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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7-14-04

**Submitted by:  
Department of Finance**

**Jeffrey Clement, CPA  
Chief Financial Officer**

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
As of and for the year ended December 31, 2003**

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## **INTRODUCTORY SECTION**



# ST. JOHN THE BAPTIST PARISH

*Office of the Parish President*

**Nickie Monica**

Parish President

May 26, 2004

To the Honorable Parish President,  
Council Members, and the Citizens of St. John the Baptist Parish:

The comprehensive annual financial report of St. John the Baptist Parish for the year ended December 31, 2003, is hereby submitted as mandated by the St. John the Baptist Parish Home Rule Charter and state statutes. The Home Rule Charter and the state statutes require that St. John the Baptist Parish issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, and component units of St. John the Baptist Parish. All disclosures necessary to enable the reader to gain an understanding of St. John the Baptist Parish's activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section, which is unaudited, includes this letter of transmittal, the most recent GFOA Certificate, an organizational chart and a list of St. John the Baptist Parish's principal elected and appointed officials. The financial section includes management's discussion and analysis, basic financial statements, required supplemental information and other supplemental information, as well as the independent auditor's report. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a ten-year basis.

The Parish is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

## **ST. JOHN THE BAPTIST PARISH**

St. John the Baptist Parish (or St. John Parish) is located in southeast Louisiana, part of the industrial corridor that stretches along the Mississippi River between Baton Rouge and New Orleans. Its proximity to the largest cities of south Louisiana provides ample opportunity to take advantage of the commercial, industrial, and recreational resources available in both directions.

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St. John Parish has an estimated population of 44,748 and covers a 219 square mile area. It is one of three river parishes that comprise the Port of South Louisiana, which is the nation's largest tonnage port.

The economic base of St. John Parish is dominated by the petrochemical, grain, and steel industries, which flourish along the Mississippi River from Baton Rouge to the Gulf of Mexico. Its hard working labor force, excellent transportation network, abundant raw materials, and land for commercial and industrial development make St. John Parish an ideal prospect for business investment.

## **REPORTING ENTITY**

A Home Rule Charter, which was approved on November 4, 1980, established St. John the Baptist Parish's current system of government. The Parish operates under a president-council form of government with the Parish President, seven district Council Members and two at-large Council Members, each elected for a four-year concurrent term.

The Parish President is the chief executive officer of the Parish responsible for carrying out the policies adopted by the St. John the Baptist Parish Council and for the administration, direction, and supervision of all Parish departments, employees, agencies, and special districts. The Parish President submits an operating and capital outlay budget to the Council for adoption at least sixty days before the beginning of each fiscal year.

The St. John the Baptist Parish Council (the Council) is the governing authority for St. John the Baptist Parish. The Council consists of nine members of which seven members are elected to represent each of the Parish's seven districts. Two members are elected from single member divisions with each division representing approximately fifty percent of the Parish population. The Council elects a chairman and vice-chairman from among its nine members. The Council may levy and collect taxes, special assessments, service charges, license charges, fees and other revenues, and borrow funds in such a manner and subject to limitations provided by law.

This report includes government-wide financial statements and fund financial statements of the Parish. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the Parish) and its component units. Component units are defined as legally separate organizations for which the Parish is financially accountable. The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the Parish) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units noted below are included in the Parish's reporting entity either as blended component units or as discretely presented component units because of the significance of their operational or financial relationship with the Parish.



## Blended Component Units

Criminal Court Fund

## Discretely Presented Component Units

Community Action Agency  
Library

## **YEAR IN REVIEW**

### **ECONOMIC DEVELOPMENT & TOURISM**

The St. John the Baptist Parish Economic Development Department has focused its efforts on business retention and expansion. Existing industries in St John Parish invested or committed to invest approximately \$ 643 million in capital improvements and expansions in the last 3 years. Retail development continues to be a focus to increase sales tax revenues and residents access to products and services within the community. Retail has continued to flourish with Home Depot's completion in 2003 and with Super Wal-Mart's expansion slated for completion by late 2004. In addition, the Riverlands Shopping Center is currently under renovation to attract "higher end" retailers. The 200-bed Veteran's Home awarded to St. John Parish in 2001 will begin construction in late 2004. The VA Home will create 200 new permanent jobs. The Veteran's Department is also working with the adjacent River Parishes Technical College to be the training center for the practical nurses needed for all Veterans facilities across the state.

### **RECREATION**

The Parks and Recreation Department strives to provide the best recreational resources for the youths and adults of St. John the Baptist Parish. In 2003, we had over 1,000 participants in the various sports sponsored by the Parks and Recreation Department. In addition, the parish began the design and construction of recreational park improvements totaling \$4,150,000.

The Parks and Recreation Department's 8-year-old boys qualified for the Bidy National Tournament, and the 10-year-old boys were crowned Bidy Basketball National Champions.

In baseball, the 8-year-olds, 9-year-olds, 10-year-olds, and 11-year-olds advanced to the Dizzy Dean World series. The 11-year-olds were Crowned Dizzy Dean World Series Champions in Atlanta, GA.

## PLANNING AND ZONING

St. John the Baptist Parish continues to grow. The following major subdivisions completed construction and received final acceptance by the Parish in 2003:

- Wood Ridge Subdivision 40 residential lots
- River Oaks Subdivision, Phase II 50 residential lots
- Palmetto Lakes Subdivision, Phase V 55 residential lots

2003 was another busy year for building and expansion. The St. John the Baptist Parish School Board expanded five schools for a total cost of \$4,307,484. One private school in St. John the Baptist Parish also did an expansion that totaled \$550,000. In addition, Wal-Mart began a year long expansion into a Super Wal-Mart for a total cost of \$4,259,000. A major responsibility of the Planning & Zoning Department is the permitting of residential, commercial, and industrial developments. The following compares 2003 residential, commercial, and industrial permits to 2002:

Permits	2003		2002	
	Number	Value	Number	Value
Residential	256	\$ 30,393,126	208	\$ 26,511,108
Commercial	10	6,104,800	9	3,347,189
Industrial	4	932,000	1	882,500
 Totals	 <u>270</u>	 <u>\$ 37,429,926</u>	 <u>218</u>	 <u>\$ 30,740,797</u>

In 2003, construction development in St. John the Baptist Parish increased by more than 20% with the reported value increasing by approximately \$6.7 million dollars.

### INFRA-STRUCTURE IMPROVEMENTS

The Parish completed numerous capital projects in 2003, which ranged from recreational facilities, road improvements, and drainage improvements. The Parish still has quite a few other capital projects ongoing. These capital projects include \$2,300,000 in drainage projects, \$4,100,000 in road rehabilitations, and \$7,450,000 in building constructions and renovations. These capital projects are a result of the January 19, 2002 election, in which the residents of St. John the Baptist Parish voted for an \$18 million dollar capital improvement general obligation bond issue. This bond issue did not require a tax increase on the residents of St. John the Baptist Parish. The paying off of old bond issues, as well as the growth in assessed valuation, has made this current issue possible.

## **FUTURE INITIATIVES**

On July 17, 2004, an election is being called in which St. John the Baptist Parish voters have the ability to approve \$9,500,000 in general obligation bonds. This bond issue will be used to make various capital improvements to the St. John the Baptist Parish water system. As with the \$18 million dollar capital improvement general obligation bond election in 2002, this bond issue will not require a tax increase on the residents of St. John the Baptist Parish.

## **INTERNAL AND BUDGETARY CONTROLS**

The Finance Department is responsible for the establishment and maintenance of an internal control structure designed to provide reasonable, but not absolute, assurance that the assets of the Parish are safeguarded from loss, theft, or misuse and to ensure the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgements by management.

Formal budgetary accounting is employed as a management control device during the year for the general fund, special revenue funds, debt service funds, capital project funds, and enterprise funds. The level of budgetary control is at the department/fund level. Appropriations that are not expended or encumbered lapse at year-end.

Budgets for the general, special revenue, and capital projects funds are adopted on a modified accrual basis of accounting. Budgets for the enterprise funds are adopted on an accrual basis.

## **CASH MANAGEMENT**

St. John the Baptist Parish established an investment policy by local ordinance in 1988. The Parish's primary objectives, in order, of investment activities are: safeguarding of principal investment, liquidity, and return on investment. The Parish's portfolio, as of December 31, 2003, consists of interest bearing checking accounts with the local fiscal agent bank based upon competitive bid and investments with the Louisiana Asset Management Pool (LAMP).

## **CAPITAL ASSETS**

The capital assets of St. John the Baptist Parish are those capital assets used in the performance of governmental and business-type activities. As of December 31, 2003, the Parish's capital assets amounted to \$103,567,322, net of accumulated depreciation.

## **RISK MANAGEMENT**

St. John Parish is insured for general liability, automobile liability, property, unemployment, and worker's compensation. In addition, various control techniques, including pre-employment physicals and drug screening and an employee safety program, have been implemented to minimize accident-related losses.

## **INDEPENDENT AUDIT**

As required by Louisiana State Statute, the Parish has had an annual audit performed by independent certified public accountants, Rebowe & Company, CPAs, APC. The independent auditor's report on the basic financial statements has an unqualified opinion. The audit meets the requirements of Louisiana State Law and the Single Audit Act of 1996 and related OMB Circular A-133. The independent auditor's report on the basic financial statements is included in the financial section while the single audit reports are included in the single audit section.

## **AWARDS**


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Parish for its comprehensive annual financial report for the year ended December 31, 2002. This was the first year that the Parish has received this prestigious award. In order to be awarded a Certificate of Achievement, the Parish published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENT**

I would like to take this opportunity to express my appreciation to all members of the finance department and other participating employees who contributed to the timely preparation of this report. Additionally, I would like to thank the Parish President and Parish Council for their continued interest and support in planning and conducting the operations of the Parish in a responsible and progressive manner.

Respectfully submitted,

  
Jeffrey P. Clement, CPA  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
St. John the Baptist  
Parish Council,  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Edward Haney*  
President

*Jeffrey R. Egan*  
Executive Director

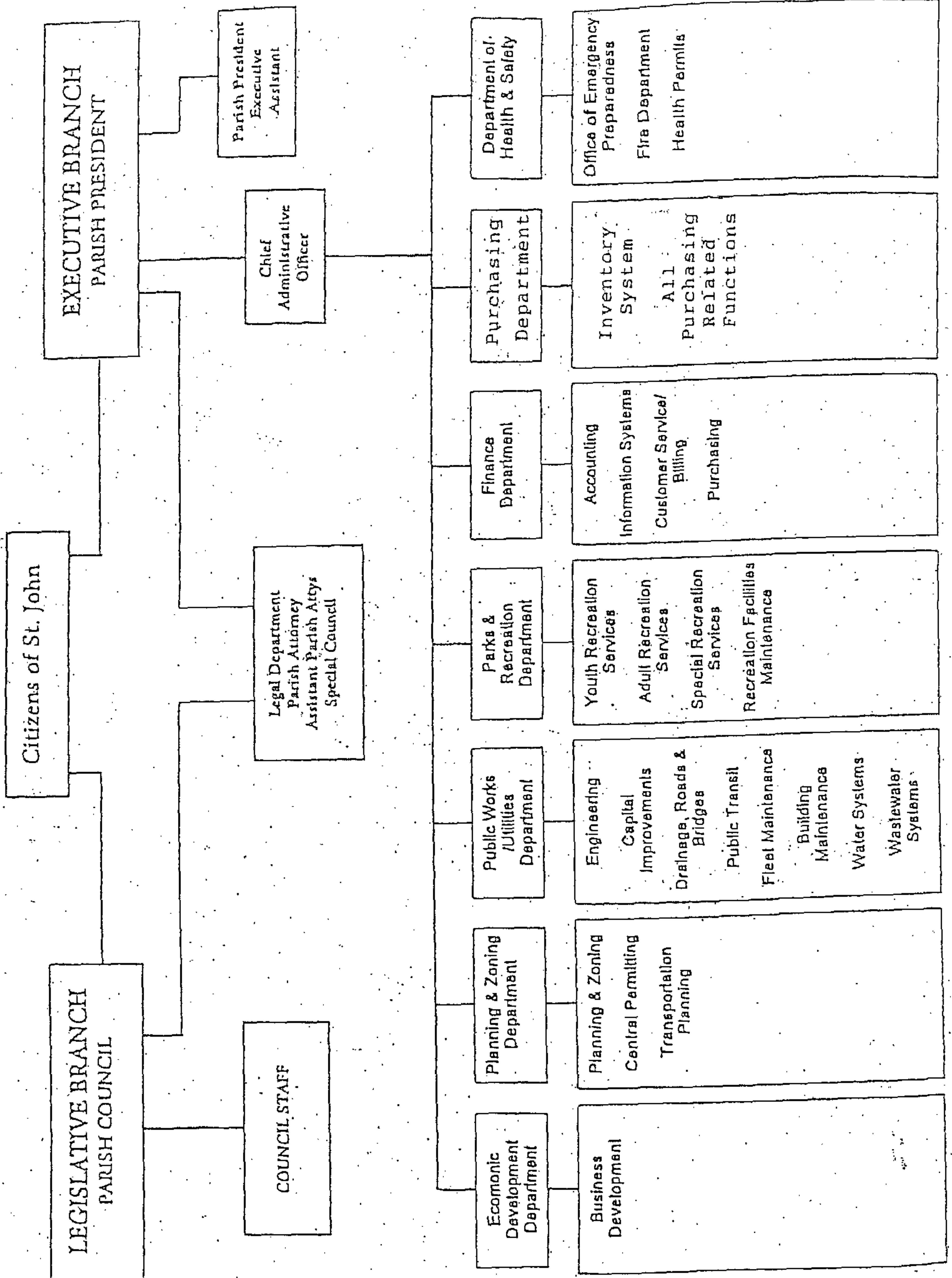
**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
PRINCIPAL OFFICIALS**

<b>JOEL McTOPY</b>	<b>Chairperson</b>
<b>CLEVELAND FARLOUGH</b>	<b>Vice-Chairperson</b>
<b>NICKIE MONICA</b>	<b>Parish President</b>
<b>JEFFREY CLEMENT</b>	<b>Chief Financial Officer</b>

**COUNCIL MEMBERS**

<b>CLEVELAND FARLOUGH</b>	<b>Division A</b>
<b>JOEL McTOPY</b>	<b>Division B</b>
<b>LESTER RAINEY</b>	<b>District I</b>
<b>ALLEN ST. PIERRE</b>	<b>District II</b>
<b>RICHARD DALE WOLFE</b>	<b>District III</b>
<b>JACLYN HOTARD</b>	<b>District IV</b>
<b>SEAN ROUSSEL</b>	<b>District V</b>
<b>RONNIE SMITH</b>	<b>District VI</b>
<b>STEVE LEE</b>	<b>District VII</b>

# St. John the Baptist Parish Government



## **FINANCIAL SECTION**



# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish Council (the "Parish"), as of and for the year ended December 31, 2003, which collectively comprise the Parish's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the management of the Parish. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented governmental component unit St. John the Baptist Parish Library, which represent 5%, 7%, and 5%, respectively, of the assets, net assets, and revenues of the St. John the Baptist Parish Council. Those financial statements were audited by other auditors whose reports thereon were furnished to us, and our opinion, insofar as it relates to the amounts included for the St. John the Baptist Parish Library, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish Council as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1T. to the financial statements, the Parish adopted the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. These new accounting standards result in a change in the format and content of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2004, on our consideration of the St. John the Baptist Parish Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 66 through 71, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parish's basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of St. John the Baptist Parish Council. The combining nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Reboue & Company*

Metairie, Louisiana  
May 26, 2004

**REQUIRED SUPPLEMENTARY INFORMATION**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the St. John the Baptist Parish Council's financial report presents our discussion and analysis of the Parish's financial performance during the year that ended on December 31, 2003. Please read it in conjunction with the transmittal letter at the front of this report and the Parish's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

The assets of St. John the Baptist Parish Council exceeded its liabilities by approximately \$79 million at December 31, 2003. Of this amount approximately \$61 million is in capital assets net of related debt. The Parish's unrestricted net assets in governmental activities are a deficit of \$6 million due to depreciation and related debt on infrastructure assets. Business-type activities unrestricted net assets are approximately \$1 million and may be used to meet the Parish's ongoing obligations.

The total net assets of the Parish decreased in 2003 by approximately \$8 million. Net assets of governmental activities decreased by approximately \$2 million, and net assets of business-type activities decreased by approximately \$6 million. This decrease in net assets was due primarily to depreciation of approximately \$7.3 million.

The Parish's governmental funds reported combined fund balances of approximately \$32 million with approximately \$158,943 in the general fund. The general fund portion decreased by approximately \$229,583 due to an increase in expenses related to updating and improving the Parish's planning and zoning regulations. The fund balance of the general fund represents 3% of the general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the Parish:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Parish's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Parish government, reporting the Parish's operations in more detail than the government-wide statements.

## Government-Wide Financial Statements

The government-wide financial statements report information about the Parish as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Parish's net assets and how they have changed. The government-wide financial statements are divided into three categories:

- **Governmental activities** – This category includes most of the Parish's basic services such as public safety, public works, transportation, and general government. Sales taxes and property taxes finance most of this activity.
- **Business-type activities** – This category reflects operations that are financed and operated in a manner similar to private businesses where the Parish charges a fee for services it provides. The Parish's water, sewer, solid waste, and mosquito abatement systems are included here.
- **Component Units** – This category includes the St. John Community Action Agency and the St. John Parish Library. These entities are legally separate from the Parish, but the Parish is financially accountable for them.

## Fund Financial Statements

The fund financial statements provide more detailed information about the Parish's most significant funds – not the Parish as a whole. Funds are accounting devices that the Parish uses to keep track of specific sources of funding and spending for particular purposes. The Parish has many funds to account for the numerous funding sources provided annually. However, the fund financial statements look at the Parish's major funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

The Parish has two types of funds:

*Governmental funds* – Most of the Parish's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end, and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash.

The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements are reconciled in the fund financial statements.

*Proprietary funds* – Services for which the Parish charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

The business-type activities reported in the government-wide financial statements are the same as the proprietary funds reported in the fund financial statements, but the latter provide more detail and additional information, such as cash flows.

## GOVERNMENT-WIDE STATEMENTS

The following table reflects condensed information on the Parish's net assets.

Statement of Net Assets December 31, 2003 (in thousands)			
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 34,394	\$ 4,704	\$ 39,098
Capital assets	22,447	81,121	103,568
<b>Total assets</b>	<b>56,841</b>	<b>85,825</b>	<b>142,666</b>
Long-term debt outstanding	46,752	8,076	54,828
Other liabilities	6,400	2,779	9,179
<b>Total liabilities</b>	<b>53,152</b>	<b>10,855</b>	<b>64,007</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	(11,632)	72,777	61,145
Restricted	20,964	1,354	22,318
Unrestricted	(5,643)	839	(4,804)
<b>Total net assets</b>	<b>\$ 3,689</b>	<b>\$ 74,970</b>	<b>\$ 78,659</b>

The Parish's total revenues and total expenses for governmental and business-type activities are reflected in the following chart.

	Changes in Net Assets December 31, 2003 (in thousands)		
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
<b>Program revenues</b>			
Charges for services	\$ 2,686	\$ 11,238	\$ 13,924
Operating grants and contributions	749	-	749
Capital gains and contributions	1,274	-	1,274
<b>General revenues</b>			
Property taxes	4,925	82	5,007
Sales taxes	9,940	-	9,940
Other taxes	1,132	-	1,132
Grants and contributions not restricted to specific programs	77	13	90
Other	1,741	150	1,891
<b>Total revenues</b>	<b>22,524</b>	<b>11,483</b>	<b>34,007</b>
<b>Expenses</b>			
General government	4,217	-	4,217
Public Safety	2,372	-	2,372
Public Works	6,642	-	6,642
Health and Welfare	994	-	994
Economic Development	1,090	-	1,090
Transportation	4,953	-	4,953
Interest on long-term debt	2,945	-	2,945
Water	-	6,176	6,176
Sewer	-	9,389	9,389
Solid Waste	-	2,618	2,618
Mosquito abatement	-	391	391
<b>Total Expenses</b>	<b>23,213</b>	<b>18,574</b>	<b>41,787</b>
Excess (deficiency) before transfers	(689)	(7,091)	(7,780)
Transfers	(1,168)	1,168	-
<b>Increase(decrease) in Net Assets</b>	<b>(1,857)</b>	<b>(5,923)</b>	<b>(7,780)</b>
Net Assets, beginning of year	5,546	80,893	86,439
<b>Net Assets, end of year</b>	<b>\$ 3,689</b>	<b>\$ 74,970</b>	<b>\$ 78,659</b>

The Parish's overall governmental revenues increased by approximately 5% from the previous year due to an increase in sales tax revenue, which is the Parish's largest revenue. The Parish's sales tax represents approximately 45% of the Parish's total governmental revenues. The Parish's overall governmental expenses remained fairly consistent with the previous year.

The Parish's business-type revenues increased 2% from previous year due to CPI and rate adjustments on water and sewer charges. The business-type expenses increased by 37% with the increase primarily due to depreciation for the water and sewer infrastructure assets. Also, personnel expenses increased due to cost of living increases and rising health insurance costs.

A comparative analysis will be provided in future years when prior year information is available.

#### BUDGETARY HIGHLIGHTS

Over the course of the year, the Parish revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Parish's original and final budget amounts compared with actual amounts is provided later in this report.)

There were significant revisions made to the general fund and roads and bridges budgets. The general fund budgeted revenues were increased by approximately \$340,000 due to the receipt of a \$280,000 federal grant for a recreational trail. The remaining amount of the increase was due to increases in occupational licenses and building permit fees. The expenditures were increased approximately \$850,000 due to the afore-mentioned grant, as well as the expenditures related to updating and improving the Parish's planning and zoning regulations.

The roads and bridges fund revenues were increased by \$1.2 million due to three grants totaling approximately \$1 million received in 2003. The other \$200,000 was related to the sale of some Parish-owned property. The roads and bridges expenditures were increased by approximately \$1.7 million with \$1.2 million in expenditures relating to the above-mentioned grants. The remaining \$500,000 increase was due mainly to some increases in personnel costs related to salaries and health insurance costs.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

The Parish's investment in capital assets as of December 31, 2003 for its governmental and business-type activities were approximately \$104 million, net of depreciation as reflected in the schedule below:



Capital Assets  
December 31, 2003  
(in thousands)

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,915	\$ 1,678	\$ 4,593
Buildings	3,163	5,592	8,755
Equipment and fixtures	1,597	680	2,277
Infrastructure	10,926	73,171	84,097
Construction in progress	3,846	-	3,846
<b>Total</b>	<b>\$ 22,447</b>	<b>\$ 81,121</b>	<b>\$ 103,568</b>

The majority of the capital additions for the year were for infrastructure as the Parish continues its improvements related to water, roads, drainage, and sewerage.

