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ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2

ST. TAMMANY PARISH POLICE JURY

SLIDELL, LOUISIANA

FINANCIAL STATEMENTS

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 JUN 23 1999

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2

**ST. TAMMANY PARISH POLICE JURY
SLIDELL, LOUISIANA**

FINANCIAL STATEMENTS

DECEMBER 31, 1998

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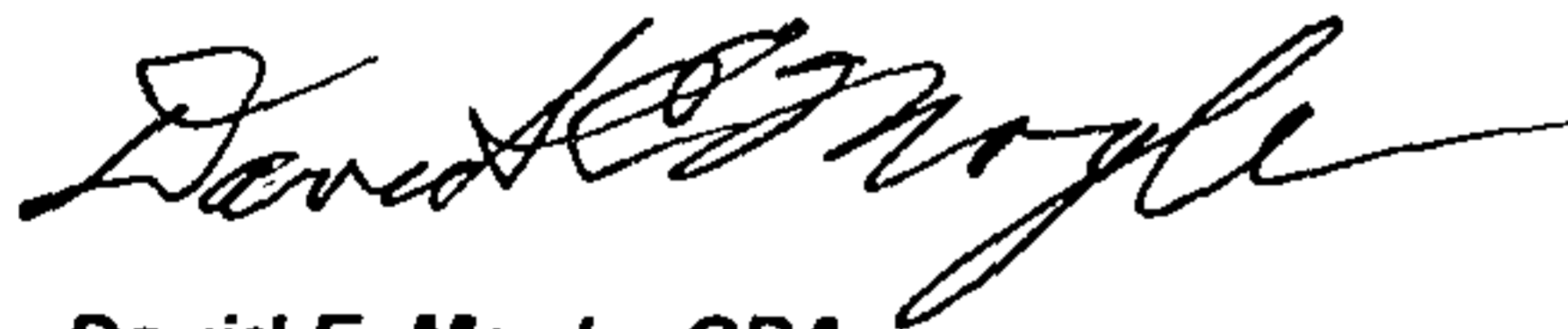
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Board of Commissioners
St. Tammany Parish Drainage District No. 2
St. Tammany Parish Police Jury
Slidell, Louisiana

I have compiled the accompanying financial statement of St. Tammany Parish Drainage District No. 2, a component unit of the St. Tammany Parish Police Jury, as of December 31, 1998, and for the year then ended, and the accompanying supplementary information contained in Schedule I, which is presented only for supplementary analysis purpose, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary schedule and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the government unit's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.



David E. Moyle, CPA

June 2, 1999

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH POLICE JURY
SLIDELL, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

	Governmental Fund Types	Account Groups	Total (Memo Only)
	Special Revenue	General Fixed Assets	
ASSETS			
Current Assets			
Cash	27,073.14		27,073.14
Interest Receivable	37.22		37.22
Property and Equipment			
Land, Equipment & Building		204,174.00	204,174.00
TOTAL ASSETS	27,110.36	204,174.00	231,284.36
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts Payable	863.67		863.67
TOTAL LIABILITIES	863.67	0.00	863.67
FUND EQUITY			
Investment in General Fixed Assets		204,174.00	204,174.00
Fund Balance(Deficit) Unreserved	26,246.69		26,246.69
TOTAL EQUITY	26,246.69	204,174.00	230,420.69
TOTAL LIABILITIES AND FUND EQUITY	27,110.36	204,174.00	231,284.36

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH POLICE JURY
SLIDELL, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types Special Revenue
REVENUES	
Ad Valorem Taxes	0.00
Interest Earnings	2,348.74
TOTAL REVENUES	2,348.74
EXPENDITURES	
Compensation Paid Board Members	0.00
Insurance	6,450.10
Professional Services	11,068.95
Maintenance and Repairs	14,811.50
Supplies General	2,508.05
Utilities	11,702.14
Materials	3,000.00
Pump Rental	10,000.00
Pump Purchase	70,524.00
TOTAL EXPENTITURES	130,064.74
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(127,716.00)
FUND BALANCE (DEFICIT), January 1, 1998	153,962.69
FUND BALANCE (DEFICIT), December 31, 1998	26,246.69

