARISH COUNCIL

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Cash Flows

For the Year Ended December 31, 1998

Increase (Decrease) in Cash & Cash Equivalents

Cash flows from operating activities:	
Cash received from charges for services	\$1,740,352
Cash payments to suppliers for goods & services	(752,893)
Cash payments to employees for services	(1,100,321)
	<hr/>
Net cash flows (deficiency) from operating activities	(112,862)
	<hr/>
Cash flows from noncapital financing activities:	
Interest	32,202
Contributions	61,409
Operating grants received	33,000
Operating transfers in from other funds	501,465
	<hr/>
Net cash flows from noncapital financing activities	628,076
	<hr/>
Cash flows from capital and related financial activities	
Capital contributions	329,500
Fixed asset acquisitions	(464,820)
	<hr/>
Net cash flows from capital and related financing activities	(135,320)
	<hr/>
Net increase (decrease) in cash and cash equivalents	379,894
Cash and cash equivalents at beginning of year	617,561
	<hr/>
Cash and cash equivalents at end of year	\$997,455
	<hr/> <hr/>

Reconciliation of operating loss to net cash, provided by operating activities:	
Operating loss	(\$130,024)
	<hr/>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	532,486
Decrease in accounts receivable	90,789
Decrease in accounts payable and accrued expenses	(606,113)
	<hr/>
Total adjustments	17,162
	<hr/>
Net cash (used for) operating activities	(\$112,862)
	<hr/> <hr/>

Non Cash Transactions:

During 1998, \$32,554 in fixed assets were acquired by donation.

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

ST. MARY PARISH COUNCIL

Notes to the Financial Statements
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

A. Reporting Entity

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

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

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

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

Governmental Funds

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Proprietary Fund

Enterprise Funds

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

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

D. Budgetary Practices

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

1. Ninety days prior to the beginning of each fiscal year, the Parish President presents to the Council the annual operating budget which was prepared by the Director of Finance under the direction of the Chief Administrative Officer.
2. The Council then orders a public hearing, notice of which, along with a summary of the budget, will be published ten days prior to the date of the hearing in the official journal of the Council.
3. No later than the second to last regular meeting of the fiscal year, the Council enacts an ordinance to adopt the annual operating budget for the ensuing fiscal year. The Council may adjust the budget as proposed by the Parish President or amend it, as they see fit, by a vote of the majority of the Council.
4. The Parish President may accept or veto the entire budget as approved by the Council or he may line item veto certain appropriations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Should the Council and Parish President be unable to adopt a budget prior to the beginning of the year, then fifty percent of the prior year's budget shall be appropriated for the upcoming year; until such time as a new budget is properly enacted.
6. The Director of Finance, under the direction of the Chief Administrative Officer, has the authority to alter, and must approve all changes in budgeted amounts within function lines. However, budget adjustments that cross function lines require approval of the Council.
7. Formal budgetary integration is employed as a management control device during the year.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for two Capital Projects Fund budgets which are on a non-GAAP budgetary basis. Certain projects in the Capital Improvement Fund and the Cypremort Point and Vicinity Fund (Capital Projects) are being funded by the Council and Louisiana Community Development Block Grants (LCDBG). For financial reporting purposes both Parish amounts and LCDBG amounts are reported as revenues and expenditures, for budgetary reporting purposes only Parish amounts are reported as revenues and expenditures. Because of this, the revenues and expenditures are \$5,975 less for the Capital Improvement Fund and \$48,410 less for the Cypremort Point and Vicinity Fund for budget reporting purposes than for financial reporting purposes.
9. All special revenue funds have adopted budgets except for four funds: Local Law Enforcement Block Grant #1; Office of Justice Program Grant; 16th Judicial District, Byrne Federal Grant; and Local Law Enforcement Block Grant #2. Accordingly, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, Certain Special Revenue Funds, omits actual activity for those funds without budgets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a reconciliation of the funds omitted, which had activity during the year:

Deficiency of revenues and other financing sources under expenditures and other financing uses (all Special Revenue Funds)	\$(1,868,740)
--	---------------

Plus deficiency of revenues under expenditures for omitted funds:

Local Law Enforcement Block Grant #1	297
Office of Justice Program Grant	2,590

Less excess of revenues over expenditures for omitted funds:

16th Judicial District, Byrne Federal Grant	(6,706)
Local Law Enforcement Block Grant #2	(<u>740</u>)

Deficiency of revenues and other financing sources under expenditures and other financing uses (budgeted Special Revenue Funds only)	\$(<u>1,873,299</u>)
--	------------------------

All debt service funds have adopted budgets except for two funds: Paving Series L Fund and Paving Series O Fund. Accordingly, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, Certain Debt Service Funds, omits actual activity for those funds without budgets.

The following is a reconciliation of the funds omitted, which had little activity during the year:

Fund balances at end of year (all Debt Service Funds)	\$3,911,842
---	-------------

Less: Fund balances for omitted funds:

Paving Series L Fund	(4,126)
Paving Series O Fund	(<u>1,045</u>)

Fund balance at end of year (budgeted Debt Service Funds only)	\$ <u>3,906,671</u>
--	---------------------

10. Budget appropriations lapse at year end except for capital outlays or items encumbered by authorized and issued purchase orders.

11. The budget amounts shown in the financial statements are the final authorized amounts as revised and amended for the year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Encumbrances

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

F. Cash and Cash Equivalents

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

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

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

G. Investments

Investments are stated at cost or amortized costs.

H. Receivables

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

I. Inventories

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

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

J. Fixed Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

K. Long-term Obligations

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

L. Compensated Absences

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

An accrual is made for the amount of compensation the employees will receive in the future based upon services performed in the current year for vacation time not used. An accrual is also made for accumulated sick time estimated to be paid to employees at retirement. The portion of this accumulated sick pay estimated to be paid to employees retiring within the next year is recorded as a liability within the fund to which the particular employees' salary is allocated. In accordance with GASB No. 16, which the Council adopted in 1994, the liability for the portion of this accumulated sick pay, totaling approximately \$115,000, projected to be paid in later years is recorded in the General Long-term Debt Account Group.

Compensated absences by fund are as follows: Accrued vacation time - General Fund \$28,995, Special Revenue Fund-Road Construction and Maintenance, \$18,574, Enterprise Funds-Reduction and Transfer \$9,679, Small Animal Control \$1,989, and Kemper Williams Park \$3,249.

M. Fund Equity

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

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Significant changes in the reserved portion of fund balances in 1998 for increases or decreases in the reserve for non-current portion of receivables are approximately:

	<u>Increase/(Decrease)</u> <u>in Reserves</u>
Special Revenue Funds	
Road Construction and Maintenance Fund	\$(290,000)
Sanitation Fund	470,000
Wards 1,2,3,4,7 & 10 Sales Tax Fund	(400,000)
Debt Service Funds	
Sales Tax Bond Sinking Fund	(200,000)
3/4% Sales Tax Bond Sinking Fund	300,000
Capital Projects Funds	
Cypremort Point & Vicinity Fund	(100,000)

Other significant changes in the reserved portion of fund balances were: \$27,000 increase in reserve for encumbrances in Road Construction and Maintenance (Special Revenue), \$15,000 decrease in reserve for encumbrances in the Kemper Williams Park Fund (Enterprise).

Designated fund balances represent tentative plans for future use of financial resources. No fund balances were designated by the Council at December 31, 1998.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Interfund Transactions

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

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

O. Total Columns on Combined Statements

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - PRIOR PERIOD ADJUSTMENT

In a prior year a state grant for construction of fixed assets received by the Kemper Williams Park Fund (Enterprise Fund) was erroneously recorded as revenue rather than contributed capital. The effect of correction of this error is reflected in the financial statements as a \$62,5000 increase in contributed capital and a corresponding decrease in retained earnings as of January 1, 1998.

NOTE 3 - FUND DEFICITS

The following individual funds of the Council had deficit fund balances at December 31, 1998:

<u>Fund</u>	<u>Deficit Amount</u>
<u>Capital Projects Funds:</u>	
Amelia and Vicinity	\$(1,054,360)
Wards 5 & 8	(1,525,788)
<u>Enterprise Fund:</u>	
Reduction and Transfer	(1,997,334)
<u>Special Revenue Fund:</u>	
16th Judicial District Drug Court - Byrne Federal Grant	(499)

NOTE 3 - FUND DEFICITS(continued)

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

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

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

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

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

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

NOTE 3 - FUND DEFICITS(continued)

The Council has entered into agreements with Sewer District #2 and Sewer District #8 to provide additional funding relating to the debt of Wards 5 & 8 which will fully fund any future debt needs for that fund. The Council has entered into agreements with St. Mary Parish Water and Sewer Commission No.1 to provide additional funding for the Amelia & Vicinity debt, which will fully fund any future debt needs for that fund. The Council is also considering several other possibilities to raise additional revenues for these two funds.

The deficit in the 16th Judicial District Drug Court - Byrne Federal Grant will be made up by revenues from next year.

The deficit in the retained earnings and fund balance in the Reduction and Transfer Fund, an enterprise fund, is the result of accounting adjustments made to accrue estimated costs to close and monitor the Council's landfill in accordance with GASB No. 18 as detailed in Note 21. The total estimated cost to close and monitor the landfill for the required thirty year period is \$5,274,000. Of this amount, \$3,420,000 has been accrued as a liability and resultant reduction of the fund's retained earnings as of December 31, 1998. However actual expenditure of funds are estimated not to be required until 2003 and thereafter.

NOTE 4 - EXPENDITURES - EXCESS OF ACTUAL OVER APPROPRIATED

Actual expenditures exceeded appropriated expenditures by significant amounts in the following funds for 1998:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Unfavorable Variance</u>
Special Revenue Funds:			
Local Law Enforcement Block Grant #1	\$ 82,980	-	\$ 82,980
Office of Justice Program Grant	231,308	-	231,308
16th Judicial District, Byrne Federal Grant	48,510	-	48,510
Local Law Enforcement Block Grant #2	45,402	-	45,402
Jail Operating Fund	592,343	\$559,233	33,110
Debt Service Funds:			
Sales Tax Bond Sinking Fund Certificate of Indebtedness, Series 1997 (Spine Road)	682,715	670,473	12,242
	535,406	528,881	6,525
Capital Projects Funds:			
Wards 5 & 8	319,819	301,589	18,230
Amelia & Vicinity	1,169	-	1,169
Cypremort Point & Vicinity	25,291	7,292	17,999

NOTE 5 - TAXES

Sales Taxes

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

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

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

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

The proceeds from the one-half of one percent sales and use tax received by the Council are used solely for the purposes of paying the cost of operating and maintaining jail facilities and minimum security facilities of the Parish, including the cost of feeding, transporting and clothing prisoners and providing medical care. The proceeds of the tax are deposited in the Jail Operating and Maintenance Special Revenue Fund.

Chain Store Tax

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

NOTE 5 - TAXES (continued)

Ad Valorem Taxes

Ad valorem taxes are assessed on a calendar year basis in September or October of each year. The taxes become due and payable by December 31 and become delinquent on January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the Council by the Sheriff and then remitted to the Council. Most ad valorem taxes are received by the Council in December, January and February.

NOTE 6 - CASH AND CASH EQUIVALENTS

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

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

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

The following is a summary of the cash and cash equivalents and the related federal deposit insurance and related pledged securities as of December 31, 1998:

Cash and cash equivalents - stated value	\$6,924,943
Cash and cash equivalents - bank balance	<u>\$7,400,258</u>
Portion insured by federal deposit insurance	100,000
Collateralized by securities in the Council's name held by the Council or third parties	<u>NONE</u>
Balance uninsured and uncollateralized under GASB codification	7,300,258
Portion of deposits secured under Louisiana law	<u>7,300,258</u>
Amount unsecured under Louisiana law	<u>NONE</u>

NOTE 7 - INVESTMENTS

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

NOTE 7 - INVESTMENTS (continued)

The Council's investments at December 31, 1998 total \$8,988,675 including \$53,321 of pooled investments in LAMP.

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

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
United States Government Securities	\$8,935,354	---	---	\$8,935,354	\$8,973,341
Total investments	<u>\$8,935,354</u>	<u>---</u>	<u>---</u>	<u>\$8,935,354</u>	<u>\$8,973,341</u>

The book value of the investments in LAMP at December 31, 1998 is \$53,321, while the market value is \$53,541.