LONG-TERM DEBT

The Parish had approximately \$55 million in long-term debt as shown in the table below:

Outstanding long-term debt  
December 31, 2003  
(in thousands)

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 24,290	-	\$ 24,290
Certificates of Indebtedness	1,225	-	1,225
Public improvement Bonds	20,207	-	20,207
Sales Tax Bonds	305	-	305
Capital Lease Obligations	725	-	725
Promissory Notes	-	-	-
Revenue Bonds	-	8,076	8,076
<b>Total</b>	<b>\$ 46,752</b>	<b>\$ 8,076</b>	<b>\$ 54,828</b>

The Parish's long-term debt increased by approximately \$8 million due to the selling of \$11 million in general obligation bonds. This was the last portion of general obligation bonds sold in connection with the \$18 million capital improvement general obligation bond issue approved by the voters on January 19, 2002. In addition, the Parish applied for a bond rating from Moody's and Standard & Poor's. In April 2002, the Parish was able to upgrade its bond rating with Moody's from a Baa1 to an A3 rating, and for the

first time received an A- rating from Standard & Poor's. The A3 and A- ratings of the respective agencies represent equivalent ratings.

### ECONOMIC FACTORS

The Parish's property tax base continues to grow, and sales taxes are expected to continue to increase due to the opening of a Home Depot and the expansion of the Super Wal-mart. However, health care costs and the costs associated with providing services continue to increase at a rate greater than revenues, which will continue to put a strain on the Parish's resources.

The new sales tax approved in 2003, which will begin collecting taxes in 2004, will provide for a partially paid fire department in the Parish.

### FINANCIAL CONTACT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Parish's finances and to demonstrate the Parish's accountability for the money it receives. If you have questions about this report or need additional information, contact the Parish's Finance Director at 1801 W. Airline Hwy., LaPlace, LA 70068.

## **BASIC FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2003**

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	COMMUNITY	
	ACTIVITIES	ACTIVITIES		ACTION AGENCY	LIBRARY
<b>ASSETS</b>					
Cash and cash equivalents	\$ 25,239,799	\$ 534,220	\$ 25,774,019	\$ 3,544	\$ 444,908
Investments	105,703	-	105,703	-	-
Receivables (net of allowances)					
Accounts	2,191,050	2,021,650	4,212,700	-	-
Ad valorem taxes	4,911,303	82,060	4,993,363	-	1,712,530
Other	992,762	-	992,762	-	59,936
Inventory, at cost	-	171,971	171,971	-	-
Due from component units	15,788	-	15,788	-	-
Due from primary government	-	-	-	3,227	-
Due from other governments	547,504	-	547,504	15,788	-
Restricted assets	-	2,185,365	2,185,365	-	-
Other assets	100,000	-	100,000	-	-
Internal balances	290,846	(290,846)	-	-	-
Capital assets (net of accumulated depreciation)	22,446,721	81,120,601	103,567,322	-	3,268,891
<b>TOTAL ASSETS</b>	<b>56,841,476</b>	<b>85,825,021</b>	<b>142,666,497</b>	<b>22,559</b>	<b>5,486,265</b>
<b>LIABILITIES</b>					
Accounts, salaries, and other payables	2,029,061	1,141,462	3,170,523	3,748	200,321
Contracts payable	369,455	-	369,455	-	-
Due to component units	3,227	-	3,227	-	-
Due to primary government	-	-	-	15,788	-
Due to other governments	124,650	-	124,650	-	-
Deposits due others	-	1,057,218	1,057,218	-	-
Other liabilities	1,448	188,603	190,051	-	-
Interest payable	578,578	122,451	701,029	-	-
Noncurrent liabilities					
Due within one year	3,293,429	269,360	3,562,789	-	483,735
Due in more than one year	46,752,549	8,076,157	54,828,706	-	1,464,890
<b>TOTAL LIABILITIES</b>	<b>53,152,397</b>	<b>10,855,251</b>	<b>64,007,648</b>	<b>19,536</b>	<b>2,148,946</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	(11,632,449)	72,777,451	61,145,002	-	1,443,164
Restricted for:					
Capital projects	14,954,383	-	14,954,383	-	-
Debt service	6,009,672	-	6,009,672	-	1,825,727
Other purposes	-	1,353,728	1,353,728	650	5,000
Unrestricted	(5,642,527)	838,591	(4,803,936)	2,373	63,428
<b>TOTAL NET ASSETS</b>	<b>\$ 3,689,079</b>	<b>\$ 74,969,770</b>	<b>\$ 78,658,849</b>	<b>\$ 3,023</b>	<b>\$ 3,337,319</b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2003**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Primary Government		Component Units		
			Grants and Contributions	Grants and Contributions		Governmental Activities	Business-type Activities	Community Action Agency	Library	
<b>Primary government:</b>										
Governmental activities:										
General government	\$ 4,216,815	\$ 1,040,531	\$ -	\$ -	\$ -	\$ (3,176,284)	\$ -	\$ (3,176,284)	\$ -	\$ -
Public safety	2,372,408	1,016,540	161,147	-	-	(1,194,721)	-	(1,194,721)	-	-
Public works	6,641,632	22,644	-	-	-	(6,618,988)	-	(6,618,988)	-	-
Health and welfare	994,387	247,554	-	-	-	(746,833)	-	(746,833)	-	-
Economic development	1,089,618	109,883	94,162	280,300	-	(605,273)	-	(605,273)	-	-
Transportation	4,952,934	249,188	493,606	994,106	-	(3,216,034)	-	(3,216,034)	-	-
Interest on long-term debt	2,944,719	-	-	-	-	(2,944,719)	-	(2,944,719)	-	-
Total Governmental Activities	23,212,513	2,686,340	748,915	1,274,406	-	(18,502,852)	-	(18,502,852)	-	-
Business-type Activities:										
Utilities	6,176,355	4,511,635	-	-	-	-	(1,664,720)	(1,664,720)	-	-
Sewer	9,389,134	3,901,865	-	-	-	-	(5,487,269)	(5,487,269)	-	-
Solid Waste	2,618,201	2,569,812	-	-	-	-	(48,389)	(48,389)	-	-
Mosquito	390,717	254,811	-	-	-	-	(135,906)	(135,906)	-	-
Total Business-type Activities	18,574,407	11,238,123	-	-	-	-	(7,336,284)	(7,336,284)	-	-
<b>Total Primary Government</b>	<b>\$ 41,786,920</b>	<b>\$ 13,924,463</b>	<b>\$ 748,915</b>	<b>\$ 1,274,406</b>	<b>\$ -</b>	<b>(18,502,852)</b>	<b>(7,336,284)</b>	<b>(25,839,136)</b>	<b>-</b>	<b>-</b>
<b>Component Units:</b>										
Library	\$ 1,761,274	\$ 45,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,716,273)	\$ -
Community Action	301,520	-	289,362	-	-	-	-	(12,158)	-	-
<b>Total Component Units</b>	<b>\$ 2,062,794</b>	<b>\$ 45,001</b>	<b>\$ 289,362</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(12,158)</b>	<b>(1,716,273)</b>	<b>\$ -</b>
<b>General Revenues:</b>										
Ad valorem			4,924,583			82,154		5,006,737		1,697,543
Sales taxes			9,939,608			-		9,939,608		-
Franchise taxes			663,553			-		663,553		-
Beer Taxes			45,590			-		45,590		-
Severance Taxes			43,190			-		43,190		-
Video Poker Taxes			378,946			-		378,946		-
Grants and contributions not restricted to specific programs			77,383			13,200		90,583		-
Investment earnings			505,220			40,244		545,464		7,016
Other general revenues			1,033,139			103,059		1,136,198		89,904
Gain on Sales			202,743			6,080		208,823		23,119
Transfers			(1,167,980)			1,167,980		-		-
Total general revenues and transfers			16,645,975			1,412,717		18,058,692		1,817,582
<b>Change in Net Assets</b>			<b>(1,856,877)</b>			<b>(5,923,567)</b>		<b>(7,780,444)</b>		<b>101,309</b>
<b>Net assets-beginning of year</b>			<b>5,545,956</b>			<b>80,893,337</b>		<b>86,439,293</b>		<b>3,236,010</b>
<b>Net assets-end of year</b>			<b>\$ 3,689,079</b>			<b>\$ 74,969,770</b>		<b>\$ 78,658,849</b>		<b>\$ 3,337,319</b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2003**

	General	Roads and Bridges	Sales Tax District	Economic Development	Parishwide Sewer Construction Phase II	2002 General Obligation Bond Construction	1992 General Obligation Sinking	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and cash equivalents	\$ 71,966	\$ 139,753	\$ 2,864,739	\$ 398,642	\$ 63,695	\$ 14,943,085	\$ 1,577,625	\$ 5,180,294	\$ 25,239,799
Investments	-	-	-	-	-	-	-	105,703	105,703
Receivables (net of allowances for uncollectible)									
Accounts	168,528	360,644	800,476	436,031	29,100	-	-	326,548	2,121,327
Ad valorem taxes	849,574	-	-	-	-	-	2,599,079	1,462,650	4,911,303
State revenue sharing	41,460	-	-	-	-	-	-	28,263	69,723
Other	94,036	3,726	-	895,000	-	-	-	-	992,762
Due from other funds	64,896	24,586	960,000	258,100	200,000	253,584	-	86,271	1,847,437
Due from component units	15,788	-	-	-	-	-	-	-	15,788
Due from other governments	321,760	127,641	-	-	-	-	-	98,103	547,504
Other assets	-	-	-	-	-	-	-	100,000	100,000
<b>TOTAL ASSETS</b>	<b>\$ 1,628,008</b>	<b>\$ 656,350</b>	<b>\$ 4,625,215</b>	<b>\$ 1,987,773</b>	<b>\$ 292,795</b>	<b>\$ 15,196,669</b>	<b>\$ 4,176,704</b>	<b>\$ 7,387,832</b>	<b>\$ 35,951,346</b>

	General	Roads and Bridges	Sales Tax District	Economic Development	Parishwide Sewer Construction Phase II	2002 General Obligation Bond Construction	1992 General Obligation Sinking	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Liabilities:									
Accounts, salaries, and other payables	\$ 542,008	\$ 263,815	\$ -	\$ 15,522	\$ 238,575	\$ 367,167	\$ -	\$ 601,974	\$ 2,029,061
Contracts payable	-	58,855	-	-	30,810	164,899	-	114,891	369,455
Due to other funds	880,769	1,669	600,000	9,986	-	-	-	64,169	1,556,593
Due to component units	3,227	-	-	-	-	-	-	-	3,227
Due to other governments	41,613	75,037	-	-	-	-	-	8,000	124,650
Other liabilities	1,448	-	-	-	-	-	-	-	1,448
Accrued Expenses	-	-	-	-	-	-	-	-	-
Total Liabilities	1,469,065	399,376	600,000	25,508	269,385	532,066	-	789,034	4,084,434
Fund balances:									
Reserved for:									
Capital projects	-	-	-	-	23,410	14,664,603	-	266,370	14,954,383
Debt service	-	-	-	-	-	-	4,176,704	1,832,968	6,009,672
Unreserved, reported in:									
General fund	158,943	-	-	-	-	-	-	-	158,943
Special revenue funds	-	256,974	4,025,215	1,962,265	-	-	-	4,499,460	10,743,914
Total fund balances	158,943	256,974	4,025,215	1,962,265	23,410	14,664,603	4,176,704	6,598,798	31,866,912
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,628,008</b>	<b>\$ 656,350</b>	<b>\$ 4,625,215</b>	<b>\$ 1,987,773</b>	<b>\$ 292,795</b>	<b>\$ 15,196,669</b>	<b>\$ 4,176,704</b>	<b>\$ 7,387,832</b>	<b>\$ 35,951,346</b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
December 31, 2003**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds	\$	31,866,912
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		22,446,721
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable		(578,578)
Bonds, notes, and loans payable (net of premiums, discounts, and deferred charges)		<u>(50,045,976)</u>
Net Assets of Governmental Activities	\$	<u><u>3,689,079</u></u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2003**

	General	Roads and Bridges	Sales Tax District	Economic Development	Parishwide Sewer Construction Phase II	2002 General Obligation Bond Construction	1992 General Obligation Sinking	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>									
Taxes:									
Ad valorem	\$ 869,916	\$ -	\$ -	\$ -	\$ -	\$ -	2,602,157	1,452,510	\$ 4,924,583
Sales and use	1,957,562	4,730,148	1,957,562	-	-	-	-	1,294,336	9,939,608
Licenses and permits	978,911	-	-	-	-	-	-	-	978,911
Intergovernmental revenues:									
Federal grants	356,754	682,207	-	-	-	-	-	144,648	1,183,609
State funds:									
Parish transportation funds	-	435,356	-	-	-	-	-	-	435,356
State revenue sharing	62,190	-	-	-	-	-	-	42,395	104,585
Other	467,727	369,754	-	-	-	-	-	265,953	1,103,434
Fees, charges, and commissions for services	181,719	155,490	-	-	-	-	-	699,142	1,036,351
Fines and forfeitures	30,000	-	-	-	-	-	-	1,016,540	1,046,540
Investment earnings	5,073	9,451	61,277	82,513	3,357	211,941	33,111	98,488	505,211
Other revenues	78,158	215,010	-	146,793	-	599,255	2,799	222,119	1,264,134
<b>Total Revenues</b>	<b>3,030,448</b>	<b>3,824,830</b>	<b>4,791,425</b>	<b>2,186,868</b>	<b>3,357</b>	<b>811,196</b>	<b>2,638,067</b>	<b>5,236,131</b>	<b>22,522,322</b>
<b>EXPENDITURES</b>									
Current:									
General government									
Legislative	291,751	-	-	-	-	-	-	-	291,751
Judicial	637,101	-	-	-	-	-	-	1,080,640	1,717,741
Executive	428,233	-	-	-	-	-	-	-	428,233
Elections	58,909	-	-	-	-	-	-	-	58,909
Finance and administration	58,156	-	5,822	-	-	-	-	-	63,978
Civil service	36,057	-	-	-	-	-	-	-	36,057
Building and plant	1,412,436	-	-	-	-	-	-	-	1,412,436
Planning and zoning	675,455	-	-	-	-	-	-	-	675,455
Transportation	-	4,615,185	-	-	-	-	-	-	4,615,185
Public safety	491,586	-	-	-	-	-	-	889,920	5,505,105
Public works	-	-	-	-	-	3,102,117	-	2,145,307	2,636,893
Health and welfare	648,632	-	-	-	3,666,597	-	-	613,841	7,382,555
Economic development	-	-	-	557,007	-	-	-	456,612	1,105,244
Debt service	308,793	116,011	-	-	-	-	1,920,016	654,087	1,211,094
<b>Total Expenditures</b>	<b>5,047,109</b>	<b>4,731,196</b>	<b>5,822</b>	<b>557,007</b>	<b>3,666,597</b>	<b>3,102,117</b>	<b>1,920,016</b>	<b>8,802,812</b>	<b>27,832,676</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,016,661)	(906,366)	4,785,603	1,629,861	(3,663,240)	(2,290,921)	718,051	(3,566,681)	(5,310,354)

(Continued)



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2003**

	General	Roads and Bridges	Sales Tax District	Economic Development	Parishwide Sewer Construction Phase II	2002 General Obligation Bond Construction	1992 General Obligation Sinking	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>OTHER FINANCING SOURCES (USES)</b>									
Bond Proceeds	-	-	-	-	-	11,365,000	-	330,000	11,695,000
Transfers in	1,788,678	600,000	-	8,100	2,700,000	-	-	3,034,638	8,131,416
Transfers out	(1,600)	(168,950)	(7,023,286)	(1,792,432)	-	-	-	(319,528)	(9,305,796)
<b>Total Other Financing Sources (Uses)</b>	<b>1,787,078</b>	<b>431,050</b>	<b>(7,023,286)</b>	<b>(1,784,332)</b>	<b>2,700,000</b>	<b>11,365,000</b>	<b>-</b>	<b>3,045,110</b>	<b>10,520,620</b>
<b>Net Change in Fund Balances</b>	<b>(229,583)</b>	<b>(475,316)</b>	<b>(2,237,683)</b>	<b>(154,471)</b>	<b>(963,240)</b>	<b>9,074,079</b>	<b>718,051</b>	<b>(521,571)</b>	<b>5,210,266</b>
<b>Fund balances -- beginning of year</b>	<b>300,967</b>	<b>732,290</b>	<b>6,262,898</b>	<b>2,116,736</b>	<b>986,650</b>	<b>5,590,524</b>	<b>3,458,653</b>	<b>7,120,369</b>	<b>26,569,087</b>
<b>Residual equity transfer</b>	<b>87,559</b>								<b>87,559</b>
<b>Fund balances -- end of year</b>	<b>\$ 158,943</b>	<b>\$ 256,974</b>	<b>\$ 4,025,215</b>	<b>\$ 1,962,265</b>	<b>\$ 23,410</b>	<b>\$ 14,564,603</b>	<b>\$ 4,176,704</b>	<b>\$ 6,598,798</b>	<b>\$ 31,866,912</b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2003**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds	\$ 5,210,266
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,260,196
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(9,332,496)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>5,157</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (1,856,877)</u></u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2003**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	Utilities System	Sewerage	Solid Waste	OTHER ENTERPRISE FUNDS		
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 289,639	\$ 54,422	\$ 130,769	\$ 59,390	\$ 534,220	\$ -
Receivables (net of allowances for uncollectibles)	1,746,229	187,553	79,103	90,825	2,103,710	-
Due from other funds	96,663	1,301,712	629,484	72,126	2,099,985	-
Inventory	171,971	-	-	-	171,971	-
<b>Total Current Assets</b>	<b>2,304,502</b>	<b>1,543,687</b>	<b>839,356</b>	<b>222,341</b>	<b>4,909,886</b>	<b>-</b>
<b>Noncurrent Assets:</b>						
Restricted assets - cash and cash equivalents	2,185,365	-	-	-	2,185,365	-
Capital assets (net of accumulated depreciation)	27,627,225	53,381,297	18,251	93,828	81,120,601	-
<b>Total Noncurrent Assets</b>	<b>29,812,590</b>	<b>53,381,297</b>	<b>18,251</b>	<b>93,828</b>	<b>83,305,966</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 32,117,092</b>	<b>\$ 54,924,984</b>	<b>\$ 857,607</b>	<b>\$ 316,169</b>	<b>\$ 88,215,852</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts, salaries, and other payables	303,542	381,962	417,475	38,483	1,141,462	-
Due to other funds	1,632,659	628,172	130,000	-	2,390,831	-
Other liabilities	188,603	-	-	-	188,603	-
<b>Total Current Liabilities</b>	<b>2,124,804</b>	<b>1,010,134</b>	<b>547,475</b>	<b>38,483</b>	<b>3,720,896</b>	<b>-</b>
<b>Current Liabilities Payable from Restricted Assets:</b>						
Customer deposits	1,057,218	-	-	-	1,057,218	-
Bonds payable, current portion	266,993	-	-	-	266,993	-
Capital leases	1,107	1,260	-	-	2,367	-
Accrued interest payable	122,451	-	-	-	122,451	-
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>1,447,769</b>	<b>1,260</b>	<b>-</b>	<b>-</b>	<b>1,449,029</b>	<b>-</b>
<b>Noncurrent Liabilities:</b>						
Revenue bonds (net of unamortized discounts)	8,076,157	-	-	-	8,076,157	-
<b>Total Noncurrent Liabilities</b>	<b>8,076,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,076,157</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>11,648,730</b>	<b>1,011,394</b>	<b>547,475</b>	<b>38,483</b>	<b>13,246,082</b>	<b>-</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	19,284,075	53,381,297	18,251	93,828	72,777,451	-
Restricted for capital outlay	1,089,005	264,723	-	-	1,353,728	-
Unrestricted	95,282	267,570	291,881	183,858	838,591	-
<b>TOTAL NET ASSETS</b>	<b>\$ 20,468,362</b>	<b>\$ 53,913,590</b>	<b>\$ 310,132</b>	<b>\$ 277,686</b>	<b>\$ 74,969,770</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2003**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	Utilites System	Sewerage	Solid Waste	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
<b>Operating Revenues</b>						
Charges for services:						
Water sales	\$ 4,234,210	\$ -	\$ -	\$ -	\$ 4,234,210	\$ -
Sewer charges	-	3,775,702	-	-	3,775,702	-
Mosquito Abatement	-	-	-	254,811	254,811	-
Other fees, charges, and commissions	277,425	126,163	2,569,524	-	2,973,112	-
Other income	103,059	-	288	-	103,347	-
<b>Total Operating Revenues</b>	<b>4,614,694</b>	<b>3,901,865</b>	<b>2,569,812</b>	<b>254,811</b>	<b>11,341,182</b>	<b>-</b>
<b>Operating Expenses</b>						
General Administration	754,484	1,783,691	375	-	2,538,550	-
Purification	1,033,007	-	-	-	1,033,007	-
Distribution	244,694	-	-	-	244,694	-
Salaries, operations	1,903,151	1,738,628	-	-	3,641,779	-
Plant	-	1,687,318	-	-	1,687,318	-
Vehicles	-	49,059	-	-	49,059	-
Contract services	-	11,769	28,275	355,525	395,569	-
Professional Services	-	-	2,579,395	-	2,579,395	2,539
Miscellaneous	-	-	-	3,451	3,451	-
Depreciation	1,715,202	4,118,032	10,156	31,741	5,875,131	-
<b>Total Operating Expenses</b>	<b>5,650,538</b>	<b>9,388,497</b>	<b>2,618,201</b>	<b>390,717</b>	<b>18,047,953</b>	<b>2,539</b>
<b>Operating Income (Loss)</b>	<b>(1,035,844)</b>	<b>(5,486,632)</b>	<b>(48,389)</b>	<b>(135,906)</b>	<b>(6,706,771)</b>	<b>(2,539)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Ad valorem taxes	-	-	-	82,154	82,154	-
Grant revenue	6,932	6,268	-	-	13,200	-
Interest income	36,319	1,643	848	1,434	40,244	1,296
Interest expense	(525,817)	(637)	-	-	(526,454)	-
Gain on sale of fixed assets	5,844	236	-	-	6,080	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(476,722)</b>	<b>7,510</b>	<b>848</b>	<b>83,588</b>	<b>(384,776)</b>	<b>1,296</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,512,566)</b>	<b>(5,479,122)</b>	<b>(47,541)</b>	<b>(52,318)</b>	<b>(7,091,547)</b>	<b>(1,243)</b>
Transfers In	-	1,310,000	-	-	1,310,000	6,400
Transfer Out	(75,420)	(51,600)	-	(15,000)	(142,020)	-
<b>Change in Net Assets</b>	<b>(1,587,986)</b>	<b>(4,220,722)</b>	<b>(47,541)</b>	<b>(67,318)</b>	<b>(5,923,567)</b>	<b>5,157</b>
Net Assets-Beginning of Year, as Restated	22,056,348	58,134,312	357,673	345,004	80,893,337	82,402
Residual equity transfer	-	-	-	-	-	(87,559)
<b>Net Assets-End of Year</b>	<b>\$ 20,468,362</b>	<b>\$ 53,913,590</b>	<b>\$ 310,132</b>	<b>\$ 277,686</b>	<b>\$ 74,969,770</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2003