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH POLICE JURY
SLIDELL, LOUISIANA
STATEMENT OF REVENUE, EXPENDITURE, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDING DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Tax (2906 Acres)	0.00	0.00	0.00
Interest Earnings	0.00	2,348.74	2,348.74
TOTAL REVENUES	<u><u>0.00</u></u>	<u><u>2,348.74</u></u>	<u><u>2,348.74</u></u>
EXPENDITURES			
Pump Operations (Rental 16" Pump for 3 mos.)	0.00	10,000.00	(10,000.00)
Public Official Liability Ins.	6,600.00	5,725.10	874.90
Non-owner Veh. Liability Ins.	500.00	0.00	500.00
Workmens Comp.	800.00	725.00	75.00
Office Supplies	500.00	2,450.05	(1,950.05)
Post Office Box Rental	61.00	58.00	3.00
Professional Services (Attny, Engr, Acctg)	17,000.00	11,068.95	5,931.05
Sheriff Fee - Tax	1,200.00	0.00	1,200.00
Assessor	600.00	0.00	600.00
Utilities (Electric)	20,000.00	11,702.14	8,297.86
Maintenance/Repairs	4,000.00	14,811.50	(10,811.50)
Emergency	20,000.00	3,000.00	17,000.00
Pump Purchase (24" Electric)	68,000.00	70,524.00	(2,524.00)
TOTAL EXPENDITURES	<u><u>139,261.00</u></u>	<u><u>130,064.74</u></u>	<u><u>9,196.26</u></u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(139,261.00)	(127,716.00)	(11,545.00)
FUND BALANCE (DEFICIT), January 1, 1997	152,642.00	153,962.69	(1,320.69)
FUND BALANCE (DEFICIT), December 31, 1997	<u><u>13,381.00</u></u>	<u><u>26,246.69</u></u>	<u><u>(12,865.69)</u></u>

**ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH POLICE JURY
SLIDELL, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULE
DECEMBER 31, 1998**

COMPENSATION PAID BOARD MEMBERS

The appointed commissioners did not receive any compensation or per diem from the district for their duties.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
St. Tammany Parish Drainage District No. 2
St. Tammany Parish Police Jury
Slidell, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of St. Tammany Parish Drainage District No. 2 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Parish Drainage District No. 2's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made for material and supplies exceeding \$15,000 and no public works were let in 1998.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

No employees in 1998.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure(3) were also included on the listing obtained management in agreed-upon procedure (2) as immediate family members.

No employees in 1998.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the budget.

6. Trace the budget adoption and amendments to the minute book.

I was able to trace formal adoption of the budget for 1998 to the minutes, and there were no amendments to the Budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

In comparing actual revenues and expenditures to budgeted amounts, I found actual revenues and expenditures did not exceed total budgeted revenues and expenditures by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of selected disbursements and found that payment was for the correct amount and to the correct payee.

- b) determine if payments were properly coded to the correct fund and general ledger account.

The payments were properly coded to correct fund and General Ledger Accounts.

- c) determine whether payments received approval from proper authorities.

All payments received approval as evidenced in minutes.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law)

St. Tammany Parish Drainage District No. 2 is only required to post a notice of each meeting and the accompanying agenda at the building in which the meeting is held.

Management asserted that notices were properly posted, I did not observe evidence of such. However meeting notices and agendas were found in the minutes file.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

No employees and minutes did not approve of any such payment.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of St. Tammany Parish Drainage District No. 2 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



David E. Moyle, CPA

June 2, 1999

LOUISIANA ATTESTATION QUESTIONNAIRE

4-12-99 Date

DAVID E. MOYLE CPA
1312 Lakewood Drive Suite C
Slidell, LA 70458
(Auditors)

In connection with your compilation of our financial statements as of Jan 1, 1998 to Dec 31, 1998 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 4-14-99 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [X] No []

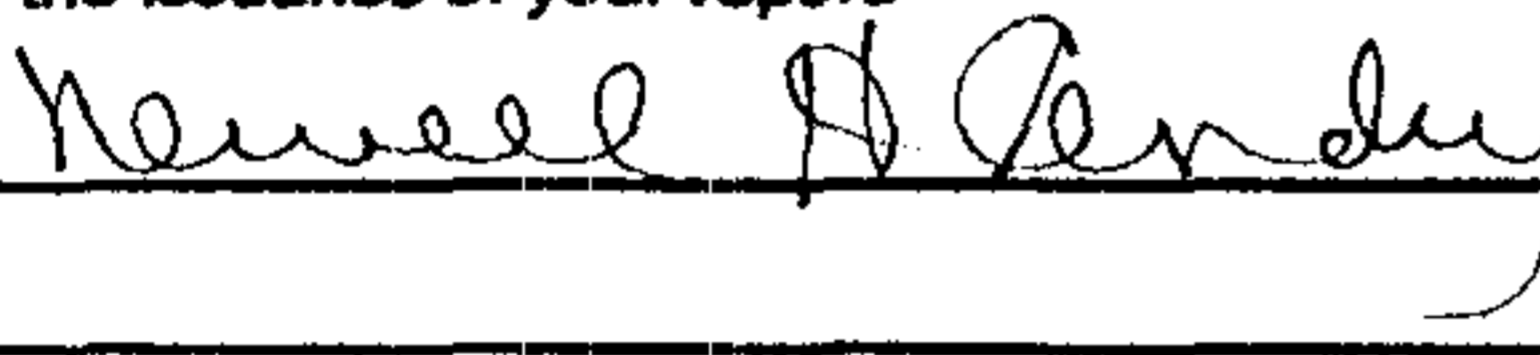
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.


Secretary 4-14-99 Date

Treasurer _____ Date

President _____ Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.