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

NOTE 8 - RECEIVABLES

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

<u>Type of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects</u>	<u>Enterprise Funds</u>
Taxes:					
Ad valorem	\$1,219,778		\$212,024		
Sales and use		\$47,767	93,661		
Shared revenues:					
State	73,509				
Assessments:					
Current			80,552		
Delinquent			25,845		
Deferred			382,760		
Accounts	64,125	83,025		\$23,086	\$224,198
Other governments:					
Grants	154,770				
Total	<u>\$1,512,182</u>	<u>\$130,792</u>	<u>\$794,842</u>	<u>\$23,086</u>	<u>\$224,198</u>

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

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

NOTE 9 - DUE FROM/TO OTHER FUNDS

The following is a listing of due from/to other funds by individual fund as of December 31, 1998:

<u>Receivable From</u>	<u>Payable To</u>	<u>Amount</u>
Sanitation Fund	Amelia & Vicinity	\$10,139
Sanitation Fund	Franklin & Vicinity	17,055
Sanitation Fund	Cypremort Point & Vicinity	18,352
Sanitation Fund	Ward 5 & 8	20,312
Sanitation Fund	Morgan City & Vicinity	2,415
Gaming Receipt	Certificate of Indebtedness, Series 1997	84,114
Total Due From/To		<u>\$152,387</u>

NOTE 10 - ADVANCES TO/FROM OTHER FUNDS

The following is a listing of advances to/from other funds as of December 31, 1998:

<u>Advance To</u>	<u>Advance From</u>	<u>Amount</u>
*Amelia & Vicinity	Sanitation Fund	\$1,119,426
*Wards 5 & 8	Sanitation Fund	499,731
Cypremort Point & Vicinity	3/4% Sales Tax Bond Sinking	141,891
*Kemper Williams	Sales Tax Bond Sinking	126,385
Road Construction & Maint.	Sanitation Fund	162,164
General Fund	Sales Tax Bond Sinking	361,359
Sales Tax Bond Reserve, 92,94,96	Sales Tax Bond Sinking	6,314
*Wards 5 & 8	Sales Tax Bond Sinking	226,057
Series L, Paving	Road Construction & Maint.	3,941
*Wards 5 & 8	3/4% Sales Tax Bond Sinking	300,000
*Wards 5 & 8	Cypremort Point & Vicinity	500,000
Total advances To/From		<u>\$3,447,266</u>

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

NOTE 11 - DUE FROM COMPONENT UNITS

Due from component units at December 31, 1998 consist of the following:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Gaming Receipt Fund	SMP Gravity Drainage #5	\$ 39,000
Sales Tax Bond Sinking	Consolidated Gravity Drainage #1	100,000
Sales Tax Bond Sinking	SMP Recreation District #1	24,000
Cypremort Point & Vicinity	Sewer District #10	216,891
Sales Tax Bond Sinking	Hospital District #1	71,720
Capital Improvement	Hospital District #1	264,000
Road Construction	Consolidated Gravity #2	13,006
Amelia & Vicinity	Water & Sewer Comm #1	54,927
		<u>\$783,544</u>

NOTE 11 - DUE FROM COMPONENT UNITS (continued)

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

NOTE 12 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 1998 follows:

	Balance December 31, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1998</u>
Land	\$1,700,876			\$ 1,700,876
Buildings	5,265,597			5,265,597
Improvements other than buildings	1,572,968	1,514,796		3,087,764
Equipment and furniture	4,041,054	501,885	\$138,974	4,403,965
Construction in progress	<u>227,360</u>	<u>570,757</u>		<u>798,117</u>
	<u>\$12,807,855</u>	<u>\$2,587,438</u>	<u>\$138,974</u>	<u>\$15,256,319</u>

A summary of the Enterprise Funds' property, plant and equipment at December 31, 1998 follows:

Land and improvements	\$ 3,446,998
Buildings and improvements	4,282,652
Equipment	3,186,277
Improvements other than buildings	1,325,893
Construction in process	<u>50,399</u>
	12,292,219
Less accumulated depreciation	(7,174,723)
	<u>\$ 5,117,496</u>

Depreciation and amortization expense for 1998 is approximately \$532,000.

NOTE 13 - LONG TERM DEBT

The following is a summary of changes in the General Long-Term Debt Account Group for the year ended December 31, 1998:

Balance at January 1, 1998	\$18,752,654
Additions	334,911
Reductions	(1,377,159)
Balance at December 31, 1998	<u>\$17,710,406</u>

NOTE 13 - LONG TERM DEBT (continued)

Obligations payable at December 31, 1998 are as follows:

GENERAL LONG-TERM DEBT:

Certificate of Indebtedness

\$4,200,000 of Certificates of Indebtedness, Series 1998 were issued on November 1, 1998 for construction of a roadway. The certificates bear interest of 4.793 per cent and are payable through the year 2007. The certificates are being retired from the Certificate of Indebtedness, Series 1998, (Spine Road) Fund.

\$3,875,000

Public Improvement Sales Tax Bonds

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

1,855,000

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

4,775,000

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

4,410,000

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

2,060,000

NOTE 13 - LONG TERM DEBT (continued)

SPECIAL ASSESSMENT

Paving Certificates

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

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

\$85,843 Special Assessment Paving Bond Series M issued December 1, 1990; due in annual installments of \$8,483 through December 1, 2000; interest at 8%	\$ 16,965
\$263,803 Paving Certificates, Series 1995, issued July 1, 1995; due in annual installments of \$26,380 through July 1, 2005; interest at 6.375%	184,663
\$322,089 Paving Certificates, Series 1998, issued October 1, 1998; due in annual installments of \$32,208 through October 1, 2208, interest @ 4.75%	322,089
Accrued compensated absences	115,457
See Note 14 - Capital Lease Obligation	<u>96,232</u>
Total	<u>\$17,710,406</u>

The annual requirements to amortize all obligations outstanding other than accrued compensated absences at December 31, 1998, including interest are:

<u>For Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 1,475,750	\$ 895,013	\$ 2,370,763
2000	1,539,625	812,232	2,351,857
2001	1,563,589	727,283	2,290,872
2002	1,638,589	646,689	2,285,278
2003	1,718,589	561,187	2,279,776
2004-2016	<u>9,658,808</u>	<u>2,534,521</u>	<u>12,193,328</u>
	<u>\$17,594,949</u>	<u>\$ 6,176,925</u>	<u>\$23,771,874</u>

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

1. Establishment and funding of certain debt service funds
2. Preparation and adoption of budgets
3. Preparation and independent audit of financial statements
4. Restriction as to additional debt issuance
5. Restriction as to investments.
6. Assisting the Chitimacha Tribe of Louisiana in renewing or extending the Tribe's compact with the State of Louisiana for conducting gaming activities on Tribal lands.

At December 31, 1998 \$475,000 of outstanding general long-term debt are considered defeased.

NOTE 16 - SEGMENT INFORMATION

The Council is reporting three enterprise funds which provide waste disposal, small animal control services and a recreation facility. Segment information for these enterprise funds for the year ended December 31, 1998, is as follows:

	<u>REDUCTION AND TRANSFER FUND</u>	<u>SMALL ANIMAL CONTROL FUND</u>	<u>KEMPER WILLIAMS PARK FUND</u>	<u>TOTAL</u>
Operating revenues	\$ 1,497,522	\$ 46,990	\$ 105,051	\$ 1,649,563
Depreciation and amortization expense	421,963	19,142	91,381	532,486
Operating income (loss)	277,700	(90,287)	(317,437)	(130,024)
Operating transfer in	327,404	81,037	93,024	501,465
Net income (loss)	661,323	(9,159)	(71,937)	580,227
Net (decrease) in property, plant and equipment	(192)	(18,463)	(16,656)	(35,311)
Net working capital	667,382	31,889	370,423	1,069,694
Total assets	3,286,131	100,098	2,954,770	6,340,999
Total equity(deficit)	(242,144)	96,651	2,786,297	2,640,804

NOTE 17 - VENTURES WITH OTHER GOVERNMENTS

The Council is participating in an agreement with the City of Franklin for the upgrade and operation of sewerage facilities for the City and surrounding Parish areas. The City funded seventy percent of the total cost of the upgrade of \$1,100,000, and the Council funded the remaining thirty percent. The City government operates the system including budgetary and financial matters and the Council does not participate in the operation or management of the system. The Council reimburses the City for thirty percent of the operating costs. The Council, in turn, is reimbursed for 33% of its share by St. Mary Parish Sewer District No. 7. The fiscal year for the project ends April 30, 1998. Total revenues for the year ended April 30, 1998, were approximately \$376,000; total expenditures were approximately \$393,000. Separate balance sheet amounts are not readily available at year end.

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

NOTE 17 - VENTURES WITH OTHER GOVERNMENTS(continued)

The cash portion of the project totaling \$4,700,000 is to be funded approximately 70% (\$3,890,000) by the Department of Transportation and Development and the remaining 30% (\$810,000) is to be funded by the three local entities in equal shares. The City of Franklin is overseeing the three local governments participation in the project. The portion of the agreement related to providing of in-kind services has not yet been finalized. The fiscal year for the project ends April 30, 1998. Total assets at April 30, 1998 were approximately \$606,000; total equity was approximately \$606,000. Total revenues for the year ended April 30, 1998, were approximately \$228,000; total expenditures were approximately \$377,000.

Additional financial information related to these ventures can be obtained from the Chief Financial Officer of the City of Franklin.

NOTE 18 - PENSION PLAN AND OTHER RETIREMENT BENEFITS

The St. Mary Parish contributes to the Parochial Employees' Retirement System of Louisiana (Plan A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees consisting of seven members. The System provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The System was established by the Louisiana legislature by Act 205 of 1952 and revised by Act 765 of 1979. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Parochial Employees' Retirement System of Louisiana at (225) 928-1361.

Plan members are required to contribute 9.50% of their annual covered salary and the St. Mary Parish Council is required to contribute at a rate of 7.75% of annual covered payroll. The Council's actual contributions to the System for the years ending December 31, 1998, 1997, and 1996 were approximately \$180,000, \$170,000 and \$150,000, respectively; and were equal to the required contributions for each year.

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

NOTE 19 - DEFERRED COMPENSATION PLAN

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

NOTE 19 - DEFERRED COMPENSATION PLAN (continued)

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

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

NOTE 20 - COMMITMENTS AND CONTINGENCIES

The Council is constructing a 300 bed law enforcement center and refurbishing approximately 200 beds in existing facilities. The total cost to construct these facilities is estimated to be approximately \$9.4 million plus land. During 1995 the Council received a donation of the required land, contingent upon the construction of the facility. In 1998, the Council received a Federal grant for this project of \$500,000 and approval for a state grant of \$2.9 million. In addition, the Council has earmarked approximately \$2 million which is being held in the St. Mary Parish Jail Construction Fund for this project. The remaining \$4 million in construction costs will be funded by the issuance of \$2.8 million in bonds and a federally secured loan of \$1.2 million. The Council has expended approximately \$836,000 on the project through 1998.

The Council entered into an intergovernmental agreement with the Chitamacha Tribe of Louisiana for the purpose of constructing a road through a planned community to be located immediately east of the Town of Baldwin. Approximate cost of the road project is estimated to be \$4,200,000. The cost will be funded by a \$4,200,000 in certificates of indebtedness which will be paid with an increase in gaming remittances to be received by the Council from the Tribe beginning in 1998. Approximately \$1,467,000 has been expended on the project through 1998.

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

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

NOTE 21 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS
(continued)

Since the Council accepted solid wastes at the landfill site after October 1993, the Council will be responsible for meeting new EPA requirements on the portion of the landfill in operation at that time. Those requirements mandate not only rigid landfill closure requirements but also monitoring, remediation and containment requirements for thirty years after closure. Recently management, with the assistance of consulting engineers, has estimated costs for closure of this portion of the landfill to be approximately \$1,974,000. Costs for postclosure care, monitoring, and containment have been estimated to be approximately \$3,300,000 (\$110,000 per year for thirty years). Management's current estimate of total closure and post closure costs of \$5,224,000 exceeded their prior estimate by \$268,000 due to changes in closure requirements.

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

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

As of December 31, 1997, the Council was permitted to use the landfill through the summer of 1999 and the usable landfill area was estimated based upon that time frame. Accordingly, at December 31, 1997, it was estimated that 82 percent of the available landfill at that date had been utilized. During 1999, the Council was granted authority to increase the vertical capacity of its landfill. This increase will allow the Council to operate the landfill into 2003. Because of this increase in usable capacity as of December 31, 1998, the Council estimated that 65 percent of the new available capacity has been utilized. The net effect of changes in estimated closure costs and landfill capacity results in a decrease in estimated closure and post closure care costs liability for the year by \$680,000 to a total of \$3,420,000 as of December 31, 1998. This leaves \$1,854,000 of estimated closure and post closure care costs remaining to be recognized in future years.

NOTE 21 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS
(continued)

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

The Council intends to meet the federal and state financial assurance requirements for operations of landfills, under the financial test or "self-insurance" method.

NOTE 22 - RELATED PARTY

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

The advances to Hospital Service District No. 1 are being reduced by medical services provided to the St. Mary Parish Jail inmates. The value of these services was approximately \$10,000 in 1998.

The advance to Hospital Service District No. 2 is being reduced by the rental value of space being utilized by the St. Mary Parish Sheriff's and Coroner's Office in the old hospital facility. The value of this rental was approximately \$8,000 during 1998.

The Council received payments from Sewerage District No. 2 & No. 8 and Water and Sewer Commission No. 1 of approximately \$378,000, \$123,000 and \$173,000 respectively to defray their portion of bonded indebtedness during the year.

NOTE 23 - RISK MANAGEMENT AND CONTINGENCIES

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

During the year ended December 31, 1996, the Council adopted the provisions of GASB Statement No. 10, which establishes accounting and reporting standards for risk and insurance related activities of governmental entities. In accordance with the provisions of this statement, the Council is reporting its risk retention activities in its General Fund, except for claims to be paid with future revenues, which are reported within the General Long-term Debt Account Group.

NOTE 23 - RISK MANAGEMENT AND CONTINGENCIES (continued)

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

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

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

Changes in the Council's estimated claims liabilities for years ended December 31, 1997 and 1998 were:

Liability balance, Jan. 1, 1997	\$ 4,000
Claims & changes in estimate	64,000
Claims paid	(68,000)
Liability balance, Dec. 31, 1997	--
Claims & changes in estimate	80,000
Claims paid	<u>80,000</u>
Liability balance, Dec. 31, 1998	<u>\$ --</u>

Estimated claims liability at December 31, 1998 is related to medical care for prisoners and the related liability is recorded in the General Fund.

The total expenditures reported by the Council for claims related to retained risk for the year December 31, 1998 totaled \$80,000.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

ST. MARY PARISH COUNCIL
SPECIAL REVENUE FUNDS
December 31, 1998

GAMING RECEIPT FUND

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

ROAD CONSTRUCTION AND MAINTENANCE FUND

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

SANITATION FUND

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

LOCAL LAW ENFORCEMENT BLOCK GRANT

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

WARDS 5 AND 8 SALES TAX FUND

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

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

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

ROYALTY ROAD (TEXACO) FUND

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

BOAT LANDING FUNDS

The various boat landing funds account for funds received from the sale of permits and launch fees to users of the various boat landings located throughout St. Mary Parish.

OFFICE OF JUSTICE PROGRAM GRANT FUND

The office of Justice Program Grant fund is used to account for Federal grant funds received to operate drug courts in St. Mary Parish.

16th JUDICIAL DISTRICT DRUG COURT - BYRNE FEDERAL GRANT FUND

The 16th Judicial District Drug Court - Byrne Federal Grant fund is used to account for a Federal grant and matching local funds to conduct drug courts in St. Mary Parish.