	Utilities System	Sewerage	Solid Waste	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>Cash Flows From Operating Activities:</b>						
Receipts from customers and users	\$ 4,495,430	\$ 3,966,416	\$ 2,554,007	\$ 249,757	\$ 11,265,610	\$ -
Receipts from interfund services provided	11,768	-	-	-	11,768	-
Other Receipts	91,291	-	288	-	91,579	-
Payments to suppliers	(3,794,083)	(5,183,075)	(2,489,649)	(376,867)	(11,843,674)	(2,539)
Payments for interfund services used	159,480	59,421	(48,990)	-	169,911	-
Net Cash Provided (Used) by Operating Activities	963,886	(1,157,238)	15,656	(127,110)	(304,806)	(2,539)
<b>Cash Flows From Non-Capital Financing Activities:</b>						
Transfer to other funds	(75,420)	(51,600)	-	(15,000)	(142,020)	(87,559)
Advances from other funds	-	1,310,000	-	-	1,310,000	6,400
Ad valorem taxes	-	-	-	82,154	82,154	-
Subsidy from federal grants	6,932	6,268	-	-	13,200	-
Net Cash Provided (Used) by Noncapital Financing Activities	(68,488)	1,264,668	-	67,154	1,263,334	(81,159)
<b>Cash Flows From Capital and Related Financing Activities:</b>						
Proceeds from capital debt	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Purchases of capital assets	(190,762)	(77,664)	(3,313)	-	(271,739)	-
Principal paid on capital debt	(394,171)	-	-	-	(394,171)	-
Interest paid on capital debt	(525,817)	(637)	-	-	(526,454)	-
Capital lease down payment	(11,751)	(14,555)	-	-	(26,306)	-
Proceeds from sales of capital assets	5,844	236	-	-	6,080	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,116,657)	(92,620)	(3,313)	-	(1,212,590)	-
<b>Cash Flows From Investing Activities:</b>						
Proceeds from sales and maturities of investments	788,709	-	-	-	788,709	-
Interest and dividends received	36,319	1,643	847	1,456	40,265	1,296
Net Cash Provided (Used) by Investing Activities	825,028	1,643	847	1,456	828,974	1,296
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	603,769	16,453	13,190	(58,500)	574,912	(82,402)
<b>Cash and Cash Equivalents, Beginning of Year</b>	1,871,235	37,969	117,579	117,890	2,144,673	82,402
<b>Cash and Cash Equivalents, End of Year</b>	\$ 2,475,004	\$ 54,422	\$ 130,769	\$ 59,390	\$ 2,719,585	\$ -

(Continued)

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

**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2003

	Utilities System	Sewerage	Solid Waste	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>Reconciliation to Statement of Net Assets:</b>						
Cash and cash equivalents	289,639	54,422	130,769	59,390	534,220	-
Restricted assets - cash and cash equivalents	2,185,365	-	-	-	2,185,365	-
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,475,004</b>	<b>\$ 54,422</b>	<b>\$ 130,769</b>	<b>\$ 59,390</b>	<b>\$ 2,719,585</b>	<b>\$ -</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ (1,035,844)	\$ (5,486,632)	\$ (48,389)	\$ (135,906)	\$ (6,706,771)	\$ (2,539)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	1,715,202	4,118,032	10,156	31,741	5,875,131	-
(Increase) decrease in accounts receivable	(92,928)	(24,422)	(15,516)	(5,054)	(137,920)	-
(Increase) decrease in intergovernmental receivables	76,723	88,973	-	-	165,696	-
(Increase) decrease in due from other funds	15,281	(495,717)	(60,715)	(5,019)	(546,170)	-
(Increase) decrease in inventories	(17,104)	-	-	-	(17,104)	-
(Increase) decrease in other assets	153,684	-	-	-	153,684	-
Increase (decrease) in customer deposits	74,838	-	-	-	74,838	-
Increase (decrease) in accounts payable	(45,558)	75,621	90,120	(12,872)	107,311	-
Increase (decrease) in other liabilities	(24,607)	-	-	-	(24,607)	-
Increase (decrease) in due to other funds	144,199	566,907	40,000	-	751,106	-
<b>Total Adjustments</b>	<b>1,999,730</b>	<b>4,329,394</b>	<b>64,045</b>	<b>8,796</b>	<b>6,401,965</b>	<b>-</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 963,886</b>	<b>\$ (1,157,238)</b>	<b>\$ 15,656</b>	<b>\$ (127,110)</b>	<b>\$ (304,806)</b>	<b>\$ (2,539)</b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

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

**A. REPORTING ENTITY**

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

Louisiana Revised Statutes, at LSA-R.S. 33:1236, give the Council various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of these are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and its drainage system; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various state and federal grants.

St. John the Baptist Parish occupies 219 square miles with a population of approximately 45,000. Council offices are located in the Parish office building at 1801 West Airline Highway, LaPlace.

As the governing authority of the Parish, for financial reporting purposes, the St. John the Baptist Parish Council is the reporting entity for St. John the Baptist Parish. Generally accepted accounting principles require the financial statements of the reporting entity to present the primary government (the Council) and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government (the Council) are financially accountable. The criteria used in determining

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2003**

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

whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability.

In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the Council's basic financial statements either as blended component units or as discretely presented component units because of the significance of its operational or financial relationship with the Council.

a. **Blended Component Units**

Criminal Court Fund: The Criminal Court Fund accounts for a portion of the annual cost of the courts. The annual revenues are derived from fines, forfeitures, court fees, etc. The Criminal Court Fund is a legally separate entity from the Council. However, the nature and significance of the relationship between the Council and the Criminal Court Fund is such that exclusion would cause the Council's financial statements to be misleading or incomplete. For this reason, this entity is reported as if it were part of the Parish's operations.

b. **Discretely Presented Component Units**

1. Community Action Agency: St. John Community Action Agency was established by the Council in 1980 to provide services to the elderly, handicapped, and economically disadvantaged citizens of St. John the Baptist Parish. These services include emergency food and shelter assistance, food distribution, utility assistance, and weatherization of qualified residences. St. John Community Action Agency is governed by a 15 member board. The Agency is considered to be fiscally dependent on the Council because its budget must be approved by the Parish Council, and it can not levy taxes or issue bonded debt without approval by the Parish Council. St. John Community Action Agency issues separate financial statements and has a year end of December 31. Complete financial statements may be obtained directly from the administrative office of St. John Community Action Agency, 128 Central Avenue- P.O. Box 2108, Reserve, Louisiana 70084.

2. Library: St. John the Baptist Parish Library was established by the parish governing authority under the provisions of the Louisiana Revised Statute (LSA-



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

R.S.) 25:211. The library provides citizens of the parish access to library materials, books, magazines, records and films. The library is governed by a board of control that is appointed by the Council. The Library is considered to be fiscally dependent on the Council because it can not levy taxes or issue bonded debt without approval by the Parish Council. St. John the Baptist Parish Library issues separate financial statements and has a year end of December 31. Complete financial statements may be obtained directly from the administrative office of St. John the Baptist Parish Library, 1334 West Airline Highway, LaPlace, Louisiana 70068.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2003**

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

are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Parish considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

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

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

The Parish reports the following major governmental funds:

The *General Fund* is the Parish's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *Roads and Bridges Fund* accounts for revenues generated from a 3/8% sales tax and some state-generated revenues, such as Parish Transportation and Department of Public

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2003**

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

Safety fees. There is also a \$.25 user fee charged on the utility bill to assist in the funding of animal control. In addition, other revenues are generated from the operations of this department, such as animal fees, grass cutting, etc.

The *Economic Development Fund* accounts for the promotion of economic growth in St. John the Baptist Parish. Revenue is generated from a 3/8% sales tax.

The *Sales Tax District Fund* accounts for the revenues derived from the 1% sales tax passed by the residents of St. John Parish for capital sewer improvements. The revenue is used to repay the annual principal and interest payments for sewer improvement bonds.

The *1992 General Obligation Sinking Fund* accounts for the payment of principal and interest on the general obligation debt of the Parish. The general obligation debt is secured by property tax levies.

The *2002 General Obligation Bond Construction Fund* was created by a 2002 bond calling to fund various capital improvements throughout the Parish.

The *Parishwide Sewer Construction Phase II Fund* was created in 1990 to fund sewer capital improvements. After the funds from the bond issues had been extinguished, the fund was kept pursuant to Council Resolution 98-28, which states that any revenues collected from the one-cent sewer sales tax in excess of \$4 million should be escrowed for future use. Funds have been transferred into this fund from the Sales Tax District on an annual basis to complete various sewer improvement projects.

The City reports the following major proprietary funds:

The *Utilities System Fund* accounts for the annual operations of the water services supplied to the residents of St. John Parish. Revenue is generated from user fees for services provided.

The *Sewerage Fund* accounts for the annual operation of the Wastewater Department. Revenue is generated from water consumption user charges on the utility bill along with charges for permits. The expenditures are the cost for the annual operations of the wastewater plants along with other costs associated with operations of this department. This department is currently being subsidized with a transfer from the Sales Tax District to meet its annual operating responsibilities.

The *Solid Waste Fund* accounts for the annual cost to provide solid waste collection services to the residents of St. John Parish. Annual revenues are generated by a user charge on the monthly utility bill.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2003**

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

Additionally, the Parish reports the following fund type:

Internal service funds account for minor workers compensation claims involving St. John the Baptist Parish. Various departments transfer funds into this fund to cover these minor claims.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Parish has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utilities System, Sewerage, Solid Waste and Mosquito Abatement Funds and of the Parish's internal services funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Parish's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. BUDGETARY ACCOUNTING**

Formal budgetary accounting is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Enterprise Funds. Budgets for the General, Special Revenue and Capital Projects Funds are adopted on the modified accrual basis of accounting. Enterprise Fund budgets are adopted on the accrual basis of accounting. Other funds are administratively budgeted for management use only.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

The level of budgetary control is at the fund/department level and expenditures may not exceed budgeted appropriations. Appropriations which are not expended lapse at year end.

Once a budget is approved by the Parish Council, management is authorized to transfer amounts between line items within a department. However, management cannot transfer appropriations between departments without the approval of the Parish Council. If it becomes evident that receipts or disbursements will vary substantially from those budgeted, then the Council shall prepare and adopt an amended budget. During the year, several discretionary amendments were necessary. Generally, such discretionary amendments were of an insignificant nature.

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

**E. ENCUMBRANCES**

The Council does not use an encumbrance accounting system.

**F. CASH, AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. For purposes of the statement of cash flows, the Enterprise Funds consider these same items to be cash.

Louisiana Revised Statutes, at LSA-R.S. 33:2955, authorize the Council to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government; (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities; (3) direct security repurchase agreements of any federal book-entry-only securities; (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations; (5) in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies; or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana.

These investments are reported at fair value in accordance with Government Accounting Standards Board ("GASB") Statement No. 31. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities.

Cash and cash equivalents are stated at cost, which approximates market. State Law R.S. 39:1225 provides that the amount of the pledged securities shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

Investments consist of LAMP with original maturities of one year or less, and are stated at amortized cost, which approximates fair value.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**H. ADVANCES TO OTHER FUNDS**

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

**I. INVENTORIES**

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

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

**J. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**K. RESTRICTED ASSETS**

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

**L. CAPITAL ASSETS**

Capital assets, which include land, buildings, and building improvements, vehicles, furniture fixtures and equipment, and infrastructure assets (streets, roads, canals, water and sewer systems and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Parish as assets with an initial, individual cost of more than \$100 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

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

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

Depreciation on all capital assets, excluding land and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and Building Improvements	40
Street System	20 to 40
Drainage System	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Systems - Water and Sewer	10 to 50

**M. COMPENSATED ABSENCES**

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

Employees earn from 5 to 20 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year earned and cannot be accumulated. Also, employees earn 6 to 18 days of sick leave per year which can be accumulated and is paid only upon retirement. Upon retirement, all employees are paid for the total unused sick days at the regular hourly rate up to a maximum of 90 days. All accumulated unused and unpaid sick leave days in excess of 90 days are forwarded to the retirement system for conversion upon application for normal retirement.

All sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The accumulation of sick leave is nominal at December 31, 2003, therefore, a liability for compensated absences due employees has not been included in the basic financial statements.

**N. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**O. FUND EQUITY**

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a special purpose. Designations of fund balance represent tentative management plans that are subject to change.

**P. BOND ISSUANCE COSTS**

Bond issuance expense and bond discounts incurred as a result of the issuance of revenue bonds are amortized in proportion to the debt service on the revenue bonds. Bond issuance costs are capitalized and amortized over the lives of the underlying bond issues at a rate corresponding to the percentage of current year debt service to total debt service. At December 31, 2003, the Utilities Fund had \$143,711 of unamortized bond issuance costs. Amortization expense for the year ended December 31, 2003 was \$9,973.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

**Q. 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.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**R. SALES TAXES**

The St. John the Baptist Parish School Board, a separate entity, collects four and one-half percent in sales and use tax. The sales and use tax is collected by the Sales Tax Department of the School Board. Two percent of the taxes collected are remitted to the Parish Council. One-quarter percent of the taxes collected are remitted to the Sheriff's Department. The School Board's costs of collecting the funds are shared proportionally by the Parish Council, Sheriff's Department and the School Board.

**S. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

**T. ADOPTION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended December 31, 2003, the Parish implemented the following GASB Standards:

*Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

*Statement No. 37 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*

*Statement No. 38 - Certain Financial Statement Note Disclosures*

*Interpretation No. 6 - Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budget

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

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

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

Expenditures In Excess of Appropriations

The following funds had expenditures in excess of appropriations for the year ended December 31, 2003:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<b>General Fund</b>	\$ 4,983,389	\$ 5,047,109	\$ (63,720)
<b>Special Revenue Funds</b>			
Criminal Court	1,074,638	1,080,640	(6,002)
Economic Development	547,655	557,007	(9,352)
Communications District	198,323	201,914	(3,591)
<b>Capital Project Funds</b>			
1990 Parishwide Sewer Construction Phase II	3,646,921	3,666,597	(19,676)
Drainage Construction	228,897	229,433	(536)

Expenditures exceeded appropriations due to the accrual of expenditures subsequent to year end for each of the above funds.

Deficit Fund Balances /Net Assets

The following funds had deficits in fund balance /net assets at December 31, 2003:

<u>Special Revenue Fund</u>	
Criminal Court Fund	<u>\$ (178,890)</u>

The deficit fund balance in the Criminal Court Fund is the result of increasing mandated court costs. The Parish is consulting with the 40<sup>th</sup> Judicial District Judges and the District Attorney to review this fund.

**NOTE 3 - AD VALOREM TAX**

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

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 3 - AD VALOREM TAX (CONTINUED)**

The following is a summary of authorized and levied ad valorem taxes for the year:

<u>Parishwide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide	4.20	4.20	Permanent
Courthouse and Jail	1.03	1.03	12/31/05
Library	9.90	9.90	12/31/07
Public Health	0.99	0.99	12/31/07
Buildings, Drainage and Roads	8.00	8.00	03/01/22
Buildings, Drainage and Roads	4.50	4.50	03/01/22
Road Lighting District No.1	4.94	4.94	12/31/07
2002 Refunding Bonds	1.20	1.20	03/01/08
Mosquito Abatement District	0.49	0.49	12/31/08
Juvenile Detention Center	1.00	1.00	12/31/09
Public Buildings	0.50	0.50	12/31/07
Public Buildings ARC Maintenance	1.00	1.00	12/31/12
Senior Citizen Center	0.99	0.99	12/31/03
Drainage Works and Building Improvements	0.60	0.60	12/31/18
Public Buildings, ARC Center	0.20	0.20	12/31/08
Sewer System	1.00	1.00	12/31/04

**NOTE 4 - SALES AND USE TAX**

The Parish levies a 4.5 % sales and use tax. The Parish and the St. John the Baptist Parish School Board have entered into an agreement under which the School Board collects the Parish's sales and use taxes for a stipulated fee. The School Board remits two percent of the taxes collected to the Parish on a monthly basis. Sales and use tax revenue recognized in 2003 totaled \$9,939,608.

**NOTE 5 - CASH AND CASH EQUIVALENTS**

At December 31, 2003, the Council has cash and cash equivalents (book balances) totaling \$27,959,384 of which \$25,774,019 is unrestricted and \$2,185,365 is restricted. Restricted cash is included with restricted assets on the combined balance sheet. In the enterprise funds, restricted cash equals \$2,185,365 and unrestricted cash equals \$534,220 for total cash of \$2,719,585, which is presented as total cash in the statement of cash flows.

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

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 5 - CASH AND CASH EQUIVALENTS (CONTINUED)**

At December 31, 2003, the Council has \$28,285,818 in deposits (collected bank balances) which is secured from risk by \$132,364 of federal deposit insurance and \$28,153,454 of pledged securities held by the federal reserve bank in the name of the fiscal agent bank and the Parish (GASB Category 1).

**NOTE 6 - INVESTMENTS**

Investments consist of obligations of the United States Treasury, all of which were purchased with original maturities of one year or less. These investments are stated at amortized cost, which approximates fair value net of unrealized gain/loss in accordance with Government Accounting Standards Board Statement (GASBS) No 31, "Accounting and Financial Reporting For Certain Investments and For External Investment Pools."

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

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

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

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

Investments held at December 31, 2003 consist of \$105,703 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at December 31, 2003 is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 6 - INVESTMENTS (CONTINUED)**

Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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

Investments not subject to categorization:

Louisiana Asset Management Pool	<u>\$105,703</u>
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ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2003 for the Parish's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Sales Tax District	Economic Development	Roads and Bridges	1992 G.O. Sinking	Parishwide Sewer Construct. Phase II	Utilities System	Sewerage	Solid Waste	Nonmajor Funds	Total
Taxes:											
Ad Valorem	\$ 875,850	\$ -	\$ -	\$ -	\$ 2,679,463	\$ -	\$ -	\$ -	\$ -	\$ 1,569,310	\$ 5,124,623
Sales & Use	-	800,476	360,644	360,644	-	-	-	-	-	240,433	1,762,197
Intergovernmental:											
Federal	280,300	-	-	59,317	-	-	-	-	-	13,922	353,539
State	41,460	-	-	68,324	-	-	-	-	-	84,181	193,965
Accounts receivable	209,988	-	75,387	-	-	29,100	1,768,966	216,287	81,550	123,702	2,504,980
Other receivables	94,036	-	895,000	3,726	-	-	-	-	-	-	992,762
Gross receivables	1,501,634	800,476	1,331,031	492,011	2,679,463	29,100	1,768,966	216,287	81,550	2,031,548	10,932,066
Less: Allowance for estimated uncollectibles	(26,276)	-	-	-	(80,384)	-	(22,737)	(28,734)	(2,447)	(25,159)	(185,737)
Net receivables	\$1,475,358	\$800,476	\$1,331,031	\$492,011	\$2,599,079	\$29,100	\$1,746,229	\$187,553	\$79,103	\$2,006,389	\$10,746,329



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 7 - RECEIVABLES (CONTINUED)**

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at December 31, 2003, consists of the following:

General Fund	<u>\$ 26,276</u>
Special Revenue Funds:	
Street Lights	\$ 24,600
Ambulance Fund	<u>253</u>
	<u>\$ 24,853</u>
Debt Service Fund:	
General Obligation Bond Series 1992	<u>\$ 80,384</u>
Enterprise Funds:	
Sewer District 1B	\$ 28,734
Solid Waste	2,447
Utilities System	22,737
Mosquito Abatement	<u>306</u>
	<u>\$ 54,224</u>
Total allowance for uncollectible accounts	<u>\$ 185,737</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2003 was as follows:

	December 31, 2002, <u>As Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>December 31, 2003</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,914,679	\$ -	\$ -	\$ -	\$ 2,914,679
Construction-in-progress	<u>3,438,924</u>	<u>3,875,017</u>	<u>(3,467,597)</u>	<u>-</u>	<u>3,846,344</u>
Total capital assets not being depreciated	<u>6,353,603</u>	<u>3,875,017</u>	<u>(3,467,597)</u>	<u>-</u>	<u>6,761,023</u>
Capital assets being depreciated:					
Buildings and building improvements	5,897,933	53,966	-	-	5,951,899
Street system	24,335,579	-	-	-	24,335,579
Drainage system	4,967,637	-	-	-	4,967,637
Furniture, Fixtures and Equipment	4,057,286	81,049	-	-	4,138,335
Vehicles	<u>4,851,843</u>	<u>-</u>	<u>(28,857)</u>	<u>-</u>	<u>4,822,986</u>
Total capital assets being depreciated	<u>44,110,278</u>	<u>135,015</u>	<u>(28,857)</u>	<u>-</u>	<u>44,216,436</u>
Less accumulated depreciation for:					
Buildings and building improvements	2,647,736	141,673	-	-	2,789,409
Street system	13,147,892	621,934	-	-	13,769,826
Drainage system	4,418,135	189,561	-	-	4,607,696
Furniture, fixtures and equipment	3,031,799	261,266	-	-	3,293,065
Vehicles	<u>3,906,333</u>	<u>193,266</u>	<u>(28,857)</u>	<u>-</u>	<u>4,070,742</u>
Total accumulated depreciation	<u>27,151,895</u>	<u>1,407,700</u>	<u>(28,857)</u>	<u>-</u>	<u>28,530,738</u>
Total capital assets being depreciated, net	<u>16,958,383</u>	<u>(1,272,685)</u>	<u>-</u>	<u>-</u>	<u>15,685,698</u>
Governmental activities capital assets, net	<u>\$ 23,311,986</u>	<u>\$ 2,602,332</u>	<u>\$ (3,467,597)</u>	<u>\$ -</u>	<u>\$ 22,446,721</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

