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ST. MARY PARISH COUNCIL
MUNICIPAL SOLID WASTE LANDFILL FACILITIES
FINANCIAL ASSURANCE MECHANISMS

CFO ASSERTION SCHEDULE
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2003
WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CPAs

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 9-15-04

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Independent Certified Public Accountants' Report

To: St. Mary Parish Council
US Environmental Protection Agency
Louisiana Department of Environmental Quality

We have performed the procedures enumerated in the attached appendix A to this report, which were agreed to by the US Environmental Protection Agency and the Louisiana Department of Environmental Quality, solely to assist these specified parties in evaluating the St. Mary Parish Council's compliance with certain of the requirements of the "Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities" as of December 31, 2003 and for the year then ended, included in the accompanying St. Mary Parish Council CFO Assertion Schedule. Management is responsible for the St. Mary Parish Council's compliance with these requirements. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently we make no representation regarding the sufficiency of the procedures described in the attached Appendix A, either for the purpose for which this report has been requested or for any other purpose.

The procedures we applied and our findings are described in appendix A to this report.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information of the US Environmental Protection Agency and the Louisiana Department of Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

August 31, 2004

A handwritten signature in black ink, appearing to read "Pitts & Matte". The signature is written in a cursive, flowing style.

**St. Mary Parish Council
Agreed Upon Procedures Applied to
Schedule of Assertions Prepared by CFO**

ASSERTION NO. 1

Procedures Applied

Finding

- | | | |
|---|---|--------------------------------------|
| 1 | Recomputed mathematical computations in Schedule prepared by CFO | Found no mathematical errors |
| 2 | Compared amount of cash used in schedule prepared by CFO with amount of cash presented in St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |
| 3 | Compared amount of marketable securities used in schedule prepared by CFO with amount of investments presented in St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |
| 4 | Compared the amount of expenditures per the schedule prepared by the CFO to the amounts of expenditures reported in the St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |
| 5 | Compared the amount of expenditures for depreciation and interest per the schedule prepared by the CFO to the amount of expenditures for depreciation and interest as reported in the St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |

ASSERTION NO. 2

Procedures Applied

Finding

- | | | |
|---|---|--------------------------------------|
| 1 | Recomputed mathematical computations in schedule prepared by CFO | Found no mathematical errors |
| 2 | Compared the amount of debt service payments per the schedule prepared by the CFO to the amounts reported in the St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |
| 3 | Compared the amount of expenditures per the schedule prepared by the CFO to the amounts of expenditures reported in the St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |
| 4 | Compared the amount of expenditures for depreciation and interest per the schedule prepared by CFO to the amount of expenditures for depreciation and interest as reported in the St. Mary Parish Council's audited financial statements for 2003 | Found the amounts to be in agreement |

ASSERTION NO. 3**Procedures Applied**

- 1 Compared the statements made by the CFO regarding the basis of accounting used to prepare the 2003 St. Mary Parish financial statements and the type of opinion rendered by the St. Mary Parish Council's independent CPAs with the opinion letter issued by the St. Mary Parish Council's independent CPAs for 2003

Finding

Found the statements made by the CFO did not conflict with information in the independent CPA's opinion

ASSERTION NO. 4**Procedures Applied**

- 1 Recomputed mathematical computations in schedule prepared by CFO
- 2 Compared amounts reported in schedule by CFO as total revenues for 2003 and 2002 to the amounts reported in the St. Mary Parish Council's audited financial statements for 2003 and 2002
- 3 Read the 2003 and 2002 St. Mary Parish Council's audited financial statements and related notes to the financial statements to determine if the financial statements or related notes disclosed any cash, investments or revenues from funds held by the Council in behalf of third parties
- 4 Obtained written confirmation from Chief Administrative Officer and Chief Financial Officer of St. Mary Parish Council regarding funds held by the Council for third parties
- 5 Compared the amounts reported in the schedule prepared by CFO as total expenditures for 2003 and 2002 to the amounts in the St. Mary Parish Council's audited financial statements for 2003 and 2002
- 6 Compared amounts reported in the schedule prepared by the CFO as depreciation and interest for 2003 and as capital outlays and debt repayments for 2002 to the amounts in the St. Mary Parish Council's audited financial statements in 2003 and 2002