LOCAL LAW ENFORCEMENT BLOCK GRANT #2

The Local Law Enforcement Block Grant #2 fund accounts for the proceeds and expenditures resulting from a grant from the U.S. Department of Justice. This grant is for reducing crime and improving public safety.

JAIL OPERATING FUND

The Jail Operating fund is used to account for the proceeds of the one-half of one percent sales and use tax levied in St. Mary parish to be used solely for the purposes of paying the cost of operating and maintaining jail facilities and minimum security facilities of the Parish.

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 1998

	GAMING RECEIPT FUND	ROAD CONSTRUCTION & MAINTENANCE FUND	SANITATION FUND	LOCAL LAW ENFORCEMENT BLOCK GRANT	WARDS 5 & 8 SALES TAX FUND	WARDS 1, 2, 3, 4, 7 & 10 SALES TAX FUND	ROYALTY ROAD (TEXACO) FUND
ASSETS							
Cash and cash equivalents	\$57,716		\$237,502	\$4,307	\$196,082	\$427,914	\$469
Investments	497,817	12,941	2,614,284				
Receivables (net of allowances for uncollectibles)		41,310	41,715				
Due from component units	39,000	13,006					
Due from other governments	252,343	633,196	136,549		17,910	43,834	
Advance to other funds			1,781,321				
Total assets	\$846,876	\$700,453	\$4,811,371	\$4,307	\$213,992	\$471,748	\$469
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts payable	\$49,924		\$166,961		\$2,592	\$7,937	
Contracts payable	48						
Accrued Liabilities	35,354					412	
Due to other governments	\$117,761		68,273				
Due to other funds	84,114			\$1,239			
Deferred revenue		162,165					
Advance from other funds							
Total liabilities	201,875	247,491	235,234	1,239	2,592	8,349	
Fund equity							
Fund balances		29,376	40,960			800	
Reserved for encumbrances							
Reserved for non-current portion of receivables	39,000	13,006	1,781,321				469
Unreserved - undesignated	606,001	410,580	2,753,856	3,068	211,400	462,599	
Total fund equity	645,001	452,962	4,576,137	3,068	211,400	463,399	469
Total liabilities and fund equity	\$846,876	\$700,453	\$4,811,371	\$4,307	\$213,992	\$471,748	\$469

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 1998

BOAT LANDING FUNDS

	PERMIT FUND	GLENWILD FUND	LAWRENCE J. MICHEL, JR. MEMORIAL FUND	JOE C. RUSSO FUND	BERWICK FUND	MARCEL FUND	QUINTANA FUND	JESSIE B. HAYES MEMORIAL FUND
ASSETS								
Cash and cash equivalents	\$55,754	\$152	\$9,099	\$11,101	\$47,847	\$16,345	\$42,374	\$25,136
Investments								
Receivables (net of allowances for uncollectibles)								
Due from component units								
Due from other governments								
Advance to other funds								
Total assets	\$55,754	\$152	\$9,099	\$11,101	\$47,847	\$16,345	\$42,374	\$25,136
LIABILITIES AND FUND EQUITY								
Liabilities								
Accounts payable								\$3,594
Contracts payable								
Accrued Liabilities								
Due to other governments								
Due to other funds								
Deferred revenue								
Advance from other funds								
Total liabilities								3,594
Fund equity								
Fund balances								7,856
Reserved for encumbrances								
Reserved for non-current portion of receivables								
Unreserved - undesignated	\$55,754	\$152	\$9,099	\$11,101	\$47,847	\$16,345	\$42,374	13,686
Total fund equity	55,754	152	9,099	11,101	47,847	16,345	42,374	21,542
Total liabilities and fund equity	\$55,754	\$152	\$9,099	\$11,101	\$47,847	\$16,345	\$42,374	\$25,136

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 1998

	OFFICE OF JUSTICE PROGRAM GRANT FUND	16TH JUDICIAL DIST. DRUG COURT, BYRNE FEDERAL GRANT FUND	LOCAL LAW ENFORCEMENT BLOCK GRANT #2 FUND	JAIL OPERATING FUND	TOTAL
ASSETS					
Cash and cash equivalents			\$106,478	\$58,139	\$1,254,760
Investments	(\$48,266)	\$6,611			3,125,042
Receivables (net of allowances for uncollectibles)	47,767				130,792
Due from component units				45,225	52,006
Due from other governments					1,129,057
Advance to other funds					1,781,321
Total assets	(\$499)	\$6,611	\$106,478	\$103,364	\$7,472,978
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable				\$72,118	\$303,126
Contracts payable				215	263
Accrued Liabilities					35,766
Due to other governments					117,761
Due to other funds					152,387
Deferred revenue			\$105,738		106,977
Advance from other funds					162,165
Total liabilities			105,738	72,333	878,445
Fund equity					
Fund balances				5,244	84,236
Reserved for encumbrances					
Reserved for non-current portion of receivables			740	25,787	1,833,327
Unreserved - undesignated	(\$499)	\$6,611			4,676,970
Total fund equity	(499)	6,611	740	31,031	6,594,533
Total liabilities and fund equity	(\$499)	\$6,611	\$106,478	\$103,364	\$7,472,978

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

ST MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1998

	GAMING RECEIPT FUND	ROAD CONSTRUCTION & MAINTENANCE FUND	SANITATION FUND	LOCAL LAW ENFORCEMENT BLOCK GRANT	WARDS 5&8 SALES TAX FUND	WARDS 1,2, 3,4,7, & 10 FUND	ROYALTY ROAD (TEXACO) FUND
REVENUES							
Taxes							
Sales			\$2,150,037		\$265,097	\$311,411	
Intergovernmental revenues							
Federal grants				\$74,029			
State grants					25,000		
Parish transportation funds		\$540,672					
Royalty road funds		2,820,821		8,226			
Local grants							
Gaming	\$1,389,729						
Interest	25,005						
Licenses & Permits		58,216		\$428	6,829	25,311	56,135
Fees, Charges, & Commission							
Other revenues		17,543					
Total revenues	1,414,734	3,437,252	2,875,422	82,683	271,926	361,722	56,135
EXPENDITURES							
Current:							
General government	2	83	294	82,980	7,000	3,687	38
Public safety			203,126		44,546	99,523	
Public works	648,540	2,482,339	727,573		139,054	109,753	
Culture and recreation					90	174,737	
Miscellaneous		233					
Capital outlay		57,512					
Debt service							
Total expenditures	648,542	2,540,167	930,993	82,980	190,690	387,700	38

Excess (deficiency) of revenues over (under) expenditures	766,192	897,085	1,944,429	(297)	81,236	(25,978)	56,097
OTHER FINANCING SOURCES (USES)							
Operating transfers in	(671,109)	38,280					
Operating transfers out		(1,697,175)	(1,507,064)				(1,831,769)
Total other financing sources (uses)	(671,109)	(1,658,895)	(1,507,064)				(1,831,769)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	95,083	(761,810)	437,365	(297)	81,236	(25,978)	(1,775,672)
Fund balances at beginning of year	549,918	1,214,772	4,138,772	3,365	130,164	489,377	1,776,141
Fund balances at end of year	\$645,001	\$452,962	\$4,576,137	\$3,068	\$211,400	\$463,399	\$469

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1998

	BOAT LANDING FUNDS						
	PERMIT FUND	GLENWILD FUND	LAWRENCE J. MICHEL, JR. MEMORIAL FUND	JOE C. RUSSO FUND	BERWICK FUND	MARCEL QUINTANA MEMORIAL FUND	JESSIE B. HAYES MEMORIAL FUND
REVENUES							
Taxes							
Sales							
Intergovernmental revenues							
Federal grants							
State grants							
Parish transportation funds							
Royalty road funds							
Local grants							
Gaming							
Interest							
Licenses & Permits	\$2,680	\$744	\$390	\$382	\$1,825	\$844	\$1,703
Fees, Charges, & Commission	24,129		2,934	5,850	18,171	10,491	12,148
Other revenues							\$526
Total revenues	<u>26,809</u>	<u>744</u>	<u>3,324</u>	<u>6,232</u>	<u>19,996</u>	<u>11,335</u>	<u>13,851</u>
EXPENDITURES							
Current:							
General government					1,700		10
Public safety							
Public works							
Culture and recreation							5,880
Miscellaneous							
Capital outlay						20,742	9,039
Debt service							
Total expenditures					<u>1,700</u>	<u>20,742</u>	<u>9,049</u>

Excess (deficiency) of revenues over (under) expenditures	26,809	744	3,324	6,232	18,296	(9,407)	7,971	(8,523)
OTHER FINANCING SOURCES (USES)								
Operating transfers in	(18,350)	(15,815)				4,100		30,065
Operating transfers out								
Total other financing sources (uses)	(18,350)	(15,815)				4,100		30,065
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	8,459	(15,071)	3,324	6,232	18,296	(5,307)	7,971	21,542
Fund balances at beginning of year	47,295	15,223	5,775	4,869	29,551	21,652	34,403	
Fund balances at end of year	\$55,754	\$152	\$9,099	\$11,101	\$47,847	\$16,345	\$42,374	\$21,542

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1998

	OFFICE OF JUSTICE PROGRAM GRANT	16TH JUDICIAL IST. DRUG CRT. YRNE FEDERAL ENFORCEMENT GRANT	LOCAL LAW ENFORCEMENT GRANT	JAIL OPERATING FUND	TOTAL
REVENUES					
Taxes				\$621,682	\$3,348,227
Sales					
Intergovernmental revenues					
Federal grants	\$228,718	\$33,233	\$40,862		376,842
State grants					25,000
Parish transportation funds					540,672
Royalty road funds					2,820,821
Local grants		21,983	4,540		34,749
Gaming					1,389,729
Interest			740	1,692	356,380
Licenses & Permits					24,129
Fees, Charges, & Commission					602,049
Other revenues					17,543
Total revenues	<u>228,718</u>	<u>55,216</u>	<u>46,142</u>	<u>623,374</u>	<u>9,536,141</u>
EXPENDITURES					
Current:					
General government	231,308	48,510	45,402		414,014
Public safety				592,343	901,992
Public works					4,012,751
Culture and recreation					319,671
Miscellaneous					323
Capital outlay					29,781
Debt service					57,512
Total expenditures	<u>231,308</u>	<u>48,510</u>	<u>45,402</u>	<u>592,343</u>	<u>5,736,044</u>

Excess (deficiency) of revenues over (under) expenditures	(2,590)	6,706	740	31,031	3,800,097
OTHER FINANCING SOURCES (USES)					
Operating transfers in					72,445
Operating transfers out					(5,741,282)
Total other financing sources (uses)					(5,668,837)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,590)	6,706	740	31,031	(1,868,740)
Fund balances at beginning of year	2,091	(95)			8,463,273
Fund balances at end of year	(\$499)	\$6,611	\$740	\$31,031	\$6,594,533

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - GAMING RECEIPT FUND
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUE			
Gaming	\$1,389,729	\$1,455,689	(\$65,960)
Interest	25,005	2,000	23,005
Total revenues	<u>1,414,734</u>	<u>1,457,689</u>	<u>(42,955)</u>
EXPENDITURES			
Current:			
General Government	2		(2)
Public Works			
Municipal	648,540	939,068	290,528
Total expenditures	<u>648,542</u>	<u>939,068</u>	<u>290,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>766,192</u>	<u>518,621</u>	<u>247,571</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out			
Capital Improvement Fund	(52,800)	(52,800)	
Certificate of Indebtedness, Series 1997	(580,029)	(485,230)	(94,799)
Road construction and maintenance	(38,280)	(38,280)	
Total other financing sources (uses)	<u>(671,109)</u>	<u>(576,310)</u>	<u>(94,799)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	95,083	(57,689)	152,772
Fund balance at beginning of year	549,918	549,918	
Fund balance at end of year	<u>\$645,001</u>	<u>\$492,229</u>	<u>\$152,772</u>

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

ST. MARY PARISH COUNCIL
SPECIAL REVENUE FUND - ROAD CONSTRUCTION AND MAINTENANCE FUND
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Parish transportation funds	\$540,672	\$515,000	\$25,672
Royalty road funds	2,820,821	2,762,000	58,821
Interest earnings	58,216	55,585	2,631
Other revenue	15,966	15,966	
Miscellaneous	1,577	1,200	377
Total revenues	<u>3,437,252</u>	<u>3,349,751</u>	<u>87,501</u>
EXPENDITURES			
Current:			
General government	83		(83)
Public Works			
Highways/streets & roads	1,535,509	1,622,782	87,273
Road supervisor	43,173	43,365	192
Municipal-highways, streets, roads	606,744	600,000	(6,744)
Bridges	192,827	189,870	(2,957)
Avoca ferry	104,086	106,133	2,047
Consolidated Gravity Drainage #2		13,005	13,005
Miscellaneous	233		(233)
Debt service	57,512	49,390	(8,122)
Total expenditures	<u>2,540,167</u>	<u>2,624,545</u>	<u>84,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>897,085</u>	<u>725,206</u>	<u>171,879</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Gaming Fund	38,280	38,280	
Operating transfers out			
General Fund	(525,895)	(525,895)	
Capital Improvements Fund	(1,171,280)	(1,171,280)	
Total other financing sources (uses)	<u>(1,658,895)</u>	<u>(1,658,895)</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	<u>(761,810)</u>	<u>(933,689)</u>	<u>171,879</u>
Fund balance at beginning of year	<u>1,214,772</u>	<u>1,214,610</u>	<u>162</u>
Fund balance at end of year	<u>\$452,962</u>	<u>\$280,921</u>	<u>\$172,041</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - SANITATION FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Sales and use tax	\$2,150,037	\$2,027,486	\$122,551
Interest earnings	173,456	31,000	142,456
Garbage collection fees	540,224	581,937	(41,713)
Sale of recycled material	11,705	9,616	2,089
Total revenues	<u>2,875,422</u>	<u>2,650,039</u>	<u>225,383</u>
EXPENDITURES			
Current:			
General government	294	150	(144)
Public safety	203,126	225,762	22,636
Public works	727,573	957,231	229,658
Total expenditures	<u>930,993</u>	<u>1,183,143</u>	<u>252,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,944,429</u>	<u>1,466,896</u>	<u>477,533</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out			
Reduction and Transfer Fund	(327,404)	(327,404)	
Amelia & Vicinity Fund	(175,286)	(150,541)	(24,745)
Franklin & Vicinity Fund	(294,858)	(253,233)	(41,625)
Baldwin & Vicinity Fund	(316,568)	(272,494)	(44,074)
Wards 5 & 8 Fund	(351,163)	(301,589)	(49,574)
Morgan City & Vicinity Fund	(41,785)	(35,886)	(5,899)
Total other financing sources (uses)	<u>(1,507,064)</u>	<u>(1,341,147)</u>	<u>(165,917)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	437,365	125,749	311,616
Fund balance at beginning of year	4,138,772	4,138,769	3
Fund balance at end of year	<u>\$4,576,137</u>	<u>\$4,264,518</u>	<u>\$311,619</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - LOCAL LAW ENFORCEMENT BLOCK GRANT
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 1998