	December 31, 2002, <u>As Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>December 31, 2003</u>
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,678,616	\$ -	\$ -	\$ -	\$ 1,678,616
Construction-in-progress	<u>5,169,930</u>	<u>-</u>	<u>-</u>	<u>(5,169,930)</u>	<u>-</u>
Total capital assets not being depreciated	<u>6,848,546</u>	<u>-</u>	<u>-</u>	<u>(5,169,930)</u>	<u>1,678,616</u>
Capital assets being depreciated:					
Buildings and building improvements					
	873,547	5,000	-	5,156,490	6,035,037
Systems - water and sewer	146,481,308	3,752,222	-	13,440	150,246,970
Furniture, fixtures and equipment	1,536,369	50,441	-	-	1,586,810
Vehicles	<u>990,330</u>	<u>-</u>	<u>(74,261)</u>	<u>-</u>	<u>916,069</u>
Total capital assets being depreciated	<u>149,881,554</u>	<u>3,807,663</u>	<u>(74,261)</u>	<u>5,169,930</u>	<u>158,784,886</u>
Less accumulated depreciation for:					
Buildings and building Improvements					
	322,423	121,062	-	-	443,485
Systems - water and sewer	71,583,873	5,492,087	-	-	77,075,960
Furniture, fixtures and equipment	862,937	177,500	-	-	1,040,437
Vehicles	<u>746,626</u>	<u>110,654</u>	<u>(74,261)</u>	<u>-</u>	<u>783,019</u>
Total accumulated depreciation	<u>73,515,859</u>	<u>5,901,303</u>	<u>(74,261)</u>	<u>-</u>	<u>79,342,901</u>
Total capital assets being depreciated, net	<u>76,365,695</u>	<u>(2,093,640)</u>	<u>-</u>	<u>5,169,930</u>	<u>79,441,985</u>
Business-type activities capital assets, net	<u>\$ 83,214,241</u>	<u>\$ (2,093,640)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,120,601</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

Depreciation expense was charged to functions/programs of the Parish as follows:

<b>Governmental activities:</b>	
General government	\$ 295,003
Public Safety	166,054
Public works	464,467
Health and welfare	69,601
Economic Development	76,267
Transportation	<u>346,676</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 1,418,068</u></b>
<b>Business-type activities:</b>	
Solid Waste	\$ 10,156
Utilities Operations	1,715,202
Mosquito Operations	31,741
Sewerage Operations	<u>4,118,032</u>
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 5,875,131</u></b>

Construction in progress is comprised of the following:

	<u>Project Contract Authorization</u>	<u>Expended to Dec. 31, 2003</u>	<u>Committed Financing</u>	<u>Required Financing</u>
<b>Governmental Activities:</b>				
<b>Drainage Construction Fund</b>				
Castle Dr. Sewer Evaluation	\$ 200,000	\$ 23,665	\$ 176,335	\$ 176,335
Reserve Relief Construction	400,000	153,980	246,020	246,020
Drainage Construction	1,374,488	1,174,488	200,000	200,000
LaPlace Park Construction	1,130,000	895,559	234,441	234,441
Construction Skips PH II	500,000	308,102	191,898	191,898
Sewer Regionalization	<u>1,500,000</u>	<u>1,290,550</u>	<u>209,450</u>	<u>209,450</u>
<b>TOTAL CONSTRUCTION IN PROGRESS</b>	<b><u>\$5,104,488</u></b>	<b><u>\$3,846,344</u></b>	<b><u>\$1,258,144</u></b>	<b><u>\$1,258,144</u></b>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 9 - PENSION PLAN**

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, Members are required by statute to contribute 9.5 percent of their annual covered salary and the St. John the Baptist Parish Council is required to contribute at an actuarially determined rate. Effective January 1, 1997, the current employer contribution rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the St. John the Baptist Parish Council are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

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

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

	December 31		
	2001	2002	2003
Employer required contribution rate	7.75%	7.75%	7.75%
Covered payroll	\$ 5,116,652	\$ 5,981,890	\$ 6,269,576
Required employer contributions	\$ 396,541	\$ 384,575	\$ 411,119
Parish contributions	\$ 396,541	\$ 384,575	\$ 411,119

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

The St. John the Baptist Parish Council provides certain continuing health care and life insurance benefits for its employees. Substantially all of the Council's employees become eligible for these benefits if they reach normal retirement age while working for the Council. Life insurance benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the Council. Health care benefits for retirees and employees were provided through the Parish's self-insured health care program for the period June 1, 1999 through May 31, 2000. Beginning June 1, 2000, health care benefits are provided through an insurance company. The Council pays benefits for retirees in full. The Council recognizes the cost of providing these benefits as expenditures when paid during the year. At December 31, 2003, sixty-one retirees were eligible and receiving such health care benefits. Total premiums paid by the Parish on behalf of retirees for health care and life insurance benefits amounted to approximately \$407,922 for the year ended December 31, 2003.

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003

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

The following is a summary of accounts, contracts, salaries, and other payables as of December 31, 2003.

Class of Payable	General Fund	Economic Development	Roads and Bridges	2002			Sewerage	Solid Waste	Nonmajor Funds	Total
				Parishwide Sewer Construction Phase II	General Obligation Bond Construction	Utilities System				
Salaries	\$ 24,535	\$ -	\$ 45,975	\$ -	\$ -	\$ 42,609	\$ 59,257	\$ -	\$ 172,376	
Withholdings	71,885	1,297	65,614	-	-	55,171	80,155	-	274,122	
Contracts		-	58,855	30,810	164,899	-	-	114,891	369,455	
Accounts	444,331	14,225	152,226	238,575	367,167	205,762	242,550	640,457	2,722,768	
Other	1,257	-	-	-	-	188,603	-	-	189,860	
<b>Total</b>	<b>\$ 542,008</b>	<b>\$ 15,522</b>	<b>\$322,670</b>	<b>\$ 269,385</b>	<b>\$ 532,066</b>	<b>\$492,145</b>	<b>\$ 381,962</b>	<b>\$ 417,475</b>	<b>\$ 755,348</b>	<b>\$3,728,581</b>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 12 - CAPITAL LEASES**

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements.

The following is a schedule of capital lease obligations at December 31, 2003:

<u>Description</u>	<u>Capitalizable Amount</u>	<u>Interest Rate</u>	<u>Termination Date</u>	<u>Principal Balance</u>	<u>Interest to Maturity</u>
<b>Governmental Funds:</b>					
Motorola Radios	\$ 202,420	6.45%	01/01/07	\$ 100,447	\$ 10,588
LaPlace Rescue Pumps	529,996	6.79	02/22/08	402,536	85,581
Reserve Pumper Truck	229,448	5.55	02/11/08	122,610	21,149
Reserve Rescue Truck	179,265	6.40	11/15/04	27,346	1,033
Garyville Emergency Truck	229,240	5.52	04/01/07	99,214	14,059
Westbank Rescue Truck	190,665	6.00	11/15/06	69,519	6,962
Public Works					
Caterpillar	192,019	4.55	07/23/05	115,176	4,865
Street Sweeper	<u>154,265</u>	4.90	02/21/06	<u>86,875</u>	<u>4,316</u>
Subtotal	<u>1,907,318</u>			<u>1,023,723</u>	<u>148,553</u>
<b>Proprietary Funds:</b>					
<b>Sewerage Enterprise Fund:</b>					
Backhoe Loader	36,064	6.90	01/11/04	1,260	7
<b>Utilities System Enterprise Fund:</b>					
Backhoe Loader	<u>41,064</u>	6.90	01/11/04	<u>1,107</u>	<u>-</u>
Subtotal	<u>77,128</u>			<u>2,367</u>	<u>7</u>
Total Leases Payable	<u>\$ 1,984,446</u>			<u>\$ 1,026,090</u>	<u>\$ 148,560</u>



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 12 - CAPITAL LEASES (CONTINUED)**

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 2003:

<u>Year Ended</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
2004	\$ 355,260	\$ 2,374
2005	309,732	-
2006	223,213	-
2007	157,695	-
2008	<u>126,376</u>	<u>-</u>
 Total Minimum Lease Payments	 1,172,276	 2,374
 Less: Amounts Representing Interest	 <u>(148,553)</u>	 <u>(7)</u>
 Present Value of Net Minimum Lease Payments	 <u>\$1,023,723</u>	 <u>\$ 2,367</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 13 - LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the Parish for the year ended December 31, 2003:

	<u>Balance 1/1/2003</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>(Discount)/ Premium</u>	<u>Balance 12/31/2003</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>						
General Obligation Bonds	\$15,015,000	\$11,365,000	\$ 925,000	\$ -	\$25,455,000	\$ 1,165,000
Certificates of Indebtedness	1,725,000	-	245,000	-	1,480,000	255,000
Public Improvement Bonds	23,200,000	-	1,480,000	37,055	21,757,055	1,550,000
Sales Tax Bonds	-	330,000	-	-	330,000	25,000
Capital Lease Obligations	1,317,675	-	293,952	-	1,023,723	298,429
Promissory Notes	200	-	-	-	200	-
<b>Total Governmental Activities</b>	<u>41,257,875</u>	<u>11,695,000</u>	<u>2,943,952</u>	<u>37,055</u>	<u>50,045,978</u>	<u>3,293,429</u>
<b>Business-Type Activities</b>						
Revenue Bonds	8,737,320	-	250,459	(143,711)	8,343,150	266,993
Capital Lease Obligations	28,673	-	26,306	-	2,367	2,367
<b>Total Business-Type Activities</b>	<u>8,765,993</u>	<u>-</u>	<u>276,765</u>	<u>(143,711)</u>	<u>8,345,517</u>	<u>269,360</u>
<b>Total Governmental and Business-Type Activities</b>	<u>\$ 50,023,868</u>	<u>\$11,695,000</u>	<u>\$ 3,220,717</u>	<u>\$(106,656)</u>	<u>\$58,391,495</u>	<u>\$ 3,562,789</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 13 - LONG-TERM DEBT (CONTINUED)**

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

Bond Type	Date of Issuance	Authorized and Issued	Interest Rate %	Maturity Date	Principal Outstanding	Interest to Maturity
<b>Government Activities:</b>						
<u>Public Improvement Bonds</u>						
Public Improvement Bonds, Series ST-1993	04/01/93	\$ 1,400,000	7.0-10.0	01/01/13	\$ 875,000	\$ 384,420
Public Improvement Bonds, Series ST-1994	10/01/94	500,000	5.5-10.0	01/01/14	340,000	123,755
Public Improvement Bonds, Series ST-1995	07/01/95	800,000	5.3-10.0	01/01/15	680,000	320,884
Public Improvement Refunding Bonds-1996	12/01/96	6,800,000	3.9-5.6	12/01/14	5,095,000	1,720,029
Public Improvement Bonds ST-1996	10/01/96	2,700,000	5.1-5.5	12/01/14	1,955,000	694,140
Public Improvement Refunding Bonds, Series ST-1999	12/01/99	14,925,000	4.375-5.5	01/01/14	11,980,000	4,040,786
Public Improvement Refunding Bonds, Series ST-1999 (Economic Development)	04/01/99	805,000	3.75-4.5	01/01/10	520,000	71,664
Public Improvement Bonds ST-2002 (Economic Development)	03/01/02	330,000	2.50-8.0	01/01/12	275,000	97,336
<b>Total Public Improvement Bonds</b>					<b>\$ 21,720,000</b>	<b>\$ 7,453,014</b>
<u>General Obligation Bonds</u>						
Parishwide Sewerage-1979 [1]	09/01/79	1,700,000	6.1-6.75	03/01/04	\$ 135,000	\$ 4,320
General Obligation Bonds - Series 1993 [1]	08/01/93	500,000	3.95-9.0	08/01/08	225,000	36,480
General Obligation Bonds - Series 1998A [1]	03/01/98	6,000,000	5.0	03/01/18	5,005,000	2,009,227
General Obligation Bonds - Series 1998B [1]	03/01/98	1,200,000	5.0	03/01/18	1,005,000	425,666
General Obligation Refunding Bonds - Series 2002 [1]	02/28/02	1,525,000	0.10-6.0	03/01/08	1,280,000	142,282
General Obligation Bonds - Series 2002 [1]	06/01/02	6,635,000	4.20-7.0	03/01/12	6,440,000	3,328,043
General Obligation Bonds - Series 2003 [1]	02/01/03	11,365,000	5.0	02/01/13	11,365,000	6,040,502
<b>Total General Obligation Bonds</b>					<b>\$ 25,455,000</b>	<b>\$ 11,986,520</b>
<u>Certificates of Indebtedness</u>						
Certificate of Indebtedness-1994	02/22/94	350,000	5.5	03/01/04	\$ 45,000	\$ 1,238
Certificate of Indebtedness-2002	01/09/02	1,840,000	3.65	04/01/09	1,435,000	164,708
<b>Total Certificates of Indebtedness</b>					<b>\$ 1,480,000</b>	<b>\$ 165,946</b>
<u>Sales Tax Bonds</u>						
Series 2003	02/01/03	330,000	4.0	02/01/13	\$ 330,000	\$ 77,498
<b>Total Bonds and Certificates of Indebtedness</b>					<b>\$ 48,985,000</b>	<b>\$ 19,682,978</b>
<b>Business-type Activities:</b>						
<u>Revenue Bonds</u>						
Water Revenue Refunding Series 1997A Tax-exempt bonds	10/01/97	356,000	5.75	12/01/14	\$ 269,000	\$ 101,949
Water Revenue Refunding Series 1997B Taxable bonds	10/01/97	2,445,000	8.00	12/01/11	1,710,000	671,200
Water Revenue Utility Bonds Series 1998	6/1/98	3,500,000	5.125	06/01/28	3,062,861	2,198,358
Water Revenue Utility Bonds Series 1999	11/1/99	3,500,000	4.20-5.75	12/01/19	3,445,000	2,421,990
<b>Total Revenue Bonds</b>					<b>\$ 8,486,861</b>	<b>\$ 5,393,497</b>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 13 - LONG-TERM DEBT (CONTINUED)**

The annual requirements to maturity for water revenue bonds as of December 31, 2003 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 266,993	\$ 501,350
2005	285,786	483,032
2006	308,772	463,306
2007	327,963	442,090
2008	352,368	419,440
2009-2028	<u>6,944,979</u>	<u>3,084,279</u>
	<u>\$8,486,861</u>	<u>\$5,393,497</u>

The annual requirements to maturity for general obligation bonds as of December 31, 2003 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,165,000	\$ 1,203,811
2005	1,210,000	1,109,901
2006	1,275,000	1,056,443
2007	1,335,000	992,247
2008	1,290,000	928,454
2009-2028	<u>19,180,000</u>	<u>6,695,664</u>
	<u>\$ 25,455,000</u>	<u>\$ 11,986,520</u>

The annual requirements to maturity for sales tax bonds as of December 31, 2003 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 25,000	\$ 12,922
2005	30,000	11,986
2006	30,000	10,860
2007	30,000	9,736
2008	30,000	8,610
2009-2013	<u>185,000</u>	<u>23,384</u>
	<u>\$ 330,000</u>	<u>\$ 77,498</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 13 - LONG-TERM DEBT (CONTINUED)**

The annual requirements to maturity for certificates of indebtedness as of December 31, 2003 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 255,000	\$ 49,783
2005	220,000	40,698
2006	235,000	32,394
2007	245,000	23,634
2008	255,000	14,509
2009-2028	<u>270,000</u>	<u>4,928</u>
	<u>\$1,480,000</u>	<u>\$ 165,946</u>

The annual requirements to maturity for public improvement bonds as of December 31, 2003 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,550,000	\$ 1,147,564
2005	1,625,000	1,068,482
2006	1,725,000	984,425
2007	1,805,000	898,519
2008	1,905,000	808,106
2009-2028	<u>13,110,000</u>	<u>2,545,918</u>
	<u>\$ 21,720,000</u>	<u>\$ 7,453,014</u>

General Obligation Bonds, totaling \$25,455,000 are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the Council is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of property in the Parish. The statute also states the Parish is restricted from incurring long-term bonded debt in excess of 10 percent of assessed value for any one purpose. The statutory debt limit for the Parish is reported in the Statistical Section of the Parish's comprehensive annual financial report. The total indebtedness secured by ad valorem taxes totaled \$25,455,000.

The government-wide financial statements do not include any of the Pollution Control Revenue Bonds or Industrial Revenue Bonds issued by the industrial districts of St. John the Baptist Parish. Obligations of the industrial districts are payable solely from the income and revenues derived from the industrial districts. Although the name of the Council appears on the face of the bonds,

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 13 - LONG-TERM DEBT (CONTINUED)**

the Council has not guaranteed payment of those bonds in the event of default by the issuing authority.

According to the terms of the bond indenture agreements, the St. John the Baptist Parish Utilities System Enterprise Fund must provide net revenues in each year at least equal to 130 percent of the principal and interest requirements in that year. For the year ended December 31, 2003, the net revenues before depreciation was greater than 130 percent of the debt service requirements, thus, the bond debt service coverage factor was met.

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

There are a number of limitations and restrictions contained in the various bond indentures. The Parish is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

**Defeasance of Debts**

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

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

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

In April 1999, the Council defeased \$745,000 of outstanding Economic Development Public Improvement Refunding Bonds, Series ST-1990 by placing the proceeds of Public Improvement Refunding Bonds, Series ST-1999 in an irrevocable trust to provide for all future debt service payments of the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

In December 1999, the Council defeased \$14,925,000 in Public Improvement Refunding Bonds, Series ST-1989 by placing the proceeds of Public Improvement Refunding Bonds, Series St-1999 in an irrevocable trust to provide for all future debt service payments of the defeased bonds.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 13 - LONG-TERM DEBT (CONTINUED)**

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

In February 2002, the Council defeased \$1,500,000 of General Obligation Refunding Bonds, Series 1992 by placing the proceeds of General Obligation Refunding Bonds, Series 2002 in an irrevocable trust to provide for all future debt service payments of the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

At December 31, 2003, \$18,390,000 of bonds outstanding is considered defeased.

In December 1997, the Council defeased \$875,000 of Water and Gas Series 1971 Serial Bonds, \$70,000 of Water and Gas Series 1973 Serial Bonds, \$12,000 of Water and Gas Series 1978 Serial Bonds, and \$3,980,000 of Water and Gas Series 1993 Serial Bonds by placing the proceeds from the sale of the natural gas system along with a portion of the proceeds from the issuance of St. John Utility Revenue Bonds Series 1997A and 1997B in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Utilities System's financial statements.

At December 31, 2003, \$3,113,000 of water and gas bonds outstanding is considered defeased.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 14 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2003, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utilities System	\$ 11,854
	Economic Development	9,986
	Nonmajor Governmental Funds	43,056
Sales Tax District	General Fund	300,000
	Solid Waste	60,000
	Nonmajor Governmental Funds	600,000
Economic Development	General Fund	250,000
	Nonmajor Governmental Funds	8,100
Roads and Bridges	Utilities System	10,394
	Sewerage	4,426
	Nonmajor Governmental Funds	9,766
Parishwide Sewer Construction Phase II 2002 General Obligation Bond Construction	Sales Tax District	200,000
	General Fund	253,047
	Nonmajor Governmental Funds	537
Utilities System	Solid Waste	40,000
	General Fund	2,468
	Roads and Bridges	1,669
	Nonmajor Governmental Funds	52,526
Sewerage	Solid Waste	30,000
	Sales Tax District	400,000
	Nonmajor Governmental Funds	871,712
Solid Waste	Utilities System	629,484
Nonmajor Governmental Funds	Utilities System	60,512
	General Fund	1,544
	Nonmajor Governmental Funds	4,935
	General Fund	19,280
Nonmajor Proprietary Fund	Utilities System	<u>72,126</u>
		<u>\$ 3,947,422</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the Parish's operations.



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 14 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS  
(CONTINUED)**

A summary of interfund transfers at December 31, 2003, are as follows:

	Transfer In:						Total
	General Fund	Economic Development	Roads and Bridges	Parishwide Sewerage	Sewerage	Nonmajor & Internal Service Funds	
<b>Transfer Out:</b>							
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ 1,600
Sales Tax District	113,711	-	600,000	2,700,000	1,310,000	2,299,575	7,023,286
Economic Development	1,135,000	-	-	-	-	657,432	1,792,432
Roads & Bridges	167,350	-	-	-	-	1,600	168,950
Utilities System	-	-	-	-	-	75,420	75,420
Sewerage	50,000	-	-	-	-	1,600	51,600
Nonmajor Governmental Funds	307,617	8,100	-	-	-	3,811	319,528
Nonmajor Proprietary Funds	15,000	-	-	-	-	-	15,000
<b>Total</b>	<b>\$1,788,678</b>	<b>\$ 8,100</b>	<b>\$ 600,000</b>	<b>\$ 2,700,000</b>	<b>\$ 1,310,000</b>	<b>\$3,041,038</b>	<b>\$9,447,816</b>

Transfers are primarily used to move funds from:

- The Sales Tax District to other funds in connection with the operations, capital improvements and maintenance of the sewer district.
- The Economic Development Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All other transfers are also in accordance with budgetary authorizations.

**NOTE 15 - CRIMINAL COURT FUND**

Louisiana Revised Statutes, at LSA-R.S. 15:571.11 requires that one-half of any surplus remaining in the Criminal Court Fund at year-end shall be transmitted to the Parish's General Fund. At December 31, 2003, there was no surplus in the Criminal Court Fund.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2003**

**NOTE 16 - COMMITMENTS AND CONTINGENCIES**

Litigation

The Parish is a named defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, assessments, and construction claims. The Parish Attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Parish and to arrive at an estimate, if any, of the amount or range of potential loss to the Parish. As a result of such review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies as defined in GASB Codification C50. The Parish's "reasonably possible" loss contingencies at December 31, 2003 for which an amount of liability can be estimated, approximates \$140,000 and is not reflected in these financial statements. Legal counsel's opinion on the ultimate resolution of these matters is that little or no loss to the Parish Council should be incurred.

Federally Assisted Programs

The Parish receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

Debt

In March 1998, the St. John the Baptist Parish Council issued Certificates of Indebtedness, Series 1998 in the amount of \$2,925,000 for the purpose of constructing public libraries in the Parish, as set out in Proposition No. 1 approved by the voters on January 17, 1998. The Certificates are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Parish from the levy and collection of a special ten (10) mills tax authorized to be levied each of the years 1998 through 2007, inclusive, on all the property subject to taxation within the corporate boundaries of the Parish pursuant to an election held on January 17, 1998.

The debt and related ad valorem tax revenues are recorded in the financial statements of St. John the Baptist Parish Library, a component unit of St. John the Baptist Parish Council. However, the Certificates of Indebtedness, Series 1998 is a direct obligation of the Parish Council, as issuer of the Certificates.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 17 - RESERVED FUND BALANCES AND RETAINED EARNINGS**

The nature and purpose of the reserves of fund balances and retained earnings as presented in the fund financial statements are as follows:

Fund balances - Reserved for debt service

Fund balance available to pay the principal balances of the Parish's general long-term obligations.

Fund balances - Reserved for capital projects

Unexpended funds remaining in a departmental budget dedicated for capital projects to be performed in future years.

Fund balances - Reserved for operations, capital improvements and maintenance of sewer district

Excess sales tax received by the sales tax district for the one-cent sewer tax.

Retained earnings - Reserved for bond retirement and capital additions

Retained earnings restricted to paying principal and interest in the Sewer Fund and Utilities System Enterprise Fund as well as expenditures for capital projects or emergency repairs performed in future years for these funds.