Finding

Found no computation errors

Found the amounts to be in agreement

Found cash and investments reported as being held in behalf of third parties in 2003 and 2002, however, these amounts were excluded from the computations in the St. Mary Parish CFO Assertion Schedule

Found the confirmation reported that funds held in behalf of third parties were excluded from the amounts of cash, investments or revenues used in the St. Mary Parish CFO Assertion Schedule

Found the amounts to be in agreement

Found the amounts to be in agreement

ASSERTION NO. 5

Procedures Applied

Finding

- 1 Compared the statements made by the CFO regarding the type of opinion issued by the St. Mary Parish Council's independent CPAs with the opinion letter issued by the St. Mary Parish Council's independent CPAs for 2003

Found that the statement made by the CFO did not conflict with information in the independent CPA's opinion

Note to Procedures:

The agreed upon procedures were applied to the following records: the St. Mary Parish Council CFO Assertion Schedule, which is attached; the St. Mary Parish Council, Reporting Entity Financial Statements, Annual Financial Statements with Independent Auditors' Report for the year ended December 31, 2003; (prepared on the new basis of accounting prescribed by GASB No. 34 which is effective for 2003 for the Council) and the St. Mary Parish Council, Reporting Entity Financial Statements, and Annual Financial Statements with Independent Auditors' Report for the year ended December 31, 2002 (prepared on the pre GASB No. 34 Basis of accounting which is not in effect until 2003 for the Council).

ST. MARY PARISH COUNCIL CFO ASSERTION SCHEDULE

MUNICIPAL SOLID WASTE LANDFILL FACILITIES FINANCIAL ASSURANCE MECHANISMS

As of and for the Years Ended December 31, 2003 and 2002

Computation Schedule

ASSERTION NO. 1

The ratio of cash plus marketable securities to total expenditures (as adjusted) is greater than .05

Total cash at December 31, 2003		\$26,092,131
Total marketable securities at December 31, 2003		<u>16,003,162</u>
Total		<u>\$42,095,293</u>
Total expenditures for year ended December 31, 2003:		
Primary Government		\$21,827,522
Component Units		<u>31,891,976</u>
Total expenditures		<u>53,719,498</u>
Less: Interest:		
Primary Government		
Governmental activities	1,674,545	
Business-type activities	20,502	
Component Units	<u>607,018</u>	(2,302,065)
Less: Depreciation related to Governmental Activities:		
Primary Government	\$1,029,611	
Components	<u>1,471,562</u>	(2,501,173)
Total expenditures (as adjusted)		<u>\$ 48,916,260</u>
Ratio of cash & marketable securities to expenditures (as adjusted)		.86

ASSERTION NO. 2

The ratio of annual debt service to total expenditures (as adjusted) is less than .20

Primary Government:

Governmental Activities	
Principal	\$2,642,841
Interest	1,246,127
Business-type Activities	
Principal	155,000
Interest	20,502
Component Units	
Principal	1,794,966
Interest	<u>607,018</u>
Annual debt service for year ended December 31, 2003	<u>\$6,466,454</u>

Total expenditures (as adjusted[see above]) \$48,916,260

Ratio of debt service to expenditures (as adjusted) .13

ASSERTION NO. 3

The financial statements are prepared in accordance with Generally Accepted Accounting Principles for governments and the financial statements are audited by independent Certified Public Accountants.