REVENUES

Federal grant	\$74,030
Interest	428
Local grant	8,225
Total revenues	<u>82,683</u>

EXPENDITURES

Local Law Enforcement Current:	
Payroll and payroll related expenditures	52,990
Laboratory testing	17,093
Accounting	8,400
Other	4,497
Total expenditures	<u>82,980</u>

Excess (deficiency) of revenues over (under) expenditures	(297)
Fund balance, beginning of year	<u>3,365</u>
Fund balance, end of year	<u><u>\$3,068</u></u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - WARDS 5 & 8 SALES TAX FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Sales and use taxes	\$265,097	\$257,694	\$7,403
Interest	6,829	5,910	919
	<u>271,926</u>	<u>263,604</u>	<u>8,322</u>
EXPENDITURES			
Current:			
Public Safety			
Fire fighting	7,000	10,000	3,000
Public works			
Street lighting	26,156	24,000	(2,156)
Drainage flood control	13,763	13,764	1
Wax Lake East Drainage District	4,627	3,688	(939)
Culture & recreation			
Bayou Vista Recreation Area	30,354	30,354	
Recreation District # 3	60,000	60,000	
Recreation District # 4	47,000	47,000	
Park Areas	1,790	1,700	(90)
	<u>190,690</u>	<u>190,506</u>	<u>(184)</u>
Excess (deficiency) of revenues over (under) expenditures	81,236	73,098	8,138
Fund balance at beginning of year	130,164	130,164	
Fund balance at end of year	<u>\$211,400</u>	<u>\$203,262</u>	<u>\$8,138</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - WARDS 1, 2, 3, 4, 7, & 10 SALES TAX FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Sales and use taxes	\$311,411	\$328,000	(\$16,589)
Interest	25,311	23,201	2,110
State grants	25,000	25,000	
	<u>361,722</u>	<u>376,201</u>	<u>(14,479)</u>
EXPENDITURES			
Current:			
General government			
Public safety	3,687	3,000	(687)
Fire fighting	99,523	99,523	
Public works			
Street lighting	67,278	60,700	(6,578)
Sewer District #5	42,475	42,500	25
St. Peter Sewer Area		27,000	27,000
Culture & recreation			
Administrative	11,698	12,000	302
Elizabeth B. Davis Park	32,966	101,446	68,480
Hebert-Washington Park	65,073	70,492	5,419
City of Franklin	41,500	41,500	
Town of Baldwin	23,500	23,500	
	<u>387,700</u>	<u>481,661</u>	<u>93,961</u>
Excess (deficiency) of revenues over (under) expenditures	(25,978)	(105,460)	79,482
Fund balance at beginning of year	489,377	489,377	
	<u>\$463,399</u>	<u>\$383,917</u>	<u>\$79,482</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - ROYALTY ROAD (TEXACO) FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal grant		\$204,624	(\$204,624)
Interest	\$56,135	34,962	21,173
Total revenues	<u>56,135</u>	<u>239,586</u>	<u>(183,451)</u>
EXPENDITURES			
Current:			
General government	38		(38)
Total expenditures	<u>38</u>		<u>(38)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,097</u>	<u>239,586</u>	<u>(183,489)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer out Jail Construction Fund	(1,831,769)	(1,831,769)	
Total other financing sources(uses)	<u>(1,831,769)</u>	<u>(1,831,769)</u>	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other sources (uses)	<u>(1,775,672)</u>	<u>(1,592,183)</u>	<u>(183,489)</u>
Fund balance at beginning of year	<u>1,776,141</u>	<u>1,592,183</u>	<u>183,958</u>
Fund balance at end of year	<u><u>\$469</u></u>	<u><u>\$469</u></u>	<u><u>\$469</u></u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - BOAT LANDING PERMIT FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$24,129	\$24,000	\$129
Interest	2,680	2,300	380
	<u>26,809</u>	<u>26,300</u>	<u>509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,809</u>	<u>26,300</u>	<u>509</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out			
Marcel/Amelia Boat Landing	(4,100)	(4,100)	
Hayes Boat Landing	(14,250)	(14,250)	
	<u>(18,350)</u>	<u>(18,350)</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	<u>8,459</u>	<u>7,950</u>	<u>509</u>
Fund balance at beginning of year	47,295	47,295	
Fund balance at end of year	<u>\$55,754</u>	<u>\$55,245</u>	<u>\$509</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -GLENWILD BOAT LANDING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$744	\$592	\$152
Total revenues	<u>744</u>	<u>592</u>	<u>152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>744</u>	<u>592</u>	<u>152</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out Hayes Boat Landing	(15,815)	(15,815)	
Total other financing sources (uses)	<u>(15,815)</u>	<u>(15,815)</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	(15,071)	(15,223)	152
Fund balance at beginning of year	15,223	15,223	
Fund balance at end of year	<u>\$152</u>	<u></u>	<u>\$152</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - LAWRENCE J. MICHEL MEMORIAL BOAT LANDING FUND
(FORMERLY BAYOU BOEUF BOAT LANDING FUND)
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions	\$2,934	\$4,000	(\$1,066)
Interest	390	325	65
Total revenues	<u>3,324</u>	<u>4,325</u>	<u>(1,001)</u>
Excess (deficiency) of revenues over (under) expenditures	3,324	4,325	(1,001)
Fund balance at beginning of year	5,775	5,775	
Fund balance at end of year	<u>\$9,099</u>	<u>\$10,100</u>	<u>(\$1,001)</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -JOE C. RUSSO BOAT LANDING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions	\$5,850	\$5,750	\$100
Interest	382	300	82
Total revenues	<u>6,232</u>	<u>6,050</u>	<u>182</u>
Excess (deficiency) of revenues over (under) expenditures	6,232	6,050	182
Fund balance at beginning of year	4,869	4,869	
Fund balance at end of year	<u>\$11,101</u>	<u>\$10,919</u>	<u>\$182</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -BERWICK BOAT LANDING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions	\$18,171	\$17,000	\$1,171
Interest	1,825	1,500	325
	<u>19,996</u>	<u>18,500</u>	<u>1,496</u>
EXPENDITURES			
Current:			
Culture and recreation	1,700	1,700	
	<u>1,700</u>	<u>1,700</u>	
Excess (deficiency) of revenues over (under) expenditures	18,296	16,800	1,496
Fund balance at beginning of year	29,551	29,551	
Fund balance at end of year	<u>\$47,847</u>	<u>\$46,351</u>	<u>\$1,496</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -MARCEL BOAT LANDING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions	\$10,491	\$9,700	\$791
Interest	844	775	69
	<hr/>	<hr/>	<hr/>
Total revenues	11,335	10,475	860
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Capital outlay	20,742	20,742	
	<hr/>	<hr/>	<hr/>
Total expenditures	20,742	20,742	
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(9,407)	(10,267)	860
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Operating transfers in Boat Landing Fund	4,100	4,100	
	<hr/>	<hr/>	<hr/>
Total other financing sources	4,100	4,100	
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over (under) expenditures	(5,307)	(6,167)	860
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	21,652	21,652	
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$16,345	\$15,485	\$860
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -QUINTANA BOAT LANDING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions	\$12,148	\$11,000	\$1,148
Interest	1,703	1,350	353
<i>Total revenues</i>	<u>13,851</u>	<u>12,350</u>	<u>1,501</u>
EXPENDITURES			
Current:			
Culture and recreation	5,880	5,880	
<i>Total expenditures</i>	<u>5,880</u>	<u>5,880</u>	
Excess (deficiency) of revenues over (under) expenditures	7,971	6,470	1,501
Fund balance at beginning of year	34,403	34,403	
Fund balance at end of year	<u>\$42,374</u>	<u>\$40,873</u>	<u>\$1,501</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - JESSIE B. HAYES MEMORIAL BOAT LAND FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions	\$526		\$526
Total revenues	<u>526</u>		<u>526</u>
EXPENDITURES			
Current:			
Interest	10		(10)
Capital outlay	9,039	17,442	8,403
Total expenditures	<u>9,049</u>	<u>17,442</u>	<u>8,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,523)</u>	<u>(17,442)</u>	<u>8,919</u>
OTHER FINANCING SOURCES			
Operating transfers in			
Boat Landing Fund	14,250	14,250	
Glenwild Fund	15,815	15,815	
Total other financing sources	<u>30,065</u>	<u>30,065</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures	21,542	12,623	8,919
Fund balance at beginning of year			
Fund balance at end of year	<u>\$21,542</u>	<u>\$12,623</u>	<u>\$8,919</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -OFFICE OF JUSTICE PROGRAM GRANT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 1998

REVENUES	
Federal grant	\$228,718
	<hr/>
Total revenues	228,718
	<hr/>
EXPENDITURES	
Current:	
General government	
Payroll and payroll related expenditures	102,595
Professional services	55,838
Accounting	3,500
Utilities	11,996
Office expense	6,949
Travel	7,202
Rentals	21,585
Telephone	7,193
Other	14,344
Interest expense	106
	<hr/>
Total expenditures	231,308
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(2,590)
Fund balance at beginning of year	2,091
	<hr/>
Fund balance (deficit) at end of year	(\$499)
	<hr/> <hr/>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - 16TH JUDICIAL DISTRICT, BYRNE FEDERAL GRANT
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 1998

REVENUES	
Federal grant	\$33,233
Local grant	21,983
Total revenues	<u>55,216</u>
EXPENDITURES	
Current:	
Payroll and related	46,215
Travel	2,244
Interest	51
Total expenditures	<u>48,510</u>
Excess (deficiency) of revenues over (under) expenditures	6,706
Fund balance at beginning of year	(95)
Fund balance at end of year	<u>\$6,611</u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND -LOCAL LAW ENFORCEMENT BLOCK GRANT #2
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 1998

	<u>Actual</u>
REVENUES	
Federal Grant	\$40,862
Interest	740
Local grant	4,540
Total revenues	<u>46,142</u>
EXPENDITURES	
Current:	
General government	
Payroll and related expenses	16,531
Rentals	12,000
Lab fees	4,606
Other	5,765
Utilities	6,500
Total expenditures	<u>45,402</u>
Excess (deficiency) of revenues over (under) expenditures	740
Fund balance at beginning of year	
Fund balance at end of year	<u><u>\$740</u></u>

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

ST. MARY PARISH COUNCIL

SPECIAL REVENUE FUND - JAIL OPERATING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Taxes			
Sales and use tax	\$621,682	\$631,845	(\$10,163)
Interest earnings	1,692	1,635	57
Total revenues	<u>623,374</u>	<u>633,480</u>	<u>(10,106)</u>
EXPENDITURES			
Current:			
Professional fees	84,810	81,615	(3,195)
Rent	3,700	5,550	1,850
Supplies	44,971	40,478	(4,493)
Repairs and maintenance	9,798	10,215	417
Insurance	4,007	4,008	1
Feeding and maintenance of prisoners	433,457	406,992	(26,465)
Court attendance	11,600	10,375	(1,225)
Total expenditures	<u>592,343</u>	<u>559,233</u>	<u>(33,110)</u>
Excess (deficiency) of revenues over (under) expenditures	31,031	74,247	(43,216)
Fund balance at beginning of year			
Fund balance at end of year	<u>\$31,031</u>	<u>\$74,247</u>	<u>(\$43,216)</u>

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

ST. MARY PARISH COUNCIL
DEBT SERVICE FUNDS
December 31, 1998

SALES TAX BOND SINKING FUND

The Sales Tax Bond Sinking Fund accounts for the Council's share of a one percent sales tax which is to be used first for the retirement of the 1994 bond issue totaling \$5,600,000 and the 1996 bond issue totaling \$1,965,000. Any amounts accumulated in excess of debt service requirements can be used by the parish for any lawful purpose.

SALES TAX BOND RESERVE FUND 1994, 1996

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

THREE-FOURTHS PERCENT SALES
TAX BOND RESERVE FUND

The Three-Fourths Percent Sales Tax Bond Reserve Fund is a reserve fund required by the \$5,500,000 1993 refunding bond issue indenture.

THREE-FOURTHS PERCENT SALES TAX
BOND SINKING FUND

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

LIBRARY GENERAL OBLIGATION 1996 SINKING FUND

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

CERTIFICATE OF INDEBTEDNESS, (1997) SINKING FUND

The Certificate of Indebtedness, (1997) Fund accounts for the transfer of gaming receipts from the Gaming Receipt Fund and payment of the \$4,200,000 Certificates of Indebtedness.