**NOTE 18 - PAYABLE FROM RESTRICTED ASSETS**

A summary of enterprise funds' payable from restricted assets by account follows:

	<u>Utilities System</u>	<u>Sewerage</u>
Customer deposits	\$1,057,218	\$ -
Current portion of bonds payable	266,993	-
Accrued interest payable	122,451	-
Capital leases	<u>1,107</u>	<u>1,260</u>
Total	<u>\$1,447,769</u>	<u>\$ 1,260</u>

**NOTE 19 - RISK MANAGEMENT**

The Parish is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The more significant insurance coverages include water and sewerage commercial general liability, workers' compensation, business auto and commercial property.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 20 - WIRELESS EMERGENCY 911 SERVICE CHARGE (UNAUDITED)**

Act 1029 of 1999 amends and reenacts Louisiana Revised Statutes (R.S.) 33:9101 through 9131 relative to communication districts. The act authorizes the governing authority of a communication district to levy an emergency telephone service charge on certain wireless communication systems to pay the costs of implementing FCC ordered enhancements to Emergency 911 systems.

In July 2000, the Council passed Ordinance MM-28 which authorized a levy on Commercial Mobile Radio Service ("CMRS") users of 85¢ per month per wireless CMRS service connection. As of December 31, 2003, the Parish had entered into Cooperative Endeavor Agreements or Non-Disclosure Agreements provided for by Act 1029 with five CMRS service suppliers. During the year-ended December 31, 2003, the Parish derived \$193,417 in revenues from the service charge. The Parish entered into a capital lease for equipment needed to implement the service enhancements for Phase I contemplated by the FCC. Principal and interest payments on the lease amounted to \$31,011 during the year-ended December 31, 2003. The Parish is still negotiating with other CMRS service suppliers to complete Phase I.

**NOTE 21 - SUBSEQUENT EVENTS**

In April 2004, the Council passed a resolution to place on the July 17, 2004 ballot, an upcoming special election, a vote by the Parish residents to allow the Council to issue \$9,500,000 of General Obligation Bonds, Water Systems Improvements Bonds. The bonds will be used to acquire and construct additions and improvements to the waterworks systems throughout the Parish.

Effective January 2004, the Parish began collecting a ¼% sales tax which was approved by the voters in May 2003 to convert the Parish's volunteer fire departments into partially paid departments.

**NOTE 22 -SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS**

Financial reporting standards require footnote disclosure on discretely presented component units considering both the unit's significance relative to the total discretely presented component units and the nature and significance of the unit's relationship to the primary government (the Parish). As such, the following disclosures are presented.

**A. CASH**

Component units' deposits at year end are categorized below to give an indication of the level of risk assumed by the component units at their respective year ends. The categories of credit risk are as follows:

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

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 22 -SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

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

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the component unit's name.

Year-end bank balances and carrying amounts for component units are as follows:

	<u>Category</u>	<u>Total Bank Balance</u>	<u>Total Carrying Amount</u>
Community Action	1	\$ 6,861	\$ 3,544
Library	3	<u>485,276</u>	<u>444,908</u>
		<u>\$ 492,137</u>	<u>\$ 448,452</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The \$485,276 of bank balance for the Library consisted of \$100,000 secured by federal deposit insurance and \$385,276 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 22 -SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT  
UNITS (CONTINUED)**

**B. CAPITAL ASSETS**

Capital assets for component units are as follows:

	<u>Library</u>
Equipment & furniture	\$ 1,258,275
Library books	2,786,466
Buildings	2,663,360
Land	<u>40,000</u>
Subtotal	6,748,101
Less: Accumulated Depreciation	<u>3,479,210</u>
Total	<u>\$ 3,268,891</u>

**C. PENSION PLAN**

Substantially all employees of the St. John the Baptist Parish Community Action Agency and the St. John the Baptist Parish Library are members of the Parochial Employees' Retirement System of Louisiana, which the Parish employees also participate in. For a detailed plan description, see the Parish's Note 9 on pensions.

The following provides certain disclosures for the St. John the Baptist Parish Community Action Agency and the St. John the Baptist Parish Library contributions to the plan:

<u>Library</u>	<u>December 31</u>		
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Employer required contribution rate	7.75%	7.75%	7.75%
Covered payroll	\$ 533,526	\$ 536,994	\$ 562,955
Required employer contributions	\$ 41,348	\$ 41,617	\$ 43,629
Library contributions	\$ 41,348	\$ 41,617	\$ 43,629

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 22 -SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT  
UNITS (CONTINUED)**

Community Action Agency

	Eighteen Months Ended <u>12/31/01</u>	FYE <u>12/31/02</u>	FYE <u>12/31/03</u>
Employer required contribution rate	7.75%	7.75%	7.75%
Covered payroll	\$ 145,495	\$ 104,884	\$ 111,677
Required employer contributions	\$ 11,276	\$ 8,128	\$ 8,655
Parish contributions	\$ 11,276	\$ 8,128	\$ 8,655

**D. LONG-TERM DEBT**

Changes in long-term obligations of the component units are as follows:

Library

1. Accrued Annual and Sick Leave

The following is a summary of long-term obligation transactions for unused annual and sick leave during the year:

	<u>Unused Annual Leave</u>	<u>Unused Sick Leave</u>	<u>Totals</u>
Long-term obligations payable at December 31, 2002	\$ 35,015	\$ 82,561	\$ 117,576
Additions	43,613	22,113	65,726
Deductions	<u>(41,366)</u>	<u>(19,038)</u>	<u>(60,404)</u>
Long-term obligations payable at December 31, 2003	<u>\$ 37,262</u>	<u>\$ 85,636</u>	<u>\$ 122,898</u>

2. Certificate of Indebtedness

On March 10, 1998, the Parish Council issued Certificates of Indebtedness, Series 1998, with a principal amount totaling \$2,925,000. The proceeds from this issue are for maintaining, constructing, and operating libraries within the Parish. The certificates mature serially through March 1, 2008, and are backed by the full faith and credit of St. John the Baptist Parish. The Library is obligated to paying all principal, interest, and costs associated with this bond issue.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 22 -SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

The annual requirements to amortize the certificates outstanding at December 31, 2003 is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 295,000	\$ 65,837	\$ 360,837
2005	310,000	53,051	363,051
2006	325,000	39,236	364,236
2007	345,000	24,323	369,323
2008	<u>360,000</u>	<u>8,280</u>	<u>368,280</u>
Total	<u>\$1,635,000</u>	<u>\$ 190,727</u>	<u>\$1,825,727</u>

The following is a summary of the changes in general long-term debt of certificates of indebtedness for the year ended December 31, 2003:

Balance due at January 1, 2003	\$ 1,920,000
Issued	-
Retired	<u>(285,000)</u>
Balance due at December 31, 2002	<u>\$1,635,000</u>

**3. Operating Leases**

The Library entered into operating leases for buildings and copier machines. The total minimum annual commitments under all operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2004	<u>\$ 6,180</u>



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 22 -SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

**E. PRIOR YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning fund balance at December 31, 2002 to net assets, due to the conversion of the library's (GAAP) financial statements to the new GASB Statement No. 34 provisions:

Total fund balance - Governmental Fund - at December 31, 2002	\$2,120,993
Add: Cost of capital assets, net of accumulated depreciation	3,427,725
Less: Accrued annual and sick leave payable	(122,898)
Less: Bond principal and interest payable	<u>(2,189,810)</u>
	<u>\$3,236,010</u>

**NOTE 23 - PRIOR PERIOD RESTATEMENTS**

In 2003, the Parish implemented GASB 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

Management's Discussion and Analysis;

Basic Financial Statements:

Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting;

Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds;

Notes to financial statements; and

Required Supplemental Information, which requires budgetary comparison schedules to be presented.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 23 - PRIOR PERIOD RESTATEMENTS (CONTINUED)**

The impact of this restatement on the governmental activities net assets are as follows:

	<u>Total</u>
Fund balance as of December 31, 2002	\$26,569,087
Capital Assets - (net of accumulated depreciation)	20,186,525
Internal Service Funds	82,402
Long-term liabilities (net of premiums, discounts, and deferred charges)	<u>(41,292,058)</u>
Governmental activities net assets as of December 31, 2002	<u>\$5,545,956</u>

The impact of this restatement on the business-type activities net assets are as follows:

	<u>Utilities System</u>	<u>Sewerage</u>	<u>Solid Waste</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Retained earnings as of December 31, 2002	\$ 8,345,260	\$ 2,779,447	\$ 357,673	\$ 345,004	\$ 11,827,384
Capital assets (net of accumulated depreciation)	<u>13,711,088</u>	<u>55,354,865</u>	-	-	<u>69,065,953</u>
Business-type activities net assets As of December 31, 2002	<u>\$ 22,056,348</u>	<u>\$ 58,134,312</u>	<u>\$ 357,673</u>	<u>\$ 345,004</u>	<u>\$ 80,893,337</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2003**

**NOTE 23 - PRIOR PERIOD RESTATEMENTS (CONTINUED)**

The beginning balance of capital assets has been restated due to the implementation of GASB Statement 34 requirements. Reclassifications have been made and infrastructure has been recorded. The following table represents the above mentioned changes to the governmental activities capital assets:

	Governmental Funds Fixed Assets, as Previously Reported	Governmental Activities Capital Assets, as Restated	Increase (Decrease)
Land	\$ 2,914,679	\$ 2,914,679	\$ -
Construction in progress	3,438,924	3,438,924	-
Building and building improvements	11,114,902	5,897,933	(5,216,969)
Street system	-	24,335,579	24,335,579
Drainage system	-	4,967,637	4,967,637
Furniture, fixtures, and equipment	4,057,286	4,057,286	-
Vehicles	<u>5,230,621</u>	<u>4,851,843</u>	<u>(378,778)</u>
	<u>\$ 26,756,412</u>	<u>\$ 50,463,881</u>	<u>\$23,707,469</u>

The following table represents the above mentioned changes to the business-type activities capital assets:

	Enterprise Funds Fixed Assets, as Previously Reported	Business-Type Activities Capital Assets, as Restated	Increase (Decrease)
Land	\$ 1,678,614	\$ 1,678,616	\$ 2
Construction in progress	5,169,931	5,169,930	(1)
Building and building improvements	871,997	873,547	1,550
Systems - water and sewer	82,592,439	146,481,308	63,888,869
Furniture, fixtures, and equipment	1,536,369	1,536,369	-
Vehicles	<u>990,330</u>	<u>990,330</u>	<u>-</u>
	<u>\$ 92,839,680</u>	<u>\$156,730,100</u>	<u>\$ 63,890,420</u>

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND  
For the Year Ended December 31, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 860,000	\$ 869,916	\$ 869,916	\$ -
Licenses and permits	905,500	978,911	978,911	-
Intergovernmental revenues:				
Federal grants	-	280,300	356,754	76,454
State funds:				
State revenue sharing	60,000	62,190	62,190	-
Other	585,000	543,371	467,727	(75,644)
Fees, charges, and commissions	141,100	159,075	181,719	22,644
Fines and forfeitures	30,000	22,644	30,000	7,356
Interest income	10,000	4,826	5,073	247
Other revenue	68,000	78,158	78,158	-
<b>Total Revenues</b>	<b>2,659,600</b>	<b>2,999,391</b>	<b>3,030,448</b>	<b>31,057</b>
<b>Expenditures</b>				
Current:				
General government:				
Legislative	240,000	292,229	291,751	478
District Attorney	225,000	239,305	239,305	-
District Court	250,000	239,353	239,353	-
Clerk of Court	25,000	18,736	19,736	(1,000)
Probation Officer	43,000	46,419	45,994	425
Executive - President and Finance	375,000	358,586	357,230	1,356
Parish President Salary	70,667	70,667	70,667	-
Registrar of Voters	44,000	39,657	39,112	545
Elections	25,000	11,764	19,797	(8,033)
General and Administrative	160,000	268,721	269,721	(1,000)
Civil Service	35,000	36,486	36,122	364
Planning and Zoning	198,000	321,577	372,197	(50,620)
Employee Benefits	535,000	577,031	564,165	12,866
General Government	350,000	388,151	389,061	(910)
Equipment and Building Insurance	140,000	180,875	180,875	-
Public Safety - Sheriff	345,000	423,540	426,411	(2,871)
Coroner	90,000	92,713	92,713	-
J.P. and Constable	65,000	65,175	65,175	-
Community Action	70,000	71,738	79,161	(7,423)
Summer Food Service	65,000	76,632	76,501	131
Recreation	420,000	485,199	482,680	2,519
Purchasing	55,000	58,155	58,156	(1)
Health and Human Services	-	-	10,290	(10,290)
Grant Funded Projects	-	311,872	311,872	-
Miscellaneous	-	4,114	4,385	(271)
Debt service				
Lease - Communication District	43,575	43,575	43,560	15
COI - 2002	261,119	261,119	261,119	-
<b>Total Expenditures</b>	<b>\$ 4,130,361</b>	<b>\$ 4,983,389</b>	<b>\$ 5,047,109</b>	<b>\$ (63,720)</b>

(Continued)

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND  
For the Year Ended December 31, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (1,470,761)</b>	<b>\$ (1,983,998)</b>	<b>\$ (2,016,661)</b>	<b>\$ (32,663)</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	1,568,694	1,818,679	1,788,678	(30,001)
Operating transfers out	(2,400)	-	(1,600)	(1,600)
<b>Total Other Financing Sources (Uses)</b>	<b>1,566,294</b>	<b>1,818,679</b>	<b>1,787,078</b>	<b>(31,601)</b>
<b>Net Change in Fund Balance</b>	<b>95,533</b>	<b>(165,319)</b>	<b>(229,583)</b>	<b>(64,264)</b>
<b>Fund Balance, Beginning of Year</b>	<b>510,225</b>	<b>300,967</b>	<b>300,967</b>	<b>-</b>
<b>Residual Equity Transfer</b>	<b>0</b>	<b>-</b>	<b>87,559</b>	<b>87,559</b>
<b>Fund Balance, End of Year</b>	<b>\$ 605,758</b>	<b>\$ 135,648</b>	<b>\$ 158,943</b>	<b>\$ 23,295</b>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
ROADS AND BRIDGES  
For the Year Ended December 31, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	2,000,000	1,956,792	1,957,562	770
Intergovernmental revenues:				
Federal grants	-	682,207	682,207	-
State funds:				
Parish transportation	430,000	435,356	435,356	-
State revenue sharing	-	354,233	354,233	-
Other	10,000	15,521	15,521	-
Fees, charges, and commissions	153,200	155,490	155,490	-
Fines and forfeitures	-	-	-	-
Interest income	30,000	9,451	9,451	-
Other revenue	1,000	215,011	215,010	(1)
<b>Total Revenues</b>	<b>2,624,200</b>	<b>3,824,061</b>	<b>3,824,830</b>	<b>769</b>
<b>Expenditures</b>				
Current:				
General government:				
Judicial	-	-	-	-
Finance and administration	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Transportation	2,921,500	4,647,606	4,615,185	32,421
Debt Service	128,000	116,011	116,011	-
<b>Total Expenditures</b>	<b>3,049,500</b>	<b>4,763,617</b>	<b>4,731,196</b>	<b>32,421</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(425,300)</b>	<b>(939,556)</b>	<b>(906,366)</b>	<b>33,190</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds of debt issued	-	-	-	-
Proceeds of leases	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Operating transfers in	600,000	600,000	600,000	-
Operating transfers out	(149,750)	(148,950)	(168,950)	(20,000)
<b>Total Other Financing Sources (Uses)</b>	<b>450,250</b>	<b>451,050</b>	<b>431,050</b>	<b>(20,000)</b>
<b>Net Change in Fund Balance</b>	<b>24,950</b>	<b>(488,506)</b>	<b>(475,316)</b>	<b>13,190</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,316,466</b>	<b>732,290</b>	<b>732,290</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,341,416</b>	<b>\$ 243,784</b>	<b>\$ 256,974</b>	<b>\$ 13,190</b>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
ECONOMIC DEVELOPMENT  
For the Year Ended December 31, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	2,000,000	1,956,791	1,957,562	771
Intergovernmental revenues:				
Federal grants	-	-	-	-
State funds:				
Parish transportation	-	-	-	-
State revenue sharing	-	-	-	-
Other	-	-	-	-
Fees, charges, and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	116,000	133,556	82,513	(51,043)
Other revenue	77,000	100,741	146,793	46,052
<b>Total Revenues</b>	<u>2,193,000</u>	<u>2,191,088</u>	<u>2,186,868</u>	<u>(4,220)</u>
<b>Expenditures</b>				
Current:				
General government:				
Judicial	-	-	-	-
Finance and administration	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	529,024	547,655	557,007	(9,352)
Transportation	-	-	-	-
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<u>529,024</u>	<u>547,655</u>	<u>557,007</u>	<u>(9,352)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,663,976</u>	<u>1,643,433</u>	<u>1,629,861</u>	<u>(13,572)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of debt issued	-	-	-	-
Proceeds of leases	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Operating transfers in	12,000	8,100	8,100	-
Operating transfers out	(1,383,000)	(1,792,432)	(1,792,432)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,371,000)</u>	<u>(1,784,332)</u>	<u>(1,784,332)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	292,976	(140,899)	(154,471)	(13,572)
<b>Fund Balance, Beginning of Year</b>	<u>2,276,430</u>	<u>2,116,736</u>	<u>2,116,736</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,569,406</u>	<u>\$ 1,975,837</u>	<u>\$ 1,962,265</u>	<u>\$ (13,572)</u>



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
SALES TAX DISTRICT  
For the Year Ended December 31, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	4,700,000	4,735,171	4,730,148	(5,023)
Intergovernmental revenues:				
Federal grants	-	-	-	-
State funds:				
Parish transportation	-	-	-	-
State revenue sharing	-	-	-	-
Other	-	-	-	-
Fees, charges, and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	170,000	61,277	61,277	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<u>4,870,000</u>	<u>4,796,448</u>	<u>4,791,425</u>	<u>(5,023)</u>
<b>Expenditures</b>				
Current:				
General government:				
Judicial	-	-	-	-
Finance and administration	10,000	5,823	5,822	1
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Transportation	-	-	-	-
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<u>10,000</u>	<u>5,823</u>	<u>5,822</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>4,860,000</u>	<u>4,790,625</u>	<u>4,785,603</u>	<u>(5,022)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of debt issued	-	-	-	-
Proceeds of leases	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(4,526,899)	(7,023,286)	(7,023,286)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,526,899)</u>	<u>(7,023,286)</u>	<u>(7,023,286)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	333,101	(2,232,661)	(2,237,683)	(5,022)
<b>Fund Balance, Beginning of Year</b>	<u>6,441,821</u>	<u>6,262,898</u>	<u>6,262,898</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 6,774,922</u>	<u>\$ 4,030,237</u>	<u>\$ 4,025,215</u>	<u>\$ (5,022)</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2003**

**NOTE A - BUDGETARY BASIS OF ACCOUNTING**

Budgets for the General Fund and each major Special Revenue Fund are adopted on the modified accrual basis of accounting. Therefore, GAAP serves as the budgetary basis of accounting.

**NOTE B - EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds had expenditures in excess of appropriations for the year ended December 31, 2003:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$4,983,389	\$5,047,109	\$ (63,720)
Economic Development	\$ 547,655	\$ 557,007	\$ (9,352)

**OTHER SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts, or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

**Criminal Court** - The Criminal Court Fund accounts for a portion of the annual cost of the courts. The annual revenues are derived from fines, forfeitures, court fees, etc.

**Civil Defense** - The Civil Defense Fund provides the annual operations of the St. John Parish Department of Public Safety. Revenues are generated from an annual grant by Entergy, Inc. as mandated by the Nuclear Regulatory Commission (NRC). In addition, funds are allocated by Economic Development to match grant funding per the sales tax proposition.

**Street Lighting** - The Street Lighting Fund accounts for the annual operations for parish-wide street lighting. The revenue is generated from 4.94 mills, along with some state revenue sharing funds. The expenditures consist of the cost for lighting public streets, as well as other annual operating expenditures.

**Health Unit Tax** - The Health Unit Tax Fund accounts for the operation and maintenance of the two health units in the Parish. Revenue is generated from a .99 mill Ad Valorem Tax along with some state revenue sharing. The expenditures include a portion of the annual operation of the health units, as well as the quarterly billing for personal and environmental health services performed in the Parish by the State Department of Health & Hospitals.

**Juvenile Detention Center** - The Juvenile Detention Center Fund provides for the housing of St. John the Baptist Parish juvenile offenders in juvenile detention facilities in other Parishes. The revenue is generated from a .99 mill Ad Valorem Tax. The major expenditure is the housing of juveniles outside St. John the Baptist Parish.

**Airport Authority** - The Airport Authority Fund accounts for the annual operation of the St. John the Baptist Parish Airport. The revenues are generated from the retail sale of goods and services to the facility users, such as fuel, storage, and miscellaneous equipment. Funds are also allocated from Economic Development to assist in the annual operations of the facility.

**Volunteer Fire Departments** - These funds account for the annual operation of the four volunteer fire departments within St. John the Baptist Parish. The revenue is generated from a ¼ % sales tax for the fire departments along with a 2% fire insurance rebate.

## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

**Communications District** - The Communications District Fund accounts for the annual operation of the emergency 911 facility. Revenue is generated from the monthly 911 surcharge collected by local telephone companies along with interest income.

**Ambulance Fund** - The Ambulance Fund accounts for annual emergency ambulance services for St. John the Baptist Parish. The revenue is generated from a service charge on residents' monthly utility bills. The major expenditure for this fund is the private contract services for parish-wide EMS.

**ARC Maintenance Fund** - The ARC Maintenance Fund assists in the annual maintenance for the ARC Center. The revenue is generated from a 1.00 mill Ad Valorem Tax.

**Senior Citizen Tax** - The Senior Citizen Tax Fund assists in the annual maintenance of the Senior Citizen Center. The revenue is generated from a .99 mill ad valorem tax.

**Convention Center Fund** - Revenue is generated from a dedicated 2.97% sales tax charged on the hotel/motel occupancy of lodging in St. John the Baptist Parish. The revenue is dedicated to the construction and maintenance of a Civic Center.

**Fire Department Payroll Fund** - In May 2003, the voters of St. John the Baptist Parish passed a .25 cent sales tax for a partially paid fire department. This fund will account for the cost associated with the paid personnel for the fire departments.

### DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the Parish's general obligation and special tax bonds.

**Parishwide Sewer Sales Tax Reserve Fund** - This fund accounts for the reserving of funds as prescribed by law for any one year's principal and interest payments for sewer bonds.

**Parishwide Sewer Sales Tax Sinking Fund** - This fund accounts for the annual payment of principal and interest on sewer bond debt. The Sales Tax District transfers on a monthly basis the funds to cover these payments.

**Economic Development Sales Tax Reserve Fund** - This fund accounts for the reserving of funds as prescribed by law for any one year's principal and interest payments for economic development bonds.