ASSERTION NO. 4

The St. Mary Parish Council has not operated at a deficit of five percent or more in the last two fiscal years

Total revenues for year ended December 31, 2003:		
Charges for services		\$20,812,646
Operating grants and contributions		7,765,286
Capital grants and contributions		6,546,335
General revenues		<u>28,172,931</u>
Total revenues		<u>63,297,198</u>
Total expenditures (as adjusted [see above])		<u>48,916,260</u>
Excess of revenues over expenditures		<u>\$14,380,938</u>
Amount of deficit		<u>NONE</u>
Total revenues for year ended December 31, 2002:		
Governmental funds (\$35,727,886 + \$1,010,769)		\$36,738,655
Proprietary funds - operating (\$19,076,126 + \$140,181)		19,216,307
Proprietary funds - nonoperating (\$2,539,270 + \$120,683)		<u>2,659,953</u>
Total revenues		58,614,915
Less proceeds from sale of assets (\$16,512 + \$7,380)		(23,892)
Total revenues (as adjusted)		<u>58,591,023</u>
Total expenditures for year ended December 31, 2002:		
Governmental funds (\$36,465,497 + \$212,569)		\$36,678,066
Proprietary funds		
Operating (\$20,312,066 + \$262,851)	\$20,574,917	
Non operating	<u>299,681</u>	
Total expenditures		<u>20,874,598</u>
		<u>57,552,664</u>
Less: Capital outlays		(5,676,443)
Debt service-Governmental		
Principal	(3,371,722)	
Interest	(1,710,109)	
Debt service-Proprietary		
Interest	(274,113)	
Total debt service		(5,355,944)
		<u>(11,032,387)</u>
Total expenditures (as adjusted)		<u>46,520,277</u>
Excess revenues over expenditures		<u>\$12,070,746</u>
Amount of deficit		<u>NONE</u>

ASSERTION NO. 5

The St. Mary Parish Council has not received an adverse opinion, disclaimer of opinion, or qualified opinion from its independent certified public accountant on its December 31, 2003 financial statements.

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ST. MARY PARISH COUNCIL

Reporting Entity Financial Statements

St. Mary Parish, State of Louisiana

**Annual Financial Statements
with Independent Auditors' Report**

And

Independent Auditors' Report on Internal Control and Compliance

For the 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 _____

ST. MARY PARISH COUNCIL

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INDEPENDENT AUDITORS' REPORT

To the St. Mary Parish Council
Franklin, 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, and the respective budgetary comparisons for the General Fund, Road Construction & Maintenance Fund, and Sanitation Fund of the St. Mary Parish Council, as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements of the St. Mary Parish Council as listed in the table of contents as Basic Financial Statements. We also have audited the financial statements of each of the Council's nonmajor governmental funds presented as supplementary information in the accompanying combining and fund financial statements and individual fund budgetary comparison schedules as of and for the year ended December 31, 2003, as listed in the table of contents as Supplementary Information - Nonmajor Governmental Funds. These financial statements are the responsibility of the St. Mary Parish Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of twenty-nine of the forty discretely presented component units, as listed in Note 1A of the notes to the financial statements, which statements represent 86% and 88% respectively of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for those thirty component units in the component unit amounts presented within the Statement of Net Assets and Statement of Activities, and Statement of Fiduciary Net Assets, as listed in the table of contents, is based on the report 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

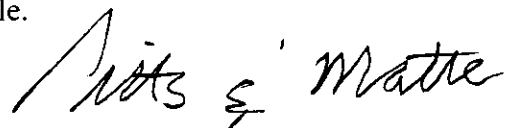
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information for the St. Mary Parish Council, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Road Construction & Maintenance Fund, and Sanitation Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the primary government of the St. Mary Parish Council as of December 31, 2003, and the respective changes in financial position, and respective budgetary comparisons, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Notes 1 and 2, the St. Mary Parish Council has implemented financial reporting, as required by the provisions of GASB Statements No. 33 Accounting and Financial Reporting for Nonexchange Transactions and No. 34. Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments, as of December 31, 2003.