PAVING FUNDS

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUNDS
Combining Balance Sheet
December 31, 1998

	SALES TAX BOND SINKING FUND	SALES TAX BOND RESERVE FUND 1994, 1996	3/4% SALES TAX BOND RESERVE FUND	3/4% SALES TAX BOND SINKING FUND	ST. MARY PARISH LIBRARY GEN. OBLIG '96 SINK FUND	CERTIFICATE OF INDEBTEDNESS SINKING FUND	PAVING SERIES L FUND	PAVING SERIES M FUND	PAVING SERIES N FUND	PAVING SERIES O FUND	1995 PAVING JUPITER GREEN ACRES #2	TOTAL
ASSETS												
Cash and cash equivalents	\$53,859		\$17,234	\$24,062	\$72,237	\$152,165	\$17,376	\$17,849	\$1,045	\$63,483	\$419,310	
Investments	49,782	\$678,097	917,045								1,644,924	
Receivables (net of allowances for uncollectibles)	93,661			441,891	212,024	\$8,067	14,471	324,166		142,453	794,842	
Advance to other funds	724,054										1,165,945	
Due from component units	195,720				84,114						195,720	
Due from other funds											84,114	
Total assets	<u>\$1,117,076</u>	<u>\$678,097</u>	<u>\$934,279</u>	<u>\$465,953</u>	<u>\$284,261</u>	<u>\$236,279</u>	<u>\$31,847</u>	<u>\$342,015</u>	<u>\$1,045</u>	<u>\$205,936</u>	<u>\$4,304,855</u>	
LIABILITIES AND FUND EQUITY												
Liabilities												
Due to other funds		\$6,313					\$3,818	\$275,235		\$103,706	\$392,759	
Deferred revenue											10,254	
Advance from other funds												
Total liabilities		<u>6,313</u>					<u>3,818</u>	<u>275,235</u>		<u>103,706</u>	<u>393,013</u>	
Fund Equity												
Reserved for non-current portion of receivables	\$548,141			\$300,000							848,141	
Reserved for debt service	147,500	667,769	\$866,482	72,183	\$184,065	\$236,279	19,002	66,780	\$1,045	102,230	2,363,335	
Unreserved - undesignated	421,435	4,015	67,797	93,770	100,196	4,126	9,027				700,366	
Total fund equity	<u>1,117,076</u>	<u>671,784</u>	<u>934,279</u>	<u>465,953</u>	<u>284,261</u>	<u>4,126</u>	<u>28,029</u>	<u>66,780</u>	<u>1,045</u>	<u>102,230</u>	<u>3,911,842</u>	
Total liabilities and fund equity	<u>\$1,117,076</u>	<u>\$678,097</u>	<u>\$934,279</u>	<u>\$465,953</u>	<u>\$284,261</u>	<u>\$236,279</u>	<u>\$31,847</u>	<u>\$342,015</u>	<u>\$1,045</u>	<u>\$205,936</u>	<u>\$4,304,855</u>	

ST MARY PARISH COUNCIL
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 DEBT SERVICE FUNDS

For the Year Ended December 31, 1998

	SALES TAX BOND RESERVE SINKING FUND	SALES TAX BOND RESERVE FUND, 1994, 1996	3/4% SALES TAX BOND RESERVE FUND	3/4% SALES TAX BOND SINKING FUND	3/4% SALES TAX BOND SINKING FUND	ST. MARY PARISH LIBRARY GEN. OBLIG SINK FUND	CERTIFICATE OF INDEBTEDNESS SINKING FUND	PAVING SERIES L FUND	PAVING SERIES M FUND	PAVING SERIES N FUND	PAVING SERIES O FUND	1995 PAVING JUPITER GREEN ACRES #2	TOTAL
REVENUES													
Taxes													
Sales	\$1,475,524					\$236,940							\$1,475,524
Ad Valorem				\$500,307									236,940
Intergovernmental													500,307
Special Assessments	22,767	\$39,834	\$55,233	18,603	2,154		\$5,638		\$5,058	\$104,893	\$1,148	\$38,725	149,824
Interest									1,295	1,126	2	3,629	150,281
	1,498,291	39,834	55,233	518,910	239,094	5,638		6,353	106,019	1,150	42,354		2,512,876
EXPENDITURES													
General government	33	69	159	25	20	25						13	376
Public safety	17,816							\$20					17,816
Debt service													
Principal	280,000			625,000	60,000	325,000			8,483			26,380	1,324,863
Interest	383,319			237,450	124,065	201,306			2,036			13,454	961,630
Fees	1,547			359	1,000	9,075				22,051	105		34,137
Total expenditures	682,715	69	159	862,834	185,085	535,406		20	10,531	22,051	105	39,847	2,338,822
Excess (deficiency) of revenues over (under) expenditures	815,576	39,765	55,074	(343,924)	54,009	(529,768)		(20)	(4,178)	83,968	1,045	2,507	174,054
OTHER FINANCING SOURCES (USES)													
Operating transfers in	37,500			449,404		580,029							1,066,933
Operating transfers out	(840,391)	(37,500)	(56,847)							(17,188)			(951,926)
Total other financing sources (uses)	(802,891)	(37,500)	(56,847)	449,404		580,029				(17,188)			115,007
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	12,685	2,265	(1,773)	105,480	54,009	50,261		(20)	(4,178)	66,780	1,045	2,507	289,061
Fund balances at beginning of year	1,104,391	669,519	936,052	360,473	230,252	186,018		4,146	32,207			99,723	3,622,781
Fund balances at end of year	\$1,117,076	\$671,784	\$934,279	\$465,953	\$284,261	\$236,279		\$4,126	\$28,029	\$66,780	\$1,045	\$102,230	\$3,911,842

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - SALES TAX BOND SINKING FUND
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Sales and use taxes	\$1,475,524	\$1,653,251	(\$177,727)
Interest	22,767	18,000	4,767
	<u>1,498,291</u>	<u>1,671,251</u>	<u>(172,960)</u>
EXPENDITURES			
General government	33	50	17
Public safety	17,816	5,556	(12,260)
Debt service			
Principal	280,000	280,000	
Interest	383,319	383,320	1
Fees	1,547	1,547	
	<u>682,715</u>	<u>670,473</u>	<u>(12,242)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>815,576</u>	<u>1,000,778</u>	<u>(185,202)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in			
Sales Tax Bond Reserve Fund	37,500	43,000	(5,500)
Operating transfer out			
General Fund	(840,391)	(840,391)	
	<u>(802,891)</u>	<u>(797,391)</u>	<u>(5,500)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	12,685	203,387	(190,702)
Fund balance at beginning of year	1,104,391	1,104,391	
Fund balance at end of year	<u>\$1,117,076</u>	<u>\$1,307,778</u>	<u>(\$190,702)</u>

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - SALES TAX BOND RESERVE FUND 1994,1996
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$39,834	\$43,000	(\$3,166)
Total Revenues	<u>39,834</u>	<u>43,000</u>	<u>(3,166)</u>
EXPENDITURES			
General government	69	50	(19)
Total Expenditures	<u>69</u>	<u>50</u>	<u>(19)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,765</u>	<u>42,950</u>	<u>(3,185)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfer out Sales Tax Bond Sinking Fund	(37,500)	(43,000)	5,500
Total other financing sources (uses)	<u>(37,500)</u>	<u>(43,000)</u>	<u>5,500</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	<u>2,265</u>	<u>(50)</u>	<u>2,315</u>
Fund balance at beginning of year	669,519	669,519	
Fund balance at end of year	<u>\$671,784</u>	<u>\$669,469</u>	<u>\$2,315</u>

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - THREE-FOURTHS PER CENT SALES TAX BOND RESERVE FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$55,233	\$56,847	(\$1,614)
Total Revenues	<u>55,233</u>	<u>56,847</u>	<u>(1,614)</u>
EXPENDITURES			
General government	159	150	(9)
Total Expenditures	<u>159</u>	<u>150</u>	<u>(9)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,074</u>	<u>56,697</u>	<u>(1,623)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer out 3/4% Sales Tax Bond Sinking Fund	(56,847)	(56,847)	
Total other financing sources (uses)	<u>(56,847)</u>	<u>(56,847)</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	<u>(1,773)</u>	<u>(150)</u>	<u>(1,623)</u>
Fund balance at beginning of year	936,052	936,052	
Fund balance at end of year	<u>\$934,279</u>	<u>\$935,902</u>	<u>(\$1,623)</u>

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - THREE FOURTHS PER CENT SALES TAX BOND SINKING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenue	\$500,307	\$500,308	(\$1)
Interest	18,603	16,000	2,603
	<u>518,910</u>	<u>516,308</u>	<u>2,602</u>
EXPENDITURES			
General government	25		(25)
Debt service			
Principal	625,000	625,000	
Interest	237,450	237,450	
Fees	359	359	
	<u>862,834</u>	<u>862,809</u>	<u>(25)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(343,924)</u>	<u>(346,501)</u>	<u>2,577</u>
OTHER FINANCING SOURCES			
Operating transfer in			
Sales Tax Bond Reserve Fund	56,847	56,847	
Amelia & Vicinity	266,348	245,712	20,636
Franklin & Vicinity	126,209	116,431	9,778
	<u>449,404</u>	<u>418,990</u>	<u>30,414</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	105,480	72,489	32,991
Fund balance at beginning of year	360,473	360,473	
Fund balance at end of year	<u>\$465,953</u>	<u>\$432,962</u>	<u>\$32,991</u>

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - SMP LIBRARY GENERAL OBLIGATION '96 SINKING FUND
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Ad Valorem Taxes	\$236,940	\$213,199	\$23,741
Interest	2,154	662	1,492
 Total Revenues	 <u>239,094</u>	 <u>213,861</u>	 <u>25,233</u>
 EXPENDITURES			
General government	20	20	
Debt Service			
Principal	60,000	60,000	
Interest	124,065	124,065	
Fees	1,000	500	(500)
 Total Expenditures	 <u>185,085</u>	 <u>184,585</u>	 <u>(500)</u>
 Excess (deficiency) of revenues over (under) expenditures	 54,009	 29,276	 24,733
 Fund balance at beginning of year	 230,252	 225,038	 5,214
 Fund balance at end of year	 <u>\$284,261</u>	 <u>\$254,314</u>	 <u>\$29,947</u>

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

ST. MARY PARISH COUNCIL
DEBT SERVICE FUND - CERTIFICATE OF INDEBTEDNESS, SERIES 1997 (SPINE ROAD)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$5,638	\$6,573	(\$935)
Total revenue	5,638	6,573	(935)
EXPENDITURES			
General Government	25		(25)
Debt Service			
Principal	325,000	325,000	
Interest	201,306	201,306	
Fees	7,000	500	(6,500)
Professional fees	2,075	2,075	
Total expenditures	535,406	528,881	(6,525)
Excess (deficiency) of revenues over (under) expenditures	(529,768)	(522,308)	(7,460)
OTHER FINANCING SOURCES			
Operating transfer in			
Gaming receipt fund	580,029	542,312	37,717
Total other financing sources (uses)	580,029	542,312	37,717
Excess (deficiency) of revenues and other sources over (under) expenditures	50,261	20,004	30,257
Fund balance at beginning of year	186,018	186,018	
Fund balance at end of year	\$236,279	\$206,022	\$30,257

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - PAVING SERIES M FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$5,058	\$5,675	(\$617)
Interest	1,295	1,000	295
Penalties & Interest		100	(100)
Total Revenues	<u>6,353</u>	<u>6,775</u>	<u>(422)</u>
EXPENDITURES			
General government	12		(12)
Debt service			
Principal	8,483	8,483	
Interest	2,036	2,036	
Total Expenditures	<u>10,531</u>	<u>10,519</u>	<u>(12)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,178)	(3,744)	(434)
Fund balance at beginning of year	32,207	32,207	
Fund balance at end of year	<u>\$28,029</u>	<u>\$28,463</u>	<u>(\$434)</u>

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

ST. MARY PARISH COUNCIL
DEBT SERVICE FUND - CRESENT ACRES, SERIES N
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Special assessments	\$104,893	\$48,780	\$56,113
Interest	861	597	264
Penalties and interest	265	100	165
Total revenue	106,019	49,477	56,542
EXPENDITURES			
Debt Service Fees	22,051	22,052	1
Total expenditures	22,051	22,052	1
Excess (deficiency) of revenues over (under) expenditures	83,968	27,425	56,543
OTHER FINANCING SOURCES (USES)			
Operating transfer out Capital improvements fund	(17,188)	(17,188)	
Total other financing sources (uses)	(17,188)	(17,188)	
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	66,780	10,237	56,543
Fund balance at beginning of year			
Fund balance at end of year	\$66,780	\$10,237	\$56,543

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

ST. MARY PARISH COUNCIL

DEBT SERVICE FUND - 1995 PAVING JUPITER GREEN ACRES #2 FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$38,725	\$39,780	(\$1,055)
Interest	3,253	3,000	253
Penalties & Interest	376	376	
Total Revenues	<u>42,354</u>	<u>43,156</u>	<u>(802)</u>
EXPENDITURES			
General Government	13		(13)
Debt service			
Principal	26,380	26,380	
Interest	13,454	13,454	
Paying Agent Fees		50	50
Total Expenditures	<u>39,847</u>	<u>39,884</u>	<u>37</u>
Excess (deficiency) of revenues over (under) expenditures	2,507	3,272	(765)
Fund balance at beginning of year	99,723	99,723	
Fund balance at end of year	<u><u>\$102,230</u></u>	<u><u>\$102,995</u></u>	<u><u>(\$765)</u></u>

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

ST. MARY PARISH COUNCIL
CAPITAL PROJECTS FUNDS
December 31, 1998

CAPITAL IMPROVEMENT FUND

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

SEWERAGE CONSTRUCTION FUNDS

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

SPINE ROAD CONSTRUCTION FUND

The Spine Road Construction Fund accounts for the financing and construction of the new road linking Highway 90 and the Chitimacha Indian Reservation.

JAIL CONSTRUCTION FUND

The Jail Construction fund accounts for the financing and construction of the new St. Mary Parish Law Enforcement Center.