**Economic Development Sales Tax Sinking Fund** - This fund accounts for the annual payment of principal and interest on economic development bond debt. The Economic Development Fund transfers on a monthly basis the funds to cover these payments.

## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

**WVFD Sales Tax Reserve Fund** - This fund accounts for the reserving of funds as prescribed by law for any one year's principal and interest payments for the WVFD sales tax bonds.

**WVFD Sales Tax Sinking Fund** - This fund accounts for the annual payment of principal and interest on the WVFD sales tax bond debt. The WVFD operating fund transfers on a monthly basis the funds to cover these payments.

### CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources and expenditures in connection with the acquisition, renovation, and improvements of capital facilities other than those financed by proprietary funds.

**Drainage Construction** - The fund was created in 1997 by a \$6 million bond calling for specific drainage capital improvements. The only projects remaining are the Master Drainage Plan, Reserve Relief Canal, and LaPlace Park Pump Station.

**Westbank Volunteer Fire Department Bond Construction** - The fund was created by a 2002 bond calling to fund the acquisition of machinery and equipment, land and buildings for the West Bank Volunteer Fire Department.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2003**

	Special Revenue							Reserve Volunteer Fire Department
	Criminal Court	Civil Defense	Street Lighting	Health Unit Tax	Juvenile Detention Center	Airport Authority	LaPlace Volunteer Fire Department	
<b>Assets</b>								
Cash and cash equivalents	\$ 701	\$ 91,684	\$ 298,910	\$ 191,501	\$ 154,957	\$ 109,883	\$ 506,391	\$ 33,696
Investments	-	-	-	-	-	-	-	-
Receivables	43,596	-	795,388	165,792	167,466	5,604	120,217	51,453
Due from other funds	-	6,479	-	-	19,280	-	-	-
Due from other governments	-	11,415	17,376	10,887	3,854	15,469	-	-
Other Assets	-	-	-	-	-	-	100,000	-
<b>Total assets</b>	<b>44,297</b>	<b>109,578</b>	<b>1,111,674</b>	<b>368,180</b>	<b>345,557</b>	<b>130,956</b>	<b>726,608</b>	<b>85,149</b>
<b>Liabilities and fund balance</b>								
<b>Liabilities</b>								
Accounts and salaries payable	191,985	12,994	49,757	12,112	7,725	33,412	46,952	36,530
Contract payable	-	-	-	-	-	-	-	-
Due to other funds	31,202	-	-	-	-	-	4,697	2,010
Due to other governments	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>223,187</b>	<b>12,994</b>	<b>49,757</b>	<b>12,112</b>	<b>7,725</b>	<b>33,412</b>	<b>51,649</b>	<b>38,540</b>
<b>Fund balance</b>								
Unreserved, undesignated	(178,890)	96,584	1,061,917	356,068	337,832	97,544	674,959	46,609
<b>Total fund balance</b>	<b>(178,890)</b>	<b>96,584</b>	<b>1,061,917</b>	<b>356,068</b>	<b>337,832</b>	<b>97,544</b>	<b>674,959</b>	<b>46,609</b>
<b>Total liabilities and fund balance</b>	<b>\$ 44,297</b>	<b>\$ 109,578</b>	<b>\$ 1,111,674</b>	<b>\$ 368,180</b>	<b>\$ 345,557</b>	<b>\$ 130,956</b>	<b>\$ 726,608</b>	<b>\$ 85,149</b>

(Continued)

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

**December 31, 2003**

	Special Revenue							Total
	Westbank Volunteer Fire Department	Garyville Volunteer Fire Department	Commun- ication District	Ambulance Fund	ARC Maintenance Fund	Senior Citizens Tax	Convention Center Fund	
<b>Assets</b>								
Cash and cash equivalents	\$ 120,011	\$ 158,119	\$ 831,202	\$ 96,562	\$ 10,979	\$ 8,281	\$ 356,792	\$ 2,969,669
Investments	-	-	105,703	-	-	-	-	105,703
Receivables	34,382	34,382	57,936	7,241	167,466	166,538	-	1,817,461
Due from other funds	-	-	-	60,512	-	-	-	86,271
Due from other governments	-	-	-	-	-	-	39,102	98,103
Other Assets	-	-	-	-	-	-	-	100,000
<b>Total assets</b>	<b>154,393</b>	<b>192,501</b>	<b>994,841</b>	<b>164,315</b>	<b>178,445</b>	<b>174,819</b>	<b>395,894</b>	<b>5,177,207</b>
<b>Liabilities and fund balance</b>								
<b>Liabilities</b>								
Accounts and salaries payable	20,390	6,069	8,665	19,125	3,947	-	143,365	593,028
Contract payable	-	-	-	-	-	-	31,189	31,189
Due to other funds	1,343	1,343	4,935	-	-	-	-	45,530
Due to other governments	-	-	-	-	-	8,000	-	8,000
<b>Total liabilities</b>	<b>21,733</b>	<b>7,412</b>	<b>13,600</b>	<b>19,125</b>	<b>3,947</b>	<b>8,000</b>	<b>174,554</b>	<b>677,747</b>
<b>Fund balance</b>								
Unreserved, undesignated	132,660	185,089	981,241	145,190	174,498	166,819	221,340	4,499,460
<b>Total fund balance</b>	<b>132,660</b>	<b>185,089</b>	<b>981,241</b>	<b>145,190</b>	<b>174,498</b>	<b>166,819</b>	<b>221,340</b>	<b>4,499,460</b>
<b>Total liabilities and fund balance</b>	<b>\$ 154,393</b>	<b>\$ 192,501</b>	<b>\$ 994,841</b>	<b>\$ 164,315</b>	<b>\$ 178,445</b>	<b>\$ 174,819</b>	<b>\$ 395,894</b>	<b>\$ 5,177,207</b>

(Continued)



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
December 31, 2003**

	Parishwide				Debt Service				Total
	Sewerage Sales Tax Reserve	Sewerage Sales Tax Sinking	Economic Development Sales Tax Reserve	Economic Development Sales Tax Sinking	WVFD Fire Protection Sinking	WVFD Fire Protection Reserve	WVFD Fire Protection Reserve	WVFD Fire Protection Reserve	
Assets									
Cash and cash equivalents	\$ 1,103,766	\$ 252,437	\$ 404,023	\$ 32,960	\$ 28,457	\$ 33,227	\$ 1,854,870		
Total assets	1,103,766	252,437	404,023	32,960	28,457	33,227	1,854,870		
Liabilities and fund balance									
Liabilities									
Accounts Payable	-	2,500	-	1,301	-	-	3,801		
Due to other funds	10,000	-	8,101	-	-	-	18,101		
Total liabilities	10,000	2,500	8,101	1,301	-	-	21,902		
Fund balance									
Reserved for debt service	1,093,766	249,937	395,922	31,659	28,457	33,227	1,832,968		
Total fund balance	1,093,766	249,937	395,922	31,659	28,457	33,227	1,832,968		
Total liabilities and fund balance	\$ 1,103,766	\$ 252,437	\$ 404,023	\$ 32,960	\$ 28,457	\$ 33,227	\$ 1,854,870		

(Continued)

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
December 31, 2003

	Capital Projects			Total Nonmajor Governmental Funds
	WVFD Bond Construction	Drainage Construction	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 23,947	\$ 331,808	\$ 355,755	\$ 5,180,294
Investments	-	-	-	105,703
Receivables	-	-	-	1,817,461
Due from other funds	-	-	-	86,271
Due from other governments	-	-	-	98,103
Other Assets	-	-	-	100,000
<b>Total assets</b>	<b>\$ 23,947</b>	<b>\$ 331,808</b>	<b>\$ 355,755</b>	<b>\$ 7,387,832</b>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	-	5,145	5,145	601,974
Contracts payable	-	83,702	83,702	114,891
Due to other funds	-	538	538	64,169
Due to other governments	-	-	-	8,000
<b>Total liabilities</b>	<b>-</b>	<b>89,385</b>	<b>89,385</b>	<b>789,034</b>
<b>Fund balance</b>				
Reserved for capital projects	23,947	242,423	266,370	6,598,798
<b>Total fund balance</b>	<b>23,947</b>	<b>242,423</b>	<b>266,370</b>	<b>6,598,798</b>
<b>Total liabilities and fund balance</b>	<b>\$ 23,947</b>	<b>\$ 331,808</b>	<b>\$ 355,755</b>	<b>\$ 7,387,832</b>

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2003**

	Special Revenue													Total		
	Criminal Court	Civil Defense	Street Lighting	Health Unit Tax	Juvenile Detention Center	Airport Authority	LaPlace Volunteer Fire Department	Reserve Volunteer Fire Department	Westbank Volunteer Fire Department	Garyville Volunteer Fire Department	Communication District	Ambulance Fund	ARC Maintenance Fund		Senior Citizens Tax	Convention Center Fund
<b>Revenues</b>																
Taxes																
Ad valorem			\$ 796,137	\$ 165,985	\$ 162,732									\$ 161,851		\$ 1,452,510
Sales and use																1,294,336
Intergovernmental revenues																
Federal grants			42,200		14,816	13,922	7,824	40,401	25,485							144,648
State funds																
State revenue sharing				16,331												42,395
Other			26,064				63,617	21,775	7,882						164,351	265,953
Fees, charges, and commissions			45,502							406,086	247,554					699,142
Fines and forfeitures			1,135	3,822	2,955		7,251	628	2,086							1,016,540
Interest income			1,434			80,450	47				690	757		469	9,045	54,639
Other revenue			125,692	7,734					8,196							222,119
<b>Total revenues</b>	<b>1,017,974</b>	<b>214,529</b>	<b>839,249</b>	<b>186,138</b>	<b>180,503</b>	<b>103,986</b>	<b>725,907</b>	<b>299,391</b>	<b>221,133</b>	<b>235,459</b>	<b>248,244</b>	<b>166,562</b>	<b>162,320</b>	<b>173,396</b>		<b>5,192,282</b>
<b>Expenditures</b>																
Current																
General government																
Judicial																1,080,640
Public safety			283,583		109,787		638,771	252,771	236,269	210,974	227,249	80,077	162,000			2,145,307
Health and welfare				214,535												456,612
Economic development															654,087	889,920
Transportation			704,195			185,725										889,920
Debt service							97,624	57,131	25,494	28,319						244,579
<b>Total expenditures</b>	<b>1,080,640</b>	<b>283,583</b>	<b>704,195</b>	<b>214,535</b>	<b>109,787</b>	<b>185,725</b>	<b>756,395</b>	<b>309,902</b>	<b>261,763</b>	<b>239,293</b>	<b>227,249</b>	<b>80,077</b>	<b>162,000</b>	<b>654,087</b>		<b>5,471,145</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>(62,666)</b>	<b>(69,054)</b>	<b>135,054</b>	<b>(28,397)</b>	<b>70,716</b>	<b>(81,739)</b>	<b>(30,488)</b>	<b>(10,511)</b>	<b>(26,304)</b>	<b>(18,160)</b>	<b>20,995</b>	<b>86,485</b>	<b>320</b>	<b>(480,691)</b>		<b>(278,863)</b>
<b>Other financing sources (uses)</b>																
Operating transfers in			85,000			75,000										160,000
Operating transfers out				(4,998)	(3,000)			(46,238)	(34,631)		(8,001)				(8,000)	(368,428)
<b>Total other financing sources (uses)</b>			<b>85,000</b>	<b>(4,998)</b>	<b>(3,000)</b>	<b>75,000</b>		<b>(46,238)</b>	<b>(34,631)</b>		<b>(8,001)</b>				<b>(8,000)</b>	<b>(108,428)</b>
<b>Net change in fund balances</b>	<b>(62,666)</b>	<b>15,946</b>	<b>15,054</b>	<b>(31,395)</b>	<b>67,716</b>	<b>(6,739)</b>	<b>(30,488)</b>	<b>(56,749)</b>	<b>(60,935)</b>	<b>(18,160)</b>	<b>12,994</b>	<b>86,485</b>	<b>320</b>	<b>(488,691)</b>		<b>(387,291)</b>
<b>Fund balances, beginning of year</b>	<b>(116,224)</b>	<b>80,638</b>	<b>1,046,863</b>	<b>389,463</b>	<b>270,116</b>	<b>104,283</b>	<b>705,447</b>	<b>103,338</b>	<b>193,595</b>	<b>203,249</b>	<b>132,196</b>	<b>88,013</b>	<b>166,499</b>	<b>710,031</b>		<b>4,886,751</b>
<b>Fund balances, end of year</b>	<b>(178,890)</b>	<b>96,584</b>	<b>1,061,917</b>	<b>358,068</b>	<b>337,832</b>	<b>97,544</b>	<b>674,959</b>	<b>46,609</b>	<b>132,660</b>	<b>185,089</b>	<b>145,190</b>	<b>174,498</b>	<b>166,819</b>	<b>221,340</b>		<b>4,499,460</b>

(Continued)

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2003

	Debt Service							Total
	Parishwide Sewerage Sales Tax Reserve	Parishwide Sinking	Economic Development Reserve	Economic Development Sales Tax Sinking	Economic Development Sales Tax Sinking	WVFD Fire Protection Reserve	WVFD Fire Protection Reserve	
Revenues								
Taxes								
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	15,500	12,217	5,665	2,387	287	227	36,283	
Other income								
Total revenues	15,500	12,217	5,665	2,387	287	227	36,283	
Expenditures								
Debt service								
Principal	-	1,270,000	-	210,000	-	-	1,480,000	
Interest	-	1,039,368	1	182,445	6,461	-	1,228,275	
Other bond expense	-	5,585	-	3,966	-	-	9,551	
Total expenditures	-	2,314,953	1	396,411	6,461	-	2,717,826	
Excess (Deficiency) of revenues over expenditures	15,500	(2,302,736)	5,664	(394,024)	(6,174)	227	(2,681,543)	
Other financing sources (uses)								
Operating transfers in	-	2,309,575	-	387,432	34,631	33,000	2,764,638	
Operating transfers out	(10,000)	-	(8,100)	-	-	-	(18,100)	
Total other financing sources (uses)	(10,000)	2,309,575	(8,100)	387,432	34,631	33,000	2,746,538	
Net change in fund balance	5,500	6,839	(2,436)	(6,592)	28,457	33,227	64,995	
Fund balances, beginning of year	1,088,266	243,098	398,358	38,251	-	-	1,767,973	
Fund balances, end of year	\$ 1,093,766	\$ 249,937	\$ 395,922	\$ 31,659	\$ 28,457	\$ 33,227	\$ 1,832,968	

(Continued)

ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2003

	Capital Projects			Total Nonmajor Governmental Funds
	WVFD Bond Construction	Drainage Construction	Total	
Revenues				
Taxes				
Ad valorem	-	-	-	1,452,510
Sales and use	-	-	-	1,294,336
Intergovernmental revenues				
Federal grants	-	-	-	144,648
State funds	-	-	-	
State revenue sharing	-	-	-	42,395
Other	-	-	-	265,953
Fees, charges, and commissions	-	-	-	699,142
Fines and forfeitures	-	-	-	1,016,540
Other revenue	-	-	-	222,119
Interest income	1,353	6,213	7,566	98,488
Total revenues	1,353	6,213	7,566	5,236,131
Expenditures				
Current:				
General government	-	-	-	1,080,640
Judicial	-	-	-	2,145,307
Public safety	-	-	-	456,612
Health and welfare	-	-	-	654,087
Economic development	-	-	-	889,920
Transportation	-	-	-	613,841
Public works	384,408	229,433	613,841	2,962,405
Debt service	-	-	-	
Total expenditures	384,408	229,433	613,841	8,802,812
Excess (Deficiency) of revenues over expenditures	(383,055)	(223,220)	(606,275)	(3,566,681)
Other financing sources (uses)				
Bond Proceeds	330,000	-	330,000	330,000
Operating transfers in	110,000	-	110,000	3,034,638
Operating transfers out	(33,000)	-	(33,000)	(319,528)
Total other financing sources (uses)	407,000	-	407,000	3,045,110
Net change in fund balances	23,945	(223,220)	(199,275)	(521,571)
Fund balances, beginning of year	2	465,643	465,645	7,120,369
Fund balances, end of year	\$ 23,947	\$ 242,423	\$ 266,370	\$ 6,598,798

## NONMAJOR PROPRIETARY FUNDS

### ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accounting purposes.

**Mosquito Abatement** - This fund accounts for the annual cost to provide mosquito services to the residents of St. John Parish. Annual revenue is generated by a \$1.25 service charge on the monthly utility bill and a .49 mill Ad Valorem Tax.

### INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

**Workers Compensation Fund** - This fund accounts for minor workers compensation claims involving St. John the Baptist Parish. Various departments transfer funds into this fund to cover these minor claims. This fund was closed during 2003 with a residual equity transfer to the General Fund.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
December 31, 2003**

	Enterprise Mosquito Abatement	Internal Service Workers Compensation Fund	Total Nonmajor Proprietary Funds
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 59,390	\$ -	\$ 59,390
Investments	-	-	-
Receivables, net	90,825	-	90,825
Due from other funds	72,126	-	72,126
Inventory	-	-	-
<b>Total current assets</b>	222,341	-	222,341
<b>Noncurrent assets</b>			
Capital assets (net of accumulated depreciation)	93,828	-	93,828
<b>Total Assets</b>	\$ 316,169	\$ -	\$ 316,169

(Continued)

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
December 31, 2003**

	<u>Enterprise Funds</u>	<u>Internal Service</u>	<u>Total</u>
	Mosquito	Workers	Nonmajor
	Abatement	Compensation	Proprietary
		Fund	Funds
<b>Liabilities and fund balance</b>			
<b>Liabilities</b>			
Current liabilities payable from current assets			
Accounts and salaries payable	\$ 38,483	\$ -	\$ 38,483
Capital leases payable - current	-	-	-
Due to other funds	-	-	-
Other liabilities	-	-	-
<b>Total current liabilities</b>	<u>38,483</u>	<u>-</u>	<u>38,483</u>
Current liabilities payable from restricted assets			
Customer deposits	-	-	-
Bonds payable, current portion	-	-	-
Accrued interest payable	-	-	-
<b>Total current liabilities     from restricted assets</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Noncurrent liabilities</b>			
Bonds payable	-	-	-
Capital leases payable	-	-	-
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>38,483</u>	<u>-</u>	<u>38,483</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	93,828	-	93,828
Unrestricted	183,858	-	183,858
<b>Total Net Assets</b>	<u>\$ 277,686</u>	<u>\$ -</u>	<u>\$ 277,686</u>



**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended December 31, 2003**

	Enterprise	Internal Service	Total
	Mosquito Abatement	Workers Compensation Fund	Nonmajor Proprietary Funds
<b>Revenues</b>			
Water sales	\$ -	\$ -	\$ -
Sewer charges	-	-	-
Mosquito abatement	254,811	-	254,811
Fees, charges, and commissions	-	-	-
Reimbursed indirect costs	-	-	-
Other income	-	-	-
<b>Total revenues</b>	<b>254,811</b>	<b>-</b>	<b>254,811</b>
<b>Operating expenses</b>			
General administration	-	-	-
Purification	-	-	-
Distribution	-	-	-
Professional Services	-	2,539	2,539
Salaries, operations	-	-	-
Plant	-	-	-
Vehicles	-	-	-
Indirect costs	-	-	-
Contract services	355,525	-	355,525
Miscellaneous	3,451	-	3,451
Depreciation	31,741	-	31,741
<b>Total operating expenses</b>	<b>390,717</b>	<b>2,539</b>	<b>393,256</b>
<b>Operating income (loss)</b>	<b>(135,906)</b>	<b>(2,539)</b>	<b>(138,445)</b>
<b>Nonoperating income (expense)</b>			
Ad valorem tax	82,154	-	82,154
Interest income	1,434	1,296	2,730
<b>Net nonoperating income (expense)</b>	<b>83,588</b>	<b>1,296</b>	<b>84,884</b>
<b>Income (loss) before operating transfers</b>	<b>\$ (52,318)</b>	<b>\$ (1,243)</b>	<b>\$ (53,561)</b>
<b>Operating transfers in (out)</b>			
Operating transfers in	-	6,400	6,400
Operating transfers out	(15,000)	-	(15,000)
<b>Net operating transfers</b>	<b>(15,000)</b>	<b>6,400</b>	<b>(8,600)</b>
<b>Change in net assets</b>	<b>(67,318)</b>	<b>5,157</b>	<b>(62,161)</b>
<b>Net assets, beginning of year</b>	<b>345,004</b>	<b>82,402</b>	<b>427,406</b>
<b>Residual Equity Transfer</b>	<b>-</b>	<b>(87,559)</b>	<b>(87,559)</b>
<b>Net assets, end of year</b>	<b>\$ 277,686</b>	<b>\$ -</b>	<b>\$ 277,686</b>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NONMAJOR PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2003**

	Enterprise	Internal Service	Total
	Mosquito Abatement Fund	Workers Compensation Fund	Nonmajor Proprietary Funds
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers and users	\$ 249,757	\$ -	\$ 249,757
Receipts from interfund services provided	-	-	-
Other Receipts	-	-	-
Payments to suppliers	(376,867)	(2,539)	(379,406)
Payments to employees	-	-	-
Payments for interfund services used	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(127,110)</u>	<u>(2,539)</u>	<u>(129,649)</u>
<b>Cash Flows From NonCapital Financing Activities:</b>			
Transfer to other funds	(15,000)	(87,559)	(102,559)
Advances from other funds	-	6,400	6,400
Ad valorem taxes	82,154	-	82,154
Subsidy from federal grants	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>67,154</u>	<u>(81,159)</u>	<u>(14,005)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Proceeds from capital debt	-	-	-
Capital contributions	-	-	-
Purchases of capital assets	-	-	-
Acquisition and construction of capital assets	-	-	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Capital lease down payment	-	-	-
Proceeds from sales of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>			
Proceeds from sales and maturities of investments	-	-	-
Purchase of investments	-	-	-
Interest and dividends received	1,456	1,296	2,752
Net Cash Provided (Used) by Investing Activities	<u>1,456</u>	<u>1,296</u>	<u>2,752</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(58,500)	(82,402)	(140,902)
Cash and Cash Equivalents, Beginning of Year	117,890	82,402	200,292
Cash and Cash Equivalents, End of Year	<u>\$ 59,390</u>	<u>\$ -</u>	<u>\$ 59,390</u>

(Continued)

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NONMAJOR PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2003**

	Enterprise Mosquito Abatement Fund	Internal Service Workers Compensation Fund	Total Nonmajor Proprietary Funds
<b>Reconciliation to Statement of Net Assets:</b>			
Cash and cash equivalents	\$ 59,390	\$ -	\$ 59,390
Restricted assets - cash and cash equivalents	-	-	-
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 59,390</b>	<b>\$ -</b>	<b>\$ 59,390</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (135,906)	\$ (2,539)	\$ (138,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	31,741	-	31,741
(Increase) decrease in accounts receivable	(5,054)	-	(5,054)
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	(5,019)	-	(5,019)
Increase (decrease) in allowance for uncollectible accounts	-	-	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in other assets	-	-	-
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in customer deposits	-	-	-
Increase (decrease) in accounts payable	(12,872)	-	(12,872)
Increase (decrease) in other liabilities	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	-	-	-
Total Adjustments	8,796	-	8,796
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (127,110)</b>	<b>\$ (2,539)</b>	<b>\$ (129,649)</b>

**STATISTICAL SECTION**

St. John the Baptist Parish Council  
 Government-Wide Expenses by Function  
 Last Ten Years  
 (Unaudited)

Year	General Government	Public Safety	Public Works	Health and Welfare	Economic Development	Transportation	Interest on Long-Term Debt	Utilities	Sewer	Solid Waste	Mosquito	Total
2003	\$ 4,216,815	\$ 2,372,408	\$ 6,641,632	\$ 994,387	\$ 1,089,618	\$ 4,952,934	\$ 2,944,719	\$ 6,176,355	\$ 9,389,134	\$ 2,618,201	\$ 390,717	\$ 41,786,920

Note: The provisions of GASB 34 were adopted in the year 2003; thus information included in this schedule is available only for years since implementation.

St. John the Baptist Parish Council  
 Government-Wide Revenues  
 Last Ten Years  
 (Unaudited)

Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs			Investment Earnings	Other Income	Total
2003	\$ 13,924,463	\$ 748,915	\$ 1,274,406	\$ 16,077,624	\$ 90,583	\$ 545,464	\$ 1,345,021	\$ 34,006,476		

Note: The provisions of GASB 34 were adopted in the year 2003; thus information included in this schedule is available only for years since implementation.

**St. John the Baptist Parish Council**  
**General Governmental Expenditures by Function - Governmental Fund Types (1)**  
**Last Ten Years**  
**(Unaudited)**

Year	General Government	Public Safety	Health and Welfare	Economic Development	Transportation	(2) Debt Service	Total
1994	\$ 2,871,357	\$ 1,746,311	\$ 509,907	\$ 355,900	\$ 3,522,027	\$ 6,270,166	\$ 15,275,668
1995	3,159,576	1,291,017	1,108,151	1,493,983	3,208,912	6,319,536	16,581,175
1996	3,053,950	2,111,370	927,799	308,741	2,592,397	5,414,155	14,408,412
1997	3,129,671	1,608,057	1,089,848	244,104	2,470,226	5,923,025	14,464,931
1998	3,180,990	2,000,197	1,064,181	238,015	3,529,761	5,578,305	15,591,449
1999	3,409,130	1,920,267	1,128,649	262,315	4,239,930	9,840,523	20,800,814
2000	2,535,660	3,126,846	919,459	352,848	4,719,498	5,743,360	17,397,671
2001	3,754,732	2,645,714	1,414,377	632,877	5,096,024	5,337,110	18,880,834
2002	4,286,112	3,655,026	1,256,805	981,364	5,433,250	5,403,563	21,016,120
2003	4,684,560	2,636,893	1,105,244	1,211,094	5,505,105	5,307,225	20,450,121

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Includes all Debt Service except Enterprise Fund Revenue Bonds.

St. John the Baptist Parish Council  
 General Governmental Revenues by Source - Governmental Fund Types (1)  
 Last Ten Years  
 (Unaudited)

Year	Taxes	Licenses and Permits	Intergovernmental	Fees, Charges and Commissions	Fines and Forfeitures	Interest Income	Other Income	Total
1994	\$ 11,868,992	\$ 606,605	\$ 1,554,297	\$ 630,204	\$ 510,240	\$ 552,509	\$ 152,418	\$ 15,875,265
1995	11,770,206	611,196	1,449,001	501,409	543,811	671,609	423,082	15,970,314
1996	11,670,809	710,144	1,252,304	662,706	720,767	909,286	71,999	15,998,015
1997	12,533,948	723,771	1,422,390	482,948	675,034	549,735	431,103	16,818,929
1998	14,278,492	760,233	1,974,494	587,061	788,032	669,538	460,692	19,518,542
1999	14,079,624	827,826	1,866,501	608,186	793,572	927,418	466,365	19,569,492
2000	15,127,549	824,563	1,711,057	747,697	830,244	1,009,752	607,238	20,858,100
2001	15,310,588	895,486	2,910,258	912,176	831,891	797,808	384,689	22,042,896
2002	14,462,255	910,097	2,088,154	1,003,566	1,004,388	448,441	408,320	20,325,221
2003	14,864,191	978,911	2,826,984	1,036,351	1,046,540	282,347	664,879	21,700,203

(1) Includes General, Special Revenue, and Debt Service Funds.



**St. John the Baptist Parish Council  
Property Tax Levies and Collections (1)  
Last Ten Years  
(Unaudited)**

<b>Year</b>	<b>Tax Roll</b>	<b>Tax Millage</b>	<b>Assessed Value of Taxable Millages</b>	<b>Taxes Levied</b>	<b>Taxes Collected</b>	<b>Taxes not Collected</b>
1994	1993	35.92	\$ 136,998,150	\$ 4,785,111	\$ 4,745,865	\$ 39,246
1995	1994	36.92	138,052,774	4,960,684	4,892,778	67,906
1996	1995	36.84	142,052,255	4,987,520	4,815,839	171,681
1997	1996	36.58	144,625,776	5,072,899	5,011,999	60,900
1998	1997	37.06	148,375,059	5,491,377	5,485,307	6,070
1999	1998	39.57	149,796,100	5,919,780	5,847,861	71,919
2000	1999	40.27	153,360,732	6,168,373	6,023,737	144,636
2001	2000	40.03	160,987,703	6,436,948	6,236,603	200,345
2002	2001	40.03	172,014,720	6,878,327	6,432,567	445,760
2003	2002	40.54	176,513,085	7,148,253	6,826,931	321,322

(1) Source: St. John the Baptist Sheriff's Office.

**St. John the Baptist Parish Council**  
**Assessed Value of Taxable Property (1)**  
**Last Ten Years**  
**(Unaudited)**

<b>Year</b>	<b>Tax Roll</b>	<b>Number of Taxpayers</b>	<b>Value of Land and Improvements</b>	<b>Value of Other Property</b>	<b>Amount of Homestead Exemption</b>	<b>Assessed Value of Taxable Property</b>
1994	1993	52,516	\$ 19,524,661	\$ 170,396,041	\$ 52,922,552	\$ 136,998,150
1995	1994	48,065	18,959,568	172,676,580	53,583,374	138,052,774
1996	1995	39,734	19,504,377	177,332,846	54,784,968	142,052,255
1997	1996	39,203	20,303,993	180,155,195	55,833,412	144,625,776
1998	1997	38,924	21,038,935	184,608,740	57,272,616	148,375,059
1999	1998	38,924	21,790,320	186,869,982	58,864,202	149,796,100
2000	1999	38,931	23,007,164	191,023,124	60,669,556	153,360,732
2001	2000	42,447	23,843,894	200,094,210	62,950,401	160,987,703
2002	2001	52,981	25,119,581	211,659,719	64,764,580	172,014,720
2003	2002	51,675	25,698,735	213,311,804	66,995,819	176,513,085

(1) Source: St. John the Baptist Parish Assessor's Office.

**St. John the Baptist Parish Council  
Assessed and Estimated Actual  
Value of Taxable Property  
Last Ten Years  
(Unaudited)**

<b>Year</b>	<b>Tax Roll</b>	<b>Total Assessed Value</b>	<b>Estimated Assessment Ratio (1)</b>	<b>Estimated Actual Value</b>
1995	1994	\$ 191,636,148	0.145	\$ 1,321,628,607
1996	1995	196,837,223	0.145	1,357,498,090
1997	1996	200,459,188	0.145	1,382,477,159
1998	1997	205,647,675	0.145	1,418,259,828
1999	1998	208,660,302	0.145	1,439,036,566
2000	1999	214,030,288	0.145	1,476,070,952
2001	2000	223,938,104	0.145	1,544,400,717
2002	2001	236,779,300	0.145	1,632,960,690
2003	2002	239,010,539	0.145	1,648,348,545
2004	2003	242,421,270	0.145	1,671,870,828

(1) Source: St. John the Baptist Parish School Board Comprehensive Annual Financial Report - Statistical Section.

**St. John the Baptist Parish Council**  
**Value of Exempt Industrial Property (1)**  
**Under 10 Year Contracts**  
**Last Ten Years**  
**(Unaudited)**

<b>Year</b>	<b>Estimated Actual Value</b>
1993-03	\$ 22,710,602
1994-04	15,487,848
1995-05	11,476,585
1996-06	59,052,190
1997-07	97,805,326
1998-08	167,860,304
1999-09	32,825,548
2000-10	21,724,919
2001-11	312,010,992
2002-12	944,751,887
Total	\$ 1,685,706,201

(1) Source: St. John the Baptist Parish Assessor's Office.

St. John the Baptist Parish Council  
 Parishwide Property tax Millage  
 (per \$1,000 of assessed value)  
 Last Ten Years  
 (Unaudited)

Taxing District	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
School constitutional	\$ 3.88	\$ 3.88	\$ 3.87	\$ 3.87	\$ 3.87	\$ 3.87	\$ 3.83	\$ 3.87	\$ 3.87	\$ 3.87
School maintenance	4.80	4.80	4.79	4.57	4.57	4.57	4.52	4.57	4.57	4.57
School construction and Imp.	-	-	-	-	-	-	-	-	-	-
Salaries and Health care	14.04	14.04	14.03	14.03	14.03	14.03	13.88	14.03	14.03	14.03
School general obligation bonds	24.15	24.15	24.12	24.12	24.12	24.12	23.87	24.12	24.12	24.12
Parishwide	4.25	4.24	4.25	4.24	4.24	4.24	4.20	4.20	4.20	4.20
Parish general obligation bonds	13.50	12.50	13.00	12.80	15.30	16.00	16.00	16.00	16.00	16.00
Street lights	5.00	5.00	4.99	4.99	4.99	4.99	4.94	4.94	4.94	4.94
Courthouse/jail	1.04	1.04	1.04	1.04	1.04	1.04	1.03	1.03	1.03	1.03
Library	7.31	7.31	7.30	9.99	9.99	9.99	9.90	9.90	9.90	9.90
Public health unit	1.07	1.00	1.00	1.00	1.00	1.00	0.99	0.99	0.99	0.99
Public improvement bonds	-	0.50	-	-	-	-	-	-	-	-
Public land and buildings	-	-	-	-	-	-	-	-	-	-
Parishwide sewerage	-	-	-	-	-	-	-	-	-	-
Mosquito abatement district	0.50	0.50	0.50	0.50	0.50	0.50	0.49	0.49	0.49	0.49
Public building bonds	-	-	-	-	-	-	-	-	-	-
Assessment district	3.26	3.26	3.26	3.26	3.26	3.26	3.23	3.23	3.23	3.23
Law enforcement	32.16	32.16	32.16	32.16	33.16	33.16	32.81	33.16	33.16	33.16
ARC construction go bonds	0.50	0.50	-	-	-	-	-	-	-	-
Juvenile detention center	1.00	1.00	1.00	1.00	1.01	1.01	1.00	1.00	1.00	1.00
ARC maintenance	0.50	-	0.50	0.50	0.50	0.50	0.49	0.49	0.49	0.49
Senior Citizen Center	1.00	1.00	1.00	1.00	1.00	1.00	0.99	0.99	0.99	0.99
LFC Levee Waterworks Dist #2	4.36	4.36	4.29	3.29	3.29	3.29	3.23	3.74	4.17	4.17
Pontch. Levee Waterworks Dist #3	3.89	3.89	3.82	3.82	3.82	3.82	-	-	3.74	3.74
Sew. District #1/Fire District #2	1.25	2.25	2.00	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 127.46</b>	<b>\$ 127.38</b>	<b>\$ 126.92</b>	<b>\$ 126.18</b>	<b>\$ 129.69</b>	<b>\$ 130.39</b>	<b>\$ 125.40</b>	<b>\$ 126.75</b>	<b>\$ 130.92</b>	<b>\$ 131.43</b>

**St. John the Baptist Parish Council**  
**Ratio of Net General Bonded Debt to Assessed Value**  
**& Net Bonded Debt Per Capita**  
**Last Ten Years**  
**(Unaudited)**

<b>Year</b>	<b>Estimated Population *</b>	<b>Assessed Value of Taxable Property</b>	<b>Gross Bonded Debt (1)</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio of Property Tax Net bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1994	43,360	\$ 136,998,150	\$ 12,619,000	\$ 2,129,746	\$ 10,489,254	7.7	\$ 242
1995	43,764	138,052,774	11,446,000	2,082,484	9,363,516	6.8	214
1996	44,168	142,052,255	10,176,000	2,058,033	8,117,967	5.7	184
1997	44,572	144,625,776	8,889,000	2,109,828	6,779,172	4.7	152
1998	44,976	148,375,059	14,803,000	2,405,540	12,397,460	8.4	276
1999	45,380	149,796,100	13,215,000	2,362,090	10,852,910	7.2	239
2000	43,044	153,360,732	11,595,000	2,588,430	9,006,570	5.9	209
2001	43,798	160,987,703	9,890,000	2,901,162	6,988,838	4.3	160
2002	44,521	172,014,720	15,015,000	3,458,653	11,556,347	6.7	260
2003	44,748	176,513,085	25,455,000	4,176,704	21,278,296	12.1	476

\* Census information obtained from South Central Planning and Development Commission

(1) Includes only Ad Valorem Tax Bonds.

**St. John the Baptist Parish Council**  
**Legal Debt Margin**  
**Last Ten Years**  
**(Unaudited)**

<b>Year</b>	<b>Tax Roll</b>	<b>Total Assessed Value</b>	<b>Legal Debt Limit *</b>	<b>Indebtedness **</b>	<b>Legal Debt Margin</b>
1994	1993	\$ 189,920,702	\$ 66,472,246	\$ 12,619,000	\$ 53,853,246
1995	1994	191,636,148	67,072,652	11,446,000	55,626,652
1996	1995	196,837,223	68,893,028	10,176,000	58,717,028
1997	1996	200,459,188	70,160,716	8,889,000	61,271,716
1998	1997	205,647,675	71,976,686	14,803,000	57,173,686
1999	1998	208,660,302	73,031,106	13,215,000	59,816,106
2000	1999	214,030,288	74,910,601	11,595,000	63,315,601
2001	2000	223,938,104	78,378,336	9,890,000	68,488,336
2002	2001	236,779,300	82,872,755	15,015,000	67,857,755
2003	2002	242,421,270	84,847,445	25,455,000	59,392,445

\* Legal debt limit is 35% of the total assessed value of taxable property (10% of the assessed value of taxable property for any one purpose).

\*\* Indebtedness for all purposes combined based upon ad valorem taxes.

**St. John the Baptist Parish Council**  
**Ratio of Annual Debt Service for General Bonded Debt**  
**to Total General Governmental Expenditures (1)**  
**Last Ten Years**  
**(Unaudited)**

Year	Debt Service Expenditures	Total General Governmental Expenditures	Ratio
1994	\$ 6,270,166	\$ 15,275,668	0.410
1995	6,319,536	16,581,175	0.381
1996	5,414,155	14,408,412	0.376
1997	5,923,025	14,464,931	0.409
1998	5,578,305	15,591,449	0.358
1999	9,840,523	20,800,814	0.473
2000	5,743,360	17,397,671	0.330
2001	5,337,110	18,880,834	0.283
2002	5,403,563	21,016,120	0.257
2003	5,307,225	20,450,121	0.260

(1) Includes General, Special Revenue, and Debt Service Funds.



**St. John the Baptist Parish Council**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds (1)**  
**December 31, 2002**  
**(Unaudited)**

<b>Jurisdiction</b>	<b>Net General Obligation Bonded Debt Outstanding</b>	<b>Percentage Applicable to Government</b>	<b>Amount Applicable to Government</b>
<b>Direct:</b>			
St. John The Baptist Parish	\$ 25,455,000	100%	\$ 25,455,000
Library	<u>\$ 1,635,000</u>	100%	<u>1,635,000</u>
<b>Total Direct</b>	<u><u>\$ 27,090,000</u></u>		<u><u>\$ 27,090,000</u></u>
<b>Overlapping:</b>			
St. John The Baptist Parish School Board (2)	<u>26,935,000</u>	100%	<u>26,935,000</u>
<b>Total Overlapping</b>	<u><u>26,935,000</u></u>		<u><u>26,935,000</u></u>
<b>Total Direct and Overlapping</b>	<u><u>\$ 54,025,000</u></u>		<u><u>\$ 54,025,000</u></u>

(1) All General Obligation Bond are secured by Ad Valorem Taxes.

(2) Source: St. John The Baptist Parish School Board Comprehensive Annual Financial Report-  
Statistical Section.

**St. John the Baptist Parish Council**  
**Revenue Bond Coverage**  
**Last Ten Years**  
**(Unaudited)**

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service requirements			Coverage
				Principal	Interest	Total	
<b>Utilities System</b>							
1994	\$ 4,170,264	\$ 3,726,265	\$ 443,999	\$ 196,000	\$ 377,828	\$ 573,828	0.77
1995	4,226,013	3,539,523	686,490	216,000	350,153	566,153	1.21
1996	4,320,865	3,324,590	996,275	226,000	341,721	567,721	1.75
1997	5,337,914	3,240,340	2,097,574	271,000	336,123	607,123	3.45
1998	5,435,241	3,332,493	2,102,748	8,031,726	207,171	8,238,897	0.26
1999	4,793,650	3,683,966	1,109,684	217,793	200,876	418,669	2.65
2000	5,180,674	3,524,392	1,656,282	194,894	567,290	762,184	2.17
2001	4,899,515	4,250,458	649,057	217,618	564,333	781,951	0.83
2002	4,931,399	4,455,735	475,664	238,974	537,160	776,134	0.61
2003	4,663,789	4,010,756	653,033	250,459	525,817	776,276	0.84
<b>Sewerage (3)</b>							
1993	2,548,192	1,984,203	563,989	65,000	19,005	84,005	6.71
1994	2,610,895	2,473,817	137,078	70,000	14,740	84,740	1.62
1995	2,846,733	2,961,876	(115,143)	75,000	12,193	87,193	(1.32)

- (1) Source: Enterprise Funds - Combining Statement of Revenues, Expenses, and Changes in Net Assets (Operating revenues and Non-operating revenues).
- (2) Source: Enterprise Funds - Combining Statement of Revenues, Expenses, and Changes in Net Assets (Operating expenses and other financing uses less depreciation and bond interest).
- (3) Subsequent to 1995 there were no debt service requirement for Sewerage Fund.

**St. John the Baptist Parish Council**  
**Property value, Construction and Bank Deposits**  
**Last Ten Years**  
**(Unaudited)**

Year	Property Value	Construction- Estimated Value(1)	St. John Commercial Bank Deposits (2)
1994	\$ 189,920,702	\$ 165,015,939	\$ 228,145,000
1995	191,636,148	39,204,517	235,800,000
1996	196,837,223	31,640,972	250,557,000
1997	200,459,188	54,230,718	237,351,000
1998	205,647,675	74,089,971	249,530,000
1999	208,660,302	53,992,289	265,469,000
2000	214,030,288	64,127,840	281,048,000
2001	223,938,104	344,970,394	283,241,000
2002	236,779,300	926,831,150	283,608,000
2003	242,421,270	891,228,892	273,529,000

(1) Source: St. John the Baptist Parish School Board Comprehensive Annual Financial Report - Statistical Section.

(2) Source: Federal Deposit Insurance Corporation (FDIC)

**St. John the Baptist Parish Council**  
**Principal Property Taxpayers**  
**December 31, 2003**  
**(Unaudited)**

<b>Taxpayer</b>	<b>2003 Assessed Valuation</b>	<b>2003 Percentage of Assessed Valuation</b>
Marathon Ashland, LLC	\$ 55,014,082	22.69%
E I DuPont De Nemours & Co.	8,485,556	3.50%
Nalco Chemical Company	4,924,645	2.03%
DuPont Dow Elastomers	4,207,485	1.74%
Entergy Louisiana, Inc.	3,977,790	1.64%
Louisiana Machinery Co.	3,509,212	1.45%
Bayou Steel Corporation	3,243,212	1.34%
Hibernia National Bank	2,979,794	1.23%
Reserve Telephone Co.	2,680,660	1.11%
Stockhausen Louisiana	2,550,091	1.05%
	<u>91,572,527</u>	<u>37.77%</u>

Source: St. John the Baptist Parish Assessor.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**SCHEDULE OF COUNCIL MEMBERS AND PARISH PRESIDENT COMPENSATION**  
**For the Year Ended December 31, 2003**

The schedule of compensation paid to the Parish President and Parish Councilmen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Parish Council is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statutes, at LSA-R.S. 33:1233, the Parish Council has elected the monthly payment method of compensation. Under this method, the Councilmen receive approximately \$686 per month.

<u>PARISH PRESIDENT</u>	<u>AMOUNT</u>
Nickie Monica, Parish President	<u>\$ 70,667</u>
 <u>PARISH COUNCIL</u>	
Cleveland Farlough, Council Chairman, Division A	\$ 8,230
Duaine Duffy, Division B	8,230
Lester Rainey, Sr., District I	8,230
Allen St. Pierre, District II	8,230
Richard Dale Wolfe, District III	8,230
Ranney Wilson, District IV	8,230
Jobe' Boucvalt, District V	8,230
Melissa Fauchaux, District VI	8,230
Steve Lee, District VII	<u>8,230</u>
 Parish Council Total	 <u>\$ 74,070</u>

**St. John the Baptist Parish Council**  
**Demographic Statistics**  
**Last Ten Years**  
**(Unaudited)**

<b>Year</b>	<b>Population *</b>	<b>Per Capita Income</b>	<b>Public School Enrollment</b>	<b>Unemployment *</b>
1994	43,360	\$ 14,541	7,225	9.4%
1995	43,764	15,136	7,089	8.4%
1996	44,168	17,299	7,043	9.4%
1997	44,572	18,016	6,915	7.1%
1998	44,976	19,553	6,765	6.5%
1999	45,380	20,480	6,698	6.4%
2000	43,044	15,445	6,646	8.1%
2001	43,798	21,806	6,563	8.2%
2002	44,521	Not Available	6,310	7.8%
2003	44,748	Not Available	6,400	8.9%

\* Information obtained from South Central Planning and Development Commission.

**SINGLE AUDIT SECTION**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

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

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

We have audited the basic financial statements of the St. John the Baptist Parish Council as of and for the year ended December 31, 2003, and have issued our report thereon dated May 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the St. John the Baptist Parish Council's basic 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Cost as item 03-1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. John the Baptist Parish Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 basic 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated May 26, 2004.