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUNDS
 Combining Balance Sheet
 December 31, 1998

ASSETS	SEWER CONSTRUCTION FUNDS							TOTAL	
	CAPITAL IMPROVEMENT FUND	AMELIA & VICINITY FUND	FRANKLIN & VICINITY FUND	CYPRE MORT POINT & VICINITY FUND	MORGAN CITY & VICINITY FUND	WARDS 5 & 8 FUND	SPINE ROAD CONSTRUCTION FUND		JAIL CONSTRUCTION FUND
Cash and cash equivalents	\$1,461,824		\$104,786	\$57,032	\$149,127		\$891,478	\$1,588,953	\$4,253,200
Investments	994,860			994,860			2,228,989		4,218,709
Receivables (net of allowances for uncollectibles)			23,086						23,086
Due from other funds		\$10,138	17,054	18,352	2,417	\$20,312			68,273
Advance to other funds	264,000	54,927		500,000					500,000
Due from component entities				216,891					535,818
Due from other governments								46,875	46,875
Total assets	\$2,720,684	\$65,065	\$144,926	\$1,787,135	\$151,544	\$20,312	\$3,120,467	\$1,635,828	\$9,645,961
LIABILITIES AND FUND EQUITY									
Liabilities			\$45,703			\$20,312	\$184	\$16,423	\$85,802
Accounts payable	\$3,180								443,584
Contracts payable	263,881						142,263	37,440	215,736
Retainage payable	166,660						49,076		2,787,103
Advance from other funds		\$1,119,425		\$141,890		1,525,788			
Total liabilities	433,721	1,119,425	45,703	141,890		1,546,100	191,523	53,863	3,532,225
Fund equity									
Fund balances									
Reserved for noncurrent portion of receivables	264,000			716,891					980,891
Unreserved - undesignated	2,022,963	(1,054,360)	99,223	928,354	\$151,544	(1,525,788)	2,928,944	1,581,965	5,132,845
Total fund equity	2,286,963	(1,054,360)	99,223	1,645,245	151,544	(1,525,788)	2,928,944	1,581,965	6,113,736
Total liabilities and fund equity	\$2,720,684	\$65,065	\$144,926	\$1,787,135	\$151,544	\$20,312	\$3,120,467	\$1,635,828	\$9,645,961

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

ST MARY PARISH COUNCIL

CAPITAL PROJECTS FUNDS
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the year ended December 31, 1998

	SEWERAGE CONSTRUCTION FUNDS								TOTAL
	CAPITAL IMPROVEMENT FUND	AMELIA AND VICINITY FUND	FRANKLIN AND VICINITY FUND	CYPREMORT POINT AND VICINITY FUND	MORGAN CITY AND VICINITY FUND	WARDS 5 & 8 FUND	SPINE ROAD CONSTRUCTION FUND	JAIL CONSTRUCTION FUND	
REVENUES									
Federal Grant	\$5,975		\$1,932	\$48,410		\$6,397		\$295,376	\$349,761
Interest	113,194	\$173,299	33,793	68,053				25,577	434,956
Intergovernmental									207,092
Total revenues	119,169	173,299	35,725	116,463	6,397		219,803	320,953	991,809
EXPENDITURES									
Current:									
General government	89	1,169		55					1,466
Public safety				3,477					156,809
Sanitation			103,948	70,169	9,214	\$319,819			432,981
Capital outlay	2,883,099						1,057,532		4,428,225
Total expenditures	2,883,188	1,169	103,948	73,701	9,214	319,819	1,057,685	570,757	5,019,481
Excess (deficiency) of revenues over (under) expenditures	(2,764,019)	172,130	(68,223)	42,762	(2,817)	(319,819)	(837,882)	(249,804)	(4,027,672)
OTHER FINANCING SOURCES (USES)									
Proceeds from bonds	322,089								322,089
Operating transfers in	1,241,268	175,286	294,858	316,568	41,785	351,163		1,831,769	4,252,697
Operating transfers out		(266,348)	(126,209)						(392,557)
Total other financing sources (uses)	1,563,357	(91,062)	168,649	316,568	41,785	351,163		1,831,769	4,182,229
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	(1,200,662)	81,068	100,426	359,330	38,968	31,344	(837,882)	1,581,965	154,557
Fund balances (deficits) at beginning of year	3,487,625	(1,135,428)	(1,203)	1,285,915	112,576	(1,557,132)	3,766,836		5,959,179
Fund balances (deficits) at end of year	\$2,286,963	(\$1,054,360)	\$99,223	\$1,645,245	\$151,544	(\$1,525,788)	\$2,928,944	\$1,581,965	\$6,113,736

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENT FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 (NON-GAAP BASIS)
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$113,194	\$55,000	\$58,194
Total revenues	<u>113,194</u>	<u>55,000</u>	<u>58,194</u>
EXPENDITURES			
General government	89	21,280	21,191
Public works			
Interior renovations	700	84,140	83,440
Health unit - '96 bond	107,625	114,552	6,927
Spine Road	123		(123)
Martin Luther King Road	444,598	396,280	(48,318)
Irish Bend Road	656,923	724,411	67,488
Pepper Road	310,930	306,040	(4,890)
Southwest Road	42,687	43,432	745
Crescent Acres	573,679	846,732	273,053
Town of Berwick Streets	432,193	432,193	
Easy Street	37,041	37,041	
Streets and Roads Amelia	232,345	232,887	542
Blevins Property	38,280	38,280	
Total expenditures	<u>2,877,213</u>	<u>3,277,268</u>	<u>400,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,764,019)</u>	<u>(3,222,268)</u>	<u>458,249</u>
OTHER FINANCING SOURCES			
Operating transfers in			
Road Construction & Maintenance Fund	1,171,280	1,171,280	
Gaming Fund	52,800	52,800	
Crescent Acres, Paving Series N Fund	17,188	17,188	
Proceeds from long term bonds	322,089		322,089
Total other financing sources	<u>1,563,357</u>	<u>1,241,268</u>	<u>322,089</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	<u>(1,200,662)</u>	<u>(1,981,000)</u>	<u>780,338</u>
Fund balance at beginning of year	3,487,625	3,487,625	
Fund balance at end of year	<u>\$2,286,963</u>	<u>\$1,506,625</u>	<u>\$780,338</u>

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - AMELIA & VICINITY FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Water & Sewer Commission No. 1	\$173,299	\$129,559	\$43,740
Total revenues	173,299	129,559	43,740
EXPENDITURES			
Interest	1,169		(1,169)
Total expenditures	1,169		(1,169)
Excess (deficiency) of revenue over (under) expenditures	172,130	129,559	42,571
OTHER FINANCING SOURCES (USES)			
Operating transfer in - Sanitation Fund	175,286	150,541	24,745
Operating transfer out - 3/4% Sales Tax Bond Sinking Fund	(266,348)	(245,712)	(20,636)
Total other financing sources (uses)	(91,062)	(95,171)	4,109
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	81,068	34,388	46,680
Fund deficit at beginning of year	(1,135,428)	(1,135,428)	
Fund deficit at end of year	(\$1,054,360)	(\$1,101,040)	\$46,680

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - FRANKLIN & VICINITY FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$1,932	\$1,200	\$732
Sewerage District #7	33,793	32,227	1,566
	35,725	33,427	2,298
EXPENDITURES			
Sanitation			
Franklin & Vicinity	103,948	130,679	26,731
	103,948	130,679	26,731
Excess (deficiency) of revenues over (under) expenditures	(68,223)	(97,252)	29,029
OTHER FINANCING SOURCES (USES)			
Operating transfer in-Sanitation Fund	294,858	253,233	41,625
Operating transfer out-3/4% Sales Tax Bond Sinking Fund	(126,209)	(115,431)	(10,778)
	168,649	137,802	30,847
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	100,426	40,550	59,876
Fund balance at beginning of year	(1,203)	1,203	(2,406)
Fund balance at end of year	\$99,223	\$41,753	\$57,470

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - CYPREMORT POINT & VICINITY FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 (NON-GAAP BASIS)
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$68,053	\$40,000	\$28,053
Total revenues	68,053	40,000	28,053
EXPENDITURES			
Current:			
General government	55	55	
Public safety	3,477	3,477	
Capital Outlay			
Sanitation			
Sewer District #11	2,490	3,760	1,270
Sorrell Community Sewer Project	19,269		(19,269)
Total expenditures	25,291	7,292	(17,999)
Excess (deficiency) of revenues over (under) expenditures	42,762	32,708	10,054
OTHER FINANCING SOURCES			
Operating transfers in			
Sanitation Fund	316,568	272,494	44,074
Total other financing sources	316,568	272,494	44,074
Excess (deficiency) of revenues and other sources over (under) expenditures	359,330	305,202	54,128
Fund balance at beginning of year	1,285,915	1,285,915	
Fund balance at end of year	\$1,645,245	\$1,591,117	\$54,128

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - MORGAN CITY & VICINITY FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$6,397	\$5,800	\$597
Total revenues	6,397	5,800	597
EXPENDITURES			
Sanitation			
Morgan City & Vicinity	9,214	9,314	100
Total expenditures	9,214	9,314	100
Excess (deficiency) of revenues over (under) expenditures	(2,817)	(3,514)	697
OTHER FINANCING SOURCES			
Operating transfer in - Sanitation Fund	41,785	35,886	5,899
Total other financing sources	41,785	35,886	5,899
Excess (deficiency) of revenues and other sources over (under) expenditures	38,968	32,372	6,596
Fund balance at beginning of year	112,576	112,576	
Fund balance at end of year	\$151,544	\$144,948	\$6,596

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - WARDS 5 & 8 FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
Sanitation			
Sewer Dist. #2	\$241,463	\$227,700	(\$13,763)
Sewer Dist. #8	78,356	73,889	(4,467)
	<hr/>	<hr/>	<hr/>
Total expenditures	319,819	301,589	(18,230)
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(319,819)	(301,589)	(18,230)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Operating transfer in - Sanitation Fund	351,163	301,589	49,574
	<hr/>	<hr/>	<hr/>
Total other financing sources	351,163	301,589	49,574
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over (under) expenditures	31,344		31,344
	<hr/>	<hr/>	<hr/>
Fund deficit at beginning of year	(1,557,132)	(1,557,132)	
	<hr/>	<hr/>	<hr/>
Fund deficit at end of year	(\$1,525,788)	(\$1,557,132)	\$31,344
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND -SPINE ROAD CONSTRUCTION FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$219,803	\$220,760	(\$957)
Total revenues	219,803	220,760	(957)
EXPENDITURES			
Current:			
General government	153	50	(103)
Public Works:			
Capital Outlay	981,359	1,169,987	188,628
Architecture & engineers fees	74,584	314,000	239,416
Miscellaneous	1,589	1,016	(573)
Total expenditures	1,057,685	1,485,053	427,368
Excess (deficiency) of revenues over (under) expenditures	(837,882)	(1,264,293)	(428,325)
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	(837,882)	(1,264,293)	426,411
Fund balance at beginning of year	3,766,826	3,766,826	
Fund balance at end of year	\$2,928,944	\$2,502,533	\$426,411

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

ST. MARY PARISH COUNCIL
 CAPITAL PROJECTS FUND - JAIL CONSTRUCTION FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 1998

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Federal grants	\$295,376	\$513,722	(\$218,346)
Interest	25,577		25,577
Total revenues	320,953	513,722	(192,769)
EXPENDITURES			
General government		50	50
Capital outlay			
Public safety			
Architect and engineering fees	115,151	115,151	
Legal fees	16,422		(16,422)
Laboratory fees	21,362	21,362	
Other	397	176	(221)
Construction	417,425	529,985	112,560
Total expenditures	570,757	666,724	95,967
Excess (deficiency) of revenues over (under) expenditures	(249,804)	(153,002)	(96,802)
OTHER FINANCING SOURCES			
Operating transfer in - Royalty Road Fund	1,831,769	1,831,769	
Total other financing sources	1,831,769	1,831,769	
Excess (deficiency) of revenues and other sources over (under) expenditures	1,581,965	1,678,767	(96,802)
Fund balance at beginning of year			
Fund balance at end of year	\$1,581,965	\$1,678,767	(\$96,802)

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

ST. MARY PARISH COUNCIL
ENTERPRISE FUNDS
December 31, 1998

REDUCTION AND TRANSFER FUND

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

SMALL ANIMAL CONTROL FUND

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

KEMPER WILLIAMS PARK FUND

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

ST. MARY PARISH COUNCIL

ENTERPRISE FUNDS
Combining Balance Sheet
For the Year Ended December 31, 1998

ASSETS	REDUCTION AND TRANSFER FUND	SMALL ANIMAL CONTROL FUND	KEMPER WILLIAMS PARK FUND	TOTAL
Current assets				
Cash & Cash equivalents	\$645,690	\$31,459	\$320,306	\$997,455
Due from other governments			1,850	1,850
Receivables (net of allowances for uncollectibles)	129,967	3,877	90,354	224,198
Total current assets	<u>775,657</u>	<u>35,336</u>	<u>412,510</u>	<u>1,223,503</u>
Property, plant, and equipment (net of accumulated depreciation)	2,510,474	64,762	2,542,260	5,117,496
Total assets	<u>\$3,286,131</u>	<u>\$100,098</u>	<u>\$2,954,770</u>	<u>\$6,340,999</u>
LIABILITIES AND FUND EQUITY (DEFICIT)				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$108,275	\$3,447	\$42,087	\$153,809
Total current liabilities	<u>108,275</u>	<u>3,447</u>	<u>42,087</u>	<u>153,809</u>
Long-term liabilities				
Advance from other funds			126,386	126,386
Landfill closure costs and post-closure care costs	3,420,000			3,420,000
Total liabilities	<u>3,528,275</u>	<u>3,447</u>	<u>168,473</u>	<u>3,700,195</u>
Fund equity (deficit)				
Contributed capital-net of amortization	1,755,190	28,009	2,619,092	4,402,291
Retained earnings (accumulated deficit)				
Unreserved - undesignated	(1,997,334)	68,642	167,205	(1,761,487)
Total retained earnings (accumulated deficit)	<u>(1,997,334)</u>	<u>68,642</u>	<u>167,205</u>	<u>(1,761,487)</u>
Total fund equity (deficit)	<u>(242,144)</u>	<u>96,651</u>	<u>2,786,297</u>	<u>2,640,804</u>
Total liabilities and fund equity	<u>\$3,286,131</u>	<u>\$100,098</u>	<u>\$2,954,770</u>	<u>\$6,340,999</u>