This report is intended solely for the information and use of the Council, management of the Parish, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

Metairie, Louisiana  
May 26, 2004

# REBOWE & COMPANY

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

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

### Compliance

We have audited the compliance of the St. John the Baptist Parish Council with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. St. John the Baptist Parish Council's major federal programs are identified in the summary of auditor's 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. John the Baptist Parish Council's management. Our responsibility is to express an opinion on the St. John the Baptist Parish Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the St. John the Baptist 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 of the St. John the Baptist Parish Council's compliance with those requirements.

In our opinion, the St. John the Baptist Parish Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as item 03-02.

#### Internal Control Over Compliance

The management of the St. John the Baptist Parish Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the St. John the Baptist Parish Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the 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.

This report is intended solely for the information and use of the Council, management of the Parish, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

Metairie, Louisiana  
May 26, 2004

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2003**

Federal Grantor/ Pass-Through Grantors/ Program Title	Federal CFDA Number	Grant Number	Program or Award Amount	Revenue Recognized	Expenditures/ Disbursements
<b>U.S. Federal Emergency Management Agency</b>					
Passed through the Louisiana Department of Military Affairs:					
Disaster Public Assistance Grant	83.544	1435-DR-LA	\$ 6,931	-	\$ -
Emergency Assistance Grant	83.534	A02-8-043	41,849	-	-
Total Passed through the Louisiana Department of Military Affairs				-	-
Firefighters Assistance Grant	83.555	EMW-2003-FG-17132	25,485	25,485	25,485
Firefighters Assistance Grant	83.554	EMW-2002-FG-10936	37,740	37,740	37,740
Firefighters Assistance Grant	83.554	EMW-2002-FG-06914	7,824	7,824	7,824
Total U.S. Federal Emergency Management Agency				<u>\$ 71,049</u>	<u>\$ 71,049</u>
<b>U.S. Department of Housing and Urban Development</b>					
Passed through the Office of Community Development, State of Louisiana:					
Louisiana Community Development Block Grant (LCDBG) *	14.228	584-466	311,899	\$ 278,944	\$ 278,944
Total U.S. Department of Housing and Urban Development				<u>\$ 278,944</u>	<u>\$ 278,944</u>
<b>U.S. Department of Agriculture</b>					
Passed through the Louisiana Department of Health and Human Resources:					
NRCS Grant *	10.902	69-7217-03-06	436,460	\$ 400,459	\$ 400,459
Summer Food Service Program	10.558	-	76,631	76,631	\$ 76,631
Total U.S. Department of Agriculture				<u>\$ 477,090</u>	<u>\$ 477,090</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
For the Year Ended December 31, 2003**

Federal Grantor/ Pass-Through Grantors/ Program Title	Federal CFDA Number	Grant Number	Program or Award Amount	Revenue Recognized	Expenditures/ Disbursements
<b>U.S. Department of Transportation</b>					
Federal Aviation Administration					
Airport Improvement Program	20.106	AIP NO. 3-22-0064-06 and 3-22-0064-08-01	\$13,922	\$ 13,922	\$ 13,922
Total U.S. Department of Transportation				<u>\$ 13,922</u>	<u>\$ 13,922</u>
<b>U.S. Department of Justice</b>					
Passed through the Louisiana Commission on Law Enforcement:					
Juvenile Accountability Block Grant	16.523	A00-8-043	22,849	\$ 14,816	\$ 14,816
Total U.S. Department of Justice				<u>\$ 14,816</u>	<u>\$ 14,816</u>
<b>U.S. Department of Commerce -National Oceanic and Atmospheric Administration</b>					
Passed through the Louisiana Department of Natural Resources:					
NOAA Grant	11.419	NA170Z2160	281,747	\$ 268,040	\$ 268,040
Total U.S. Department of Commerce				<u>\$ 268,040</u>	<u>\$ 268,040</u>
<b>Total Federal Awards</b>				<u>\$ 1,123,861</u>	<u>\$ 1,123,861</u>

\* Major program

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
December 31, 2003**

**NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS**

All federal grant awards of the St. John the Baptist Parish Council are included in the scope of the single audit. The programs that were major grants and were selected for specific testing included:

CFDA No. 14.228	LCDBG Grant
CFDA No. 83.554	NRCS Grant

The U.S. Department of Agriculture has been designated as the Parish's oversight agency for the single audit.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting, in accordance with generally accepted accounting principles. The modified accrual basis of accounting has also been used in presenting the financial statements, as disclosed in Note 1 of the financial statements.

**NOTE C - PASS-THROUGH AWARDS**

The St. John the Baptist Parish Council did not pass-through any of its federal awards to a subrecipient during the year ended December 31, 2003.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2003**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the St. John the Baptist Parish Council.
2. No reportable conditions relating to the audit of the financial statements are reported in the *Independent's Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. An instance of noncompliance material to the financial statements of the St. John the Baptist Parish Council is reported in accordance with *Government Auditing Standards*, referenced as 03-1 in section B of this report.
4. No reportable conditions relating to the audit of internal control over the major federal award program are reported in the *Independent's Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award program administered by the St. John the Baptist Parish Council expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs are reported in Section C of this schedule.

7. The programs tested as major programs include:

	<u>CFDA Number</u>
LCDBG Grant	14.228
NRCS Grant	10.902

8. The threshold for distinguishing Type A and Type B programs was \$300,000.
9. The St. John the Baptist Parish Council qualified as a low-risk auditee.
10. A management letter dated May 26, 2004 was issued.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended December 31, 2003**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

COMPLIANCE FINDING

03-1 Budgeted Deficit

Condition:

The Parish budgeted a deficit for the Criminal Court Fund for the year ended December 31, 2003.

Criteria:

Louisiana Revised Statute 39:1308 states that the governing authority shall adopt a budget "with approved expenditures not exceeding the total of estimated funds available".

Effect:

The Parish is in violation of state law.

Cause:

Final budget amendments resulted in the budgeted deficit.

Recommendation:

We recommend that the Parish closely monitor the Criminal Court Fund to ensure that the state budget law is being complied with.

Response:

See Management's Corrective Action Plan for their response.



**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended December 31, 2003**

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

**U.S. DEPARTMENT OF AGRICULTURE**

Passed through the Louisiana Department of Health and Human Resources

03-2 Natural Resources Conservation Service (NRCS) - CFDA No. 10.902

Condition:

The Parish failed to obtain weekly certified payrolls from one construction contractor to verify compliance with Davis-Bacon Act.

Criteria:

The Davis-Bacon Act requires that certified payrolls be obtained from all construction contractors on all contracts over \$2,000 financed by federal funds to ensure that all skilled laborers are paid the minimum prevailing wage.

Effect:

Skilled laborers for a contractor receiving federal funds may not have been paid the prevailing wage.

Cause:

There was a lack of communication between the Parish and the contractor.

Recommendation:

Procedures should be implemented to ensure that the compliance requirements of the Davis-Bacon Act are met.

Response:

See Management's Corrective Action Plan for their response.

**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**LAPLACE, LOUISIANA**  
**CORRECTIVE ACTION PLAN**  
**Year Ended December 31, 2003**

03-1 Budgeted Deficits

Recommendation:

We recommend that the Parish closely monitor the Criminal Court Fund to ensure that the state budget law is being complied with.

Corrective Action:

The Parish will more closely monitor its budgeting procedures to ensure all budgets are in compliance with the state budget law.

Implementation Date:

July 1, 2004

Contact:

Jeffrey P. Clement, Director of Finance, (985) 652-9569.

03-2 Natural Resources Conservation Service (NRCS) - CFDA No. 10.902

Recommendation:

Procedures should be implemented to ensure that the compliance requirements of the Davis-Bacon Act are met.

Corrective Action:

The Parish will monitor compliance with the Davis-Bacon Act on all federal construction contracts.

Implementation Date:

July 1, 2004

Contact:

Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
LAPLACE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2003**

**A. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

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

None

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**ST. JOHN THE BAPTIST PARISH COUNCIL**  
**MEMORANDUM OF ADVISORY COMMENTS**  
**For the Year Ending December 31, 2003**

**REBOWE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**CONSULTANTS**  
**A PROFESSIONAL CORPORATION**

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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May 26, 2004

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

We have audited the basic financial statements of the St. John the Baptist Parish Council for the year ended December 31, 2003 and have issued our report thereon dated May 26, 2004. As part of our audit, we considered the Parish's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the Parish's internal control in a separately issued report entitled *Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated May 26, 2004.

We will review the status of our findings and recommendations during our next audit engagement. We have already discussed our recommendations with the Administration and have included their corrective action plan. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing our recommendations.

Sincerely,

*Rebowe & Company*

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN  
December 31, 2003**

**1. Prior Year Recommendation That Has Not Yet Been Implemented**

Observation:

- **Segregation of Accounting Duties**

As we previously recommended, we observed that the Director of Finance has separated incompatible duties among his accounting personnel within the Finance Department in the areas of bank reconciliations, cash disbursements, and the recording of accounting transactions. However, we noted that such incompatible duties for employees in the Civil Defense and Fire Departments have not been segregated. Therefore, there is an internal control weakness in these departments.

Recommendation:

We recommend that the Administration implement policies and procedures to segregate incompatible duties for employees in the Civil Defense and Fire Departments.

Corrective Action Plan:

We will take the appropriate steps necessary to begin resolving this continuing finding. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**2. 2004 Budget Shortfalls**

Observation:

The Parish is experiencing significant budget shortfalls in 2004, primarily in the General, Public Works, Utilities System, and Sewerage Funds. In addition, there appears to be a cash flow shortfall in the General Fund for 2004 of approximately \$800,000.

Recommendation:

We recommend that the Parish amend its 2004 budget for these anticipated shortfalls. In addition, the Parish should implement a hiring freeze and review departmental 2004 budgets and eliminate non-critical maintenance, overtime, capital outlay, and professional services contracts until such time its budget shortfalls are corrected.

The Parish should also consider interim financing against 2005 ad valorem tax collections to assist with this 2004 cash flow shortfall. Such financing will require Bond Commission approval.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

Corrective Action Plan:

The Parish Administration is in the process of amending its 2004 budget for these anticipated shortfalls and is consulting with its bond counsel about the option of interim financing to assist with the 2004 cash flow shortfall. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**3. Deficiencies of Revenues Over Expenditures/Net Loss**

Observation:

For the year ended December 31, 2003, expenditures exceeded revenues for the following funds:

	<u>2003 Deficiency</u>	<u>Fund Balance/ Net Assets</u>
1990 Parishwide Sewerage Construction Phase II	\$ 963,240	\$ 23,410
Criminal Court	62,666	(178,890)
Drainage Construction	223,220	242,423
Economic Development	154,471	1,962,265
General Fund	229,583	158,943
Health Tax Unit	33,395	356,068
LaPlace Fire Department	30,488	674,959
Mosquito Abatement	67,318	277,686
Reserve Fire Department	56,749	46,609
Roads & Bridges (Public Works)	475,316	256,974
Sales Tax District	2,237,683	4,025,215
Sewerage	4,220,722	53,913,590
Utilities	1,587,968	20,468,362
Westbank Fire Department	60,935	132,660

A majority of these funds also incurred deficiencies in 2002. If this trend continues, these funds may soon exhaust their fund balances/net assets.

Recommendation:

We recommend that the Parish closely monitor these funds and take action to identify new sources of revenues and/or decrease expenditures.



**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

Corrective Action Plan:

We will monitor spending throughout 2004 to ensure expenditures do not exceed revenues. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**4. Cash Management**

Observation:

At December 31, 2003, the Parish had over \$25 million invested in various interest bearing checking accounts and only \$105,000 in investments.

Recommendation:

We recommend that the Finance Department review the Parish's cash flow needs and consult with its fiscal agent about investing any excess cash in higher yielding securities such as money market accounts, certificates of deposit, U.S. Agency securities, and/or LAMP.

Corrective Action Plan:

We will consult with our fiscal agent about establishing an investment portfolio. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**5. Fixed Assets Accounting**

Observation:

Although the Finance Department is manually tracking its fixed asset, the fixed asset computer software is not currently being utilized. Instead, the Finance Department is utilizing an Excel spreadsheet to maintain its fixed assets. During our testing of fixed assets, we noted certain assets that had been disposed of during the year, but were still included on the spreadsheet as of December 31, 2003. In addition, the Finance Department does not maintain a separate accounting of its construction in progress.

Recommendation:

We recommend that the Finance Department utilize its fixed asset software which would be more efficient and effective in tracking its fixed assets, as well as computing depreciation expense. In addition, policies and procedures should be implemented to ensure that additions and deletions of assets are updated in the fixed asset system in a timely manner. The Finance Department should also track its construction in progress (approximating \$ 3.8 million as of December 31, 2003) with its fixed asset software.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

Corrective Action Plan:

We will begin inputting all fixed assets of the Parish into the fixed asset software. We will also establish procedures to ensure all additions and deletions of assets are updated timely, as well as the tracking of construction in progress. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**6. Indirect Cost Allocation Plan**

Observation:

Currently, administrative fees of approximately \$300,000 are transferred into the General Fund from other funds. However, as noted in past audits, no indirect cost allocation plan exists to support these amounts or to determine whether additional allocations are warranted. In addition, salaries and benefits of approximately \$375,000 for certain finance personnel classified in the General Fund are being charged directly to other funds.

Recommendation:

We recommend that the Finance Department prepare an indirect cost allocation plan that will support the allocation of indirect costs, particularly in the General Fund, to other funds with available resources. In addition, salaries and benefits of the Finance Department should remain within the General Fund and be allocated accordingly in connection with the indirect cost allocation plan.

Corrective Action Plan:

The Finance Department will consider preparing an indirect cost allocation plan. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**7. Wireless 911 Service**

Observation:

In 1999, the Federal Communications Commission required that certain enhancements be made to wireless 911 systems in connection with Act 1029. Phase II implementation requires that wireless carriers provide precise locations of cellular phones to 911 systems, generally within 50-100 meters. After requesting the Phase II Service, a wireless carrier then has six months to provide the service to 50% of the coverage area and to 100% within 18 months. The Federal Communications Commission has established a deadline of December 31, 2005 for a nationwide implementation of Phase II.

The Parish has entered into cooperative endeavor agreements with certain Commercial Mobile Radio Service (CMRS) service suppliers and is in the process of finalizing

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

agreements with others. However, the Parish does not know how many service suppliers are located in the Parish to ensure that agreements are entered into and all service charges are being collected.

Recommendation:

We recommend that the Parish identify all CMRS service suppliers in the Parish and ensure that cooperative endeavor agreements are established. Also, the Parish should take steps to ensure that Phase II implementation will be completed by the FCC deadline of December 31, 2005.

Corrective Action Plan:

We will consult with our Director of Civil Defense regarding this matter. The contact person is Paul Oncale, Director of Civil Defense, (985) 652-9569.

**8. Convention Center**

Observation:

The Parish has begun the construction of a Convention Center scheduled for completion in 2005. While generating economic activity, typically, convention centers operate in a deficit. As of December 31, 2003, the Finance Department has not yet performed any forecasts of revenues and expenditures for the operations of the Convention Center to determine funding needs.

Recommendation:

We recommend that the Finance Department prepare forecasts of anticipated revenues and expenditures for the operations of the Convention Center. Any projected deficits should be addressed immediately in anticipation for its completion in 2005.

We also recommend that the Parish complete Form R-1020 "Designation of Construction Contractor as Agent of a Governmental Entity", which designates the contractor for the Convention Center as its agent for the purpose of making purchases on behalf of the Parish. The designation of agency is effective for purchases of component construction materials, taxable services, and leases and rentals of tangible personal property for the construction project. Such exclusions of state and local sales taxes of 8.75% to the designated agent will provide a substantial cost savings to the Parish.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

Corrective Action Plan:

The Finance Department will address the preparation of such forecasts and has obtained the information regarding a designated agent. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**9. Post-Employment Benefits Other Than Pensions**

Observation:

In May 2004, the GASB issued Statement No. 43 *“Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans”*. A related Statement, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* is expected to be issued as Statement No. 45. These statements address how state and local governments should account for and report their costs and obligations related to postemployment benefits other than pensions referred to as other postemployment benefits (OPEB). Examples of OPEB include, retiree health insurance, dental, vision, prescription benefits, and life insurance.

The Statements generally would require governments to:

- Measure the cost of benefits, and recognize OPEB expense on the accrual basis of accounting in periods that approximate the employees' years of service;
- Provide information about the actuarial accrued liabilities for promised benefits associated with past services and whether or to what extent, those benefits have been funded; and
- Provide information useful in assessing potential demands on the employer's future cash flows.

The Parish will be required to comply with the new accounting standards for the year ending December 31, 2007.

The Parish provides postretirement health care and life insurance benefits to all retirees who reach the normal retirement age while working for the Parish. Currently, there are 60 retirees under the plan, which represents 20% of the group covered. Under the Parish's policy, an employee only has to work 10 years to be eligible for health care. Typically, in other governmental entities, vesting is longer than 10 years. The above-mentioned accounting statements will have a significant impact on the Parish's financial statements and potential demands of the Parish's future cash flows.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

Recommendation:

The Finance Department should begin the process of implementing the applicable accounting pronouncement within the prescribed deadline. The Finance Department should also review its current eligibility requirements for retiree health care.

Corrective Action Plan:

The Finance Department will begin obtaining the necessary information needed to implement the requirements of the applicable GASB Accounting Statement. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**10. Check-Writing Machine**

Observation:

The check-writing machine for accounts payable and payroll does not prevent duplicate check numbers from being issued, nor does it prevent check numbers from being issued out of sequence. Therefore, an internal control weakness exists with respect to unauthorized checks possibly being issued.

Recommendation:

We recommend that either the machine be reprogrammed to identify duplicate checks or pre-numbered check stock be used to avoid duplication. In addition, we recommend destroying any voided checks in a manner that would better prevent the checks from being used, such as removing the routing number.

Corrective Action Plan:

The Finance Department will consider implementing our recommendation. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**11. Airport Authority Fund**

Observation:

Currently, transfers from the Economic Development Fund Sales Tax District assist the Airport Authority Fund in breaking even. Operating losses in the Airport Authority Fund, excluding transfers from Economic Development, were \$(64,987), \$(72,616) and \$(81,739) for the years 2001 through 2003, respectively.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

Recommendation:

Due to the apparent minimal usage of the airport and recurring operating losses, the Parish should consider selling or privatizing the airport.

Corrective Action Plan:

The Parish Administration will consider our recommendation. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**12. Physical Inventory**

Observation:

The Government Finance Officer Association (GFOA) recommends that local governments perform a physical inventory of its tangible capital assets, either simultaneously or on a rotating basis, so that all of a government's tangible capital assets are physically accounted for at least once every five years. A physical inventory of the Parish's tangible capital assets has not been taken since 2000.

Recommendation:

The Finance Department should perform a physical inventory in 2004 or 2005 as recommended by the GFOA.

Corrective Action Plan:

The Finance Department will consider our recommendation. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**13. Positive Pay**

Observation:

Positive pay is becoming a preferred method of check fraud deterrence. Positive pay entails a daily reconciliation of an issuer's checks to checks presented for payment to the issuer's bank to identify potentially fraudulent checks.

Under positive pay, an issuer prepares a formatted-checks issued data file (including check number, amount and date as well as other bank and account information) and transmits this data to its bank. Stop payments, voided checks and manual checks can also be included in the formatted-checks issued file. The bank compares checks received for payment against the record of issued checks. The bank identifies items that do not match the issue amount

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

and check number. The bank may offer additional services to identify checks that exceed certain dollar amounts and "stale" (dated) checks. The bank presents the rejected items to the issuer for its consideration for payment.

Recommendation:

The Government Finance Officers Association (GFOA) recommends that governmental entities use positive pay as the primary check clearance process in banking services agreements. This service should be included as part of an overall program of check fraud protection, including secure file transmission.

The GFOA further recommends that the issuer have specific knowledge of their exposure to loss with both their insurance carrier, if any, and their banking institution. The Parish's fiscal agent agreement will expire in August 2004. The Parish should consider these recommended practices when advertising for its new fiscal agent contract.

Corrective Action Plan:

The Finance Department will consider these recommended practices when advertising for its new fiscal agent contract. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**14. Water Sales**

Observation:

The water rates were last adjusted by Council ordinance in May 1992, which allowed for an annual CPI inflationary increase. However, the annual increase in expenditures in the Water Department far outweighs this CPI increase. Even with the annual CPI index, the Parish has been experiencing little or no increase in annual water revenues. A comparison of water produced to billed for 2003 resulted in an unbilled percentage of 30%. Such loss revenues, whether from water loss or lost billings, is significant.

Recommendation:

We recommend that the source for declining water revenues be identified. The Parish has approximately 15,000 water meters of which the majority is old and may need to be replaced. In addition, a review of the adequacy of the current water rates should be performed.

Corrective Action Plan:

The Parish Administration will consider our recommendation. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**ST. JOHN THE BAPTIST PARISH COUNCIL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
December 31, 2003**

**15. Criminal Justice Expenditures**

Observation:

In 2003, total criminal justice expenditures incurred within the General Fund represent 32% of total General Fund revenues. However, little revenue is generated in the General Fund for criminal justice costs.

Recommendation:

Whereas criminal justice costs are mandated by the State and are not under the control of the Parish, the Parish should attempt to identify a source of funding to offset these costs.

Corrective Action Plan:

The Parish Administration will attempt to identify a funding source for criminal justice costs. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.

**16. Overtime Pay**

Observation:

During 2003, overtime wages for the Utilities and Sewerage Departments represented approximately 27% and 21%, respectively, of total wages.

Recommendation:

We recommend that the Utilities and Sewerage Departments review its overtime policy and make any adjustments that would assist in controlling overtime hours worked.

Corrective Action Plan:

Effective January 19, 2004, a policy was implemented whereby all overtime must be pre-approved by either the Department Director, CAO, or Parish President. In addition, no employee will be allowed to work more than 10 hours of overtime in any given week unless pre-approved. Overtime costs for the 1<sup>st</sup> quarter of 2004, as compared to 2003, resulted in a reduction of 36% or a savings of approximately \$93,000. The contact person is Jeffrey P. Clement, Director of Finance, (985) 652-9569.



**ST. JOHN THE BAPTIST PARISH COUNCIL  
STATUS OF PRIOR YEAR'S RECOMMENDATIONS  
December 31, 2003**

Segregation of Duties	Improvements noted. However, corrective action is still in progress. See Observation 1 in the Observations, Recommendations, and Corrective Action Plan.
Budget Law	Unresolved. See compliance finding in the audit report.
Criminal Court Fund	Unresolved. See Observations 2 in the Observations, Recommendations, and Corrective Action Plan.
Deficiencies of Revenues Over Expenditures	Corrective action is in progress. See Observation 2 in the Observations, Recommendations, and Corrective Action Plan.
Prohibited Transaction	Improvements noted. There are no current year recommendations.
GASB Statement No. 34	Implemented.