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

ST. MARY PARISH COUNCIL

ENTERPRISE FUNDS

Combining Schedule of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended December 31, 1998

	REDUCTION AND TRANSFER FUND	SMALL ANIMAL CONTROL FUND	KEMPER WILLIAMS PARK FUND	TOTAL
Operating revenues				
Charges for services	\$1,496,092	\$46,990	\$104,874	\$1,647,956
Licenses and permits	1,430		177	1,607
Total operating revenues	1,497,522	46,990	105,051	1,649,563
Operating expenses				
Personal services	589,363	93,400	180,501	863,264
Contractual services	115,533	1,509	4,006	121,048
Supplies	69,329	5,846	14,114	89,289
Materials	46,954		1,195	48,149
Utilities	15,747	11,517	19,738	47,002
Repairs and maintenance	79,712	881	91,270	171,863
Landfill closure costs	(680,000)			(680,000)
Equipment and rentals	509,451	1,234	1,182	511,867
Miscellaneous	6,516	207	4,443	11,166
Depreciation	421,963	19,142	91,381	532,486
Insurance	45,254	3,541	14,658	63,453
Total operating expenses	1,219,822	137,277	422,488	1,779,587
Operating income (loss)	277,700	(90,287)	(317,437)	(130,024)
Non-operating revenues				
Interest earnings	23,219	91	5,992	29,302
Gifts/Donations			61,409	61,409
State grant	33,000		85,075	118,075
Total non-operating revenues	56,219	91	152,476	208,786
Income (loss) before operating transfers	333,919	(90,196)	(164,961)	78,762
Operating transfers in				
General Fund		81,037	93,024	174,061
Sanitation Fund	327,404			327,404
Total operating transfers in	327,404	81,037	93,024	501,465
Net income (loss)	661,323	(9,159)	(71,937)	580,227
Depreciation of fixed assets acquired with with contributed capital	257,115	4,588	76,487	338,190
Net increase(decrease) in retained earnings	918,438	(4,571)	4,550	918,417
Retained earnings (accumulated deficit) at beginning of year	(2,915,772)	73,213	225,155	(2,617,404)
Prior period adjustment			(62,500)	(62,500)
Retained earnings (accumulated deficit) as restated	(2,915,772)	73,213	162,655	(2,679,904)
Retained earnings (accumulated deficit) at end of year	(\$1,997,334)	\$68,642	\$167,205	(\$1,761,487)

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

ST. MARY PARISH COUNCIL

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended December 31, 1998

Increase (Decrease) in Cash & Cash Equivalents

	REDUCTION AND TRANSFER FUND	SMALL ANIMAL CONTROL FUND	KEMPER WILLIAMS PARK FUND	TOTAL
Cash flows from operating activities:				
Cash received from charges for services	\$1,592,577	\$45,589	\$102,186	\$1,740,352
Cash payments to suppliers for goods & services	(589,363)	(25,685)	(137,845)	(752,893)
Cash payments to employees for services	(826,379)	(94,402)	(179,540)	(1,100,321)
Net cash flows (deficiency) from operating activities	176,835	(74,498)	(215,199)	(112,862)
Cash flows from noncapital financing activities:				
Interest	23,219	91	8,892	32,202
Contributions			61,409	61,409
Operating grants received	33,000			33,000
Operating transfers in from other funds	327,404	81,037	93,024	501,465
Net cash flows from noncapital financing activities	383,623	81,128	163,325	628,076
Cash flows from capital and related financial activities:				
Fixed asset acquisitions	(389,417)	(679)	(74,724)	(464,820)
Capital contributions			329,500	329,500
Net cash flows from capital and related financing activities	(389,417)	(679)	254,776	(135,320)
Net increase (decrease) in cash and cash equivalents	171,041	5,951	202,902	379,894
Cash and cash equivalents at beginning of year	474,649	25,508	117,404	617,561
Cash and cash equivalents at end of year	\$645,690	\$31,459	\$320,306	\$997,455
Reconciliation of operating loss to net cash, provided by operating activities:				
Operating income (loss)	\$277,700	(\$90,287)	(\$317,437)	(\$130,024)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization	421,963	19,142	91,381	532,486
Decrease (increase) in accounts receivable	95,055	(1,401)	(2,865)	90,789
Increase (decrease) in accounts payable and accrued expenses	(617,883)	(1,952)	13,722	(606,113)
Total adjustments	(100,865)	15,789	102,238	17,162
Net cash provided by (used for) operating activities	\$176,835	(\$74,498)	(\$215,199)	(\$112,862)

NON CASH TRANSACTIONS:

During 1998, the Reduction and Transfer fund acquired \$32,554 in fixed assets by donation.

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

GENERAL SUPPLEMENTARY INFORMATION

ST. MARY PARISH COUNCIL
Compensation Paid Council Members and Parish President
For the Year Ended December 31, 1998

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

Robert Ayres	\$ 5,400
Earl J. Bergeron	1,807
Martha Bergeron	1,496
Steve Bierhorst	9,635
William Cefalu	5,400
Albert Foulcard	9,600
Dudley J. Landry	5,400
Harold A. Louviere	5,400
Lionel Metz	5,400
Paul Naquin, Jr.	5,400
Oray Rogers, Parish President	12,000
Calvin Savoy	1,641
Kevin J. Voisin	5,400
Charles A. Walters	<u>10,165</u>
	<u>\$84,144</u>

SUPPLEMENTARY INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ST. MARY PARISH COUNCIL
YEAR 2000 INFORMATION

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as 1999.

The Council has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Council operations. The Council has identified the following systems requiring year 2000 remediation:

Financial reporting and payroll

Management arranged for an outside computer consultant to upgrade the financial software package, including payroll after year end. The cost for remediation is estimated to be immaterial. The system has not been validated or tested. The hardware system is managed by another unit of government and is a shared system. The other governmental unit is responsible for its year 2000 compliance.

Tax Revenues

Various taxes are assessed, collected, and remitted to the Council by other governmental units. These specific other units of government are responsible for year 2000 compliance of any computer systems used in the assessment, collection, or remittance of these funds.

Airport

The avionics system for flight navigation, takeoffs and landings at the airport is the responsibility of the State of Louisiana.

Building Operations

Several items related to the operations of the building have been addressed related to the year 2000 issue. The telephone system has been remediated. The heating ventilation and air conditions system was determined not to be affected by the year 2000 issue, as well as the courthouse elevators were determined not to be affected.

INTERNAL ACCOUNTING CONTROL, COMPLIANCE,
AND FEDERAL AWARDS



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

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

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of the St. Mary Parish Council as of and for the year ended December 31, 1998, and have issued our report thereon dated April 29, 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

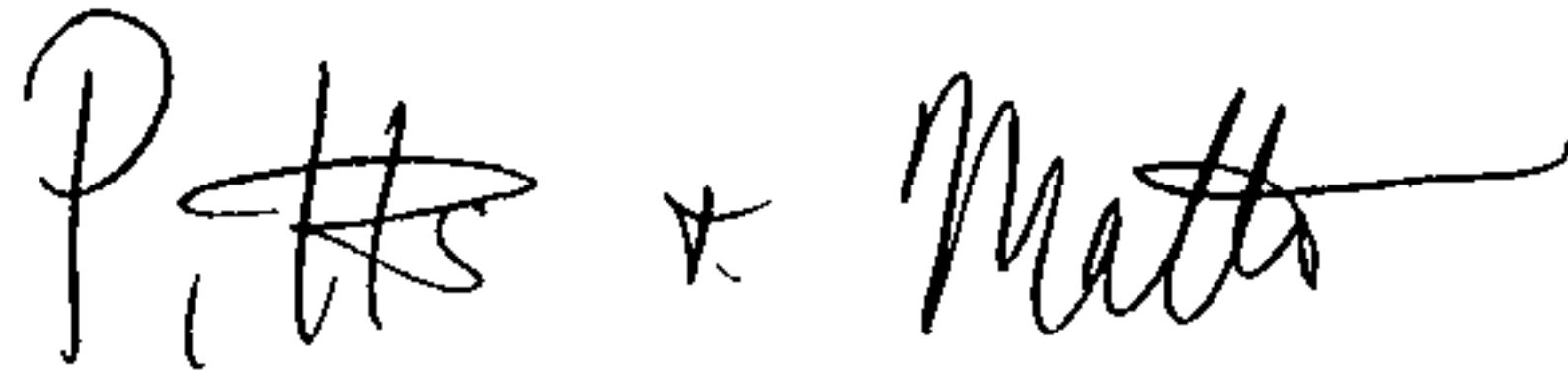
As part of obtaining reasonable assurance about whether the St. Mary Parish Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 98-1, 98-2, and 98-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Mary 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.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the finance committee of the St. Mary Parish Council, federal awarding agencies, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Handwritten signature in cursive script, appearing to read "Pitts & Mathis".

CERTIFIED PUBLIC ACCOUNTANTS

April 29, 1999



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Compliance

We have audited the compliance of the St. Mary 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 each of its major federal programs for the year ended December 31, 1998. The St. Mary Parish Council's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Mary Parish Council's management. Our responsibility is to express an opinion on the St. Mary 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, Audits of States, Local Governments, and Non-Profit Organizations. Those 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 St. Mary Parish Council's compliance with those 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. Mary Parish Council's compliance with those requirements.

In our opinion, the St. Mary Parish Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 1998.

Internal Control Over Compliance

The management of St. Mary 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 audit, we considered the St. Mary Parish Council's internal control over compliance with requirements that could have 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the primary government financial statements and the combining and individual fund and account group financial statements of St. Mary Parish Council as of and for the year ended December 31, 1998, and have issued our report thereon dated April 29, 1999. Our audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the primary government financial statements of St. Mary Parish Council. Such information has been subjected to the auditing procedures applied in the audit of primary government 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.

This report is intended for the information of management, the finance committee of the St. Mary Parish Council, federal awarding agencies, and the Legislative Auditor of the State of Louisiana. However this report is a matter of public record and its distribution is not limited.

Pitts + Matto

CERTIFIED PUBLIC ACCOUNTANTS

April 29, 1999

ST. MARY PARISH COUNCIL
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND FEDERAL AWARDS
For the Year Ended December 31, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the St. Mary Parish Council.
2. Three instances of noncompliance material to the primary government financial statements of the St. Mary Parish Council were disclosed during the audit.
3. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirement Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
4. The auditors' report on compliance for the major federal award programs for the St. Mary Parish Council expresses an unqualified opinion.
5. No audit findings relative to the major federal award programs for the St. Mary Parish Council are reported in Part C of this Schedule.
6. The programs tested as a major program include:
 Drug Court Discretionary Grant (CFDA No. 16.585)
 Violent Offender Incarceration and Truth in Sentencing Incentive Grant (CFDA No. 16.586)
7. The threshold for distinguishing types A and B programs was \$300,000.
8. St. Mary Parish Council was not determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONCOMPLIANCE

ITEM NO. 98-1 Budget Monitoring

Auditors' Comments

Condition: During the course of the audit for the year ended December 31, 1998, it was noted that several of the Parish's individual funds needed budget amendments that were not made.

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

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

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

Recommendation: The Council should develop an ongoing budget monitoring program. The significance of accruals for major revenues and expenditures should be considered periodically during the year. Consideration should be given to a more expedient method to amend the budget.

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

Auditors' Detailed Comments

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

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

<u>Fund</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Special Revenue Funds				
Royalty Road (Texaco) Fund	\$ 56,135	\$ 239,586	\$183,451	76.6%
Lawrence J. Michel Memorial Boat Landing Fund	3,324	4,325	1,001	23.1%
Debt Service Funds				
Sales Tax Bond Sinking Fund	1,498,291	1,671,251	172,960	10.3%
Sales Tax Bond Reserve Fund 1994, 1996	39,834	43,000	3,166	7.4%
Capital Projects Funds				
Jail Construction Fund	320,953	513,722	192,769	37.5%

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

<u>Fund</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Special Revenue Funds				
Jail Operating Fund	\$592,343	\$559,233	\$33,110	5.9%
Capital Project Funds				
Amelia & Vicinity Wards 5 & 8	1,169	--	1,169	N/A
Cypremort Point & Vicinity	319,819	301,589	18,230	6.0%
	25,291	7,292	17,999	246.8%

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

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

<u>Funds</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
General Fund	\$3,477,401	\$3,258,245	\$219,156	6.7%
Special Revenue Funds				
Sanitation Fund	2,875,422	2,650,039	225,383	8.5%
Berwick Boat Landing Fund	19,996	18,500	1,496	8.1%
Quintana Boat Landing Fund	13,851	12,350	1,501	12.2%
Debt Service Funds				
SMP Library General Obligation 96 Sinking Fund	239,094	213,861	25,233	11.8%
Crescent Acres, Series N	106,019	49,477	56,542	114.3%
Capital Projects Funds				
Capital Improvement Fund	113,194	55,000	58,194	105.8%
Amelia & Vicinity Fund	173,299	129,559	43,740	33.8%
Franklin & Vicinity Fund	35,725	33,427	2,298	6.9%
Cypremort Point & Vicinity	68,053	40,000	28,053	70.1%

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

<u>Funds</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Special Revenue Funds				
Gaming Receipt Fund	\$648,542	\$ 939,068	\$290,526	30.9%
Sanitation Fund	930,993	1,183,143	252,150	21.3%
Wards 1,2,3,4,7,&10				
Sales Tax Fund	387,700	481,661	93,961	19.5%
Jessie B. Hayes				
Memorial Boat				
Landing Fund	9,049	17,442	8,393	48.1%
Capital Projects Funds				
Capital Improvement				
Fund	2,877,213	3,277,268	400,055	12.2%
Franklin & Vicinity				
Fund	103,948	130,679	26,731	20.5%
Spine Road Construct-				
ion Fund	1,057,685	1,485,053	427,368	28.8%
Jail Construction				
Fund	570,757	666,724	95,967	14.4%

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

Management's Response

REVENUES

(Revenues were less than budget of 5%)

Special Revenue Funds-Debt Service Funds-Capital Projects Funds

These deviations were the results of a portions of revenues received and budgeted in 1998, which were accrued back to the previous year. Interest and sales taxes received was less than projected at year end. We will attempt to account for these accruals before the year ends and adjust the budget accordingly. Sales tax and interest revenue will be monitored more closely in 1999.

EXPENDITURES

(Expenditures exceeded budgeted expenditures by 5%)

Special Revenue Funds - Capital Project Fund

These differences were made up of expenditures that were incurred in 1998, but not billed and/or realized until 1999. Every effort will be made to monitor this more closely with various departments the importance of maintaining the budget and to receive bills on a timely basis from outside agencies and to provide more accurate year end projections of expenditures.

REVENUES

(Revenues exceeded budget by 5%)

General Fund-Special Revenues Funds-Debts Service Funds-Capital Project Funds:

These deviations of 5% occurred due to receipt of more Advalorem Taxes than was estimated, more interest earned on investments. We will continue to monitor revenues and in order to project our budgets to reflect actual revenues more closely.

EXPENDITURES

(Expenditures were less than budgeted by 5%)

Special Revenues Fund-Capital Projects Funds
General Fund-Special Rev. Funds-Debt Serv. Funds-Capital Proj. Funds

Actual expenditures on capital projects were less than projected. Accrual of prior year expenditures were not taken into consideration. We will continue to monitor.

ITEM NO. 98-2 FUND DEFICITS

Auditors' Comments

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

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

Effect: Violation of state statute.

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

Recommendation: A detailed study should be made to develop additional or alternative funding sources, to consider reallocating existing funding, or to combine certain existing funds.

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

<u>Fund</u>	<u>Deficit Amount</u>
<u>Special Revenue Fund</u>	
Office of Justice Program Grant	\$(499)
<u>Capital Projects Funds</u>	
Amelia and Vicinity Fund	(1,054,360)
Wards 5 & 8	(1,525,788)
<u>Enterprise Fund</u>	
Reduction & Transfer Fund	(1,997,334)

Management's Response

Special Revenue Fund:

The Office of Justice Program Grant Fund will be erased in 1999 with revenues transferred from the FTC Drug Court Fee Fund.

Capital Projects Funds:

Through agreements with local sewerage districts, additional revenues have been collected in 1997 and 1998 in order to meet annual expenditures of these sewer funds, thereby preventing the deficits from increasing as in previous years. Sewer bonds in these funds will be paid off in December, 2004. It is projected that revenues received from Sales Taxes after that date will be used to reduce and/or cancel these deficits.

Enterprise Fund:

This deficit is incurred by the accrual of the closure cost and post closure cost for the parish owned landfill. The Parish Administration will work to increase tipping fees to help reduce this deficit. In addition, revenues from the Sanitation Fund will transfer to this Enterprise Fund and/or used to finance bonds for these costs. The landfill is currently scheduled to close in five or six years. In the year of closure, it is anticipated that the referenced revenues will be made available to cover the deficit (closure costs).

ITEM 98-3 BUDGETS

Auditors' Comments

Condition: We noted during the course of the audit that the Council did not adopt annual budgets for the following Special Revenue Funds:

Local Law Enforcement Block Grant #1
Office of Justice Program Grant
16th Judicial District Byrne Federal Grant
Local Law Enforcement Block Grant #2

Criteria: State law requires that annual budgets be adopted for each special revenue fund.

Effect: Failure to adopt an annual budget does not give management a tool by which to monitor whether or not revenues or expenditures are meeting or exceeding anticipated results in a particular fund on an annual basis.

Cause: The reason that annual budgets were not adopted for these special revenue funds is that these funds account for activities of different Federal grants whose grant periods do not coincide with the Council's fiscal year. The Council uses the grant period budgets to monitor results of operations for these funds.

Recommendation: The Council should adopt annual budgets for all special revenue funds as required by state law.

Management's Response

(No annual budget adopted for federal funds)

Special Revenue Funds:

These funds are on a federal grant period and are set up on those periods and initial budgets are set up in the ledgers at that time, not closing out on Parish's fiscal years in order to avoid errors and manually having to capitulate their balances and budgets on the basis of one year. In addition, the budgets are monitored internally on an ongoing basis to meet grant guidelines. Most of our Federal Grants are on a two year basis. Changing in the middle of this grant would have adverse effects on the reporting mechanism.

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

No matters to be reported.

D. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ <u>PROGRAM TITLE</u>	<u>CDFA NUMBER</u>	<u>REVENUES</u>	<u>EXPENSES</u>
<u>U.S. Department of Agriculture</u>			
Food and Nutrition Service Passed through Louisiana Department of Social Services Office of Eligibility Determination			
State Administrative Matching Grants for Food Stamp Program	10.561	\$ <u>4,309</u>	\$ <u>4,309</u>
Total U.S. Department of Agriculture		<u>4,309</u>	<u>4,309</u>
<u>U.S. Department of Transportation</u>			
Urban Mass Transportation Administration Passed through Louisiana Department of Transportation and Development			
Public Transportation for Nonurbanized Areas (Nonurbanized Formula Grants, Section 18)	20.509	<u>21,125</u>	<u>21,125</u>
Total U.S. Department of Transportation		<u>21,125</u>	<u>21,125</u>

(Continued)

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>REVENUES</u>	<u>EXPENSES</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Planning and Devel- opment Passed through the State of Louisiana's Division of Administration			
Community Development Block Grants/(Small Cities Program)	14.219	\$ 54,385	\$ 54,385
Passed through Louisiana Department of Social Services Office of Community Services			
Emergency Shelter Grants	14.231	<u>6,310</u>	<u>6,310</u>
Total U.S. Department of Housing & Urban Development		<u>60,695</u>	<u>60,695</u>
<u>Federal Emergency Management Agency</u>			
Passed through the Louisiana Department of Military Affairs Office of Emergency Preparedness			
Civil Defense-State & Local Emergency Management Assistance	83.503	<u>15,067</u>	<u>15,067</u>
Total Federal Emergency Management Agency		<u>15,067</u>	<u>15,067</u>

(Continued)

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>REVENUES</u>	<u>EXPENSES</u>
<u>U.S. Dept. of Justice</u>			
Bureau of Justice Assistance Local Law Enforcement Block Grant	16.592	\$ 114,891	\$ 114,891
* Drug Court Discretionary Grant	16.585	228,718	228,718
Passed through the Louisiana Commission on Law Enforce- ment and Administration of Criminal Justice			
Byrne Formula Grant	16.579	33,233	29,075
* Violent Offender Incar- ceration and Truth in Sentencing Incentive Grant	16.586	<u>295,376</u>	<u>295,376</u>
Total U.S. Dept. of Justice		<u>672,218</u>	<u>668,060</u>
<u>U.S. Department of the Army</u>			
Levees West of Berwick Teche Ridge Levee Enlarge- ment - Franklin area	NONE	10,412	9,600
West Atchafalaya Basin Protection Levee Item N-123	NONE	<u>105,300</u>	<u>105,300</u>
Total U.S. Dept. of the Army		<u>115,712</u>	<u>114,900</u>
Total Federal Financial Assistance		\$ <u>889,126</u>	\$ <u>884,156</u>

The accompanying notes are an integral part of this schedule.

ST. MARY PARISH COUNCIL

Notes to Schedule of Expenditures of Federal Awards

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Council's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE
ACTION PREPARED BY ST. MARY PARISH GOVERNMENT

Material Weakness

Item No. 97-4 Fund Balance

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

Corrective Action:

This item has been resolved.

Items of Noncompliance

Item No. 97-1 Budget Monitoring

Condition: During the course of the audit for the year ended December 31, 1997, it was noted that several of the Parish's individual funds needed budget amendments that were not made.

Corrective Action:

This was not resolved, see management response on item 98-1 in 1998 audit.

Item No. 97-2 Fund Deficits

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

Corrective Action:

This is not resolved, see our response under 98-2 in 1998 audit.

Item No. 97-3 Landfill Reporting Requirements

Condition: During the audit, we discussed that the Council had not complied with certain financial assurance reporting requirements for operators of landfills.

Corrective Action:

This item has been resolved.

ST. MARY PARISH GOVERNMENT

ORAY ROGERS, PRESIDENT
FIFTH FLOOR - COURTHOUSE
FRANKLIN, LOUISIANA 70538-6198

June 17, 1999



HENRY "BO" LAGRANGE
CHIEF ADMINISTRATIVE OFFICER



DIRECTOR OF FINANCE
SUE CARTER



DIRECTOR OF PERSONNEL
TAMMY CHARPENTIER



DIRECTOR OF PLANNING
CAROL J. VINNING



FRANKLIN AREA
(318) 828-4100
MORGAN CITY AREA
(504) 385-2520
JEANERETTE AREA
(318) 276-3869
FAX (318) 828-4092
OFFICE HOURS
8:00 A. M. TO 12:00 P. M.
1:00 P. M. TO 4:30 P. M.

Dr. Daniel G. Kyle
Office of Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The St. Mary Parish Government respectfully submits the following corrective action plan for the year ended December 31, 1998.

Our auditors Pitts & Matte, CPA's ,P. O. Box 2363, Morgan City, LA 70381, was contracted for the audit period ending December 31, 1998. The findings from the December 31, 1998, schedule of findings and questioned costs are discussed below:

***SUMMARY OF THIS YEAR FINDINGS AND RELATED
CORRECTIVE ACTION PLAN PREPARED BY St. Mary Parish
Government***

A. NONCOMPLIANCE

ITEM NO. 98-01 BUDGET MONITORING

Condition: During the course of audit for the year ended December 31, 1998 , it was noted that several of the Parish's individual funds needed budget amendments that were not made.

CORRECTIVE ACTION: Due to budget constraints from our local charter, budget deviations will continue to occur. The Chief

Administrative Officer and Director of Finance currently review the budget monthly, make necessary adjustments within budget functions, monitor all sources of revenue for increases and/ or decreases, and monitor all expenditures in order to reflect budget amounts 4 to 6 weeks in advance. In addition, budget amendments are adopted during the year to reflect major deviations in revenues and expenditures. The Chief Administrative Officer and Director of Finance will attempt to ensure that all individual fund budgets are amended using the most current information to reflect actual amounts to date and to project actual ending amounts.

ITEM NO. 98-2 FUND DEFICITS

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

CORRECTIVE ACTION:

Special Revenue Fund: The Office of Justice Program Grant Fund will be erased in 1999 with revenues transferred from the FTC Drug Court Fee Fund.

Capital Projects Funds: Through agreements with local sewerage districts, additional revenues have been collected in 1997 and 1998 in order to meet annual expenditures of these sewer funds, thereby preventing the deficits from increasing as in previous years. Sewer Bonds in these funds will be paid off in December, 2004. It is projected that revenues received from Sales Taxes after that date will be used to reduce and/or cancel these deficits.

Enterprise Fund: This deficit is incurred by the accrual of the closure cost and post closure cost for the parish owned landfill. The Parish Administration will work to increase tipping fees to help reduce this deficit. In addition, revenues from the Sanitation Fund will transferred to this Enterprise Fund and/or used to finance bonds for these costs. The landfill is currently scheduled to close in 5 to 6 years. In the year of closure, it is anticipated that the referenced revenues will be made available to cover the deficit (closure costs).

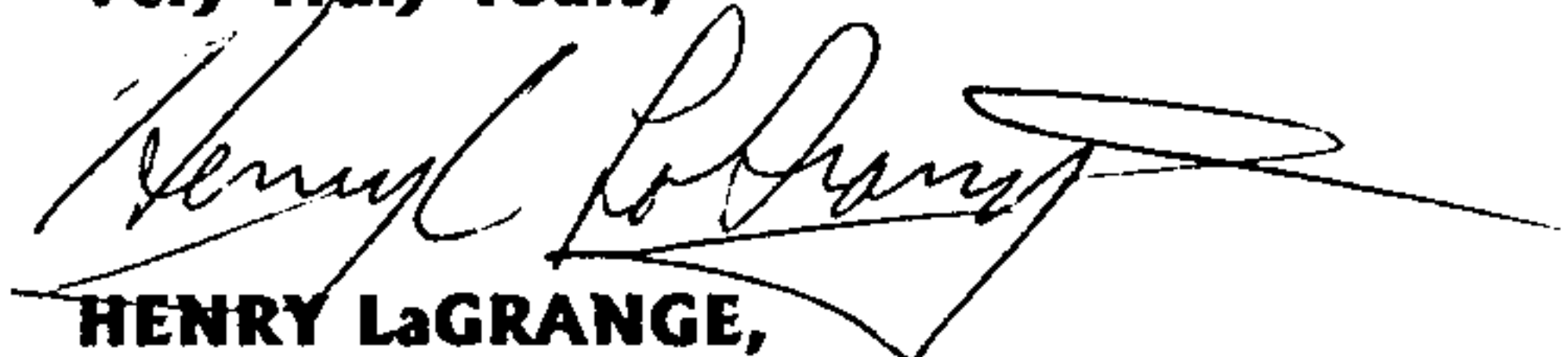
ITEM 98-3 BUDGETS

Conditions: We noted during the course of the audit that the Council did not adopt annual budgets for the following Special Revenue Funds:

Corrective Action: These funds are on a federal grant period and are set up on those periods and initial budgets are set up in the ledgers at that time, not closing out on Parish's fiscal years in order to avoid errors and manually having to capitulate their balances and budgets on the basis of one year . In addition, the budgets are monitored internally on an ongoing basis to meet grant guidelines. Most of our Federal Grants are on a two year basis. Changing in the middle of this grant would have adverse effects on the reporting mechanism.

We submit this plan of action in accordance with Legislative requirements and request that you contact the undersign or the Director of Finance, D. Sue Carter if you should have any questions concerning the corrective plan of action.

Very Truly Yours,



**HENRY LaGRANGE,
CHIEF ADMINISTRATIVE OFFICER
ST. MARY PAISH GOVERNMENT**

dsc