The Council has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standard, we have also issued our report dated August 31, 2004, on our consideration of the St. Mary 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the St. Mary Parish Council. The accompanying component unit information as listed in the Supplementary Information - Component Units in the table of contents, the accompanying schedule of expenditures of federal awards, required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the information listed as General Supplementary Information in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the St. Mary Parish Council. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2004

BASIC FINANCIAL STATEMENTS

ST. MARY PARISH COUNCIL
Statement of Net Assets
December 31, 2003

	Primary Government		Total	Component Units	Total Primary Government & Component Units
	Governmental Activities	Business-type Activities			
ASSETS					
Current assets					
Cash and cash equivalents	\$ 5,693,066	\$ 850,371	\$ 6,543,437	\$ 19,548,694	\$ 26,092,131
Investments	8,021,125	426,572	8,447,697	7,555,465	16,003,162
Receivables (net of allowances for uncollectibles)	579,772	160,092	739,864	4,176,037	4,915,901
Other Receivables				208,608	208,608
Due from St. Mary Parish Council				836,193	836,193
Due from component units	735,349		735,349	37,437	772,786
Due from other governments	5,884,925	1,562	5,886,487	4,144,013	10,030,500
Prepaid expenses				501,076	501,076
Inventories				532,514	532,514
Unamortized bond issue costs				23,646	23,646
Other Assets				6,018	6,018
Total current assets	20,914,237	1,438,597	22,352,834	37,569,701	59,922,535
Noncurrent Assets					
Restricted Assets:					
Cash				1,502,998	1,502,998
Investments				2,116,056	2,116,056
Taxes receivable				248,655	248,655
Other				10,170	10,170
Unamortized debt issuance costs, net				81,369	81,369
Investment in Berwick Bayou Vista Commission				326,403	326,403
Capital Assets					
Land and improvements	1,750,876	3,802,599	5,553,475	2,144,486	7,697,961
Buildings, net of accumulated depreciation	12,523,205	5,268	12,528,473	12,594,852	25,123,325
Improvements other than buildings, net of accumulated depreciation	2,347,198	196,303	2,543,501	26,677,953	29,221,454
Equipment and furniture, net of accumulated depreciation	2,947,415	1,710,399	4,657,814	9,090,674	13,748,488
Infrastructure	2,048,396		2,048,396	16,801	2,065,197
Construction in progress	3,040,582		3,040,582	7,183,767	10,224,349
Total noncurrent assets	24,657,672	5,714,569	30,372,241	61,994,184	92,366,425
Total assets	\$45,571,909	\$7,153,166	\$52,725,075	\$99,563,885	\$152,288,960

	Primary Government		Total	Component Units	Total Primary Government & Component Units
	Governmental Activities	Business-type Activities			
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable	\$564,626	\$85,892	\$650,518	\$2,440,905	\$3,091,423
Contracts payable	869,635	15,857	885,492	501,142	1,386,634
Retainage payable	219,109		219,109	275,887	494,996
Accrued liabilities	215,424		215,424	709,196	924,620
Accrued interest payable	385,394		385,394	188,486	573,880
Deferred revenue	289,296		289,296	939,881	1,229,177
Due to St. Mary Parish Council				222,976	222,976
Due to component units	40,093		40,093	55,408	95,501
Due to other governments	125,000		125,000	211,925	336,925
Payable from restricted assets				771,908	771,908
Indigent Care payable				937,500	937,500
Internal balances	341,450	(341,450)			
Certificates of indebtedness payable					
Current portion of long-term debt	2,094,622	165,000	2,259,622	1,779,097	4,038,719
Total current liabilities	5,144,649	(74,701)	5,069,948	10,234,311	15,304,259
Noncurrent liabilities					
Compensated absences	155,280		155,280	55,965	211,245
Noncurrent portion of long-term debt	18,448,789		18,448,789	22,694,342	41,143,131
Indigent Care payable				750,000	750,000
Landfill closure costs and post-closure care costs					
Total noncurrent liabilities	18,604,069		18,604,069	23,500,307	45,484,376
Total liabilities	\$23,748,718	\$3,305,299	\$27,054,017	\$33,734,618	\$60,788,635
Net Assets					
Invested in capital assets, net of related debt	6,734,115	5,549,569	12,283,684	40,881,532	53,165,216
Restricted for:					
Capital projects	744,350		744,350	3,487,176	4,231,526
Debt service	324,492		324,492	2,354,471	2,678,963
Other purposes	504,263		504,263	954,096	1,458,359
Unrestricted	13,515,971	(1,701,702)	11,814,269	18,151,992	29,966,261
Total net assets	21,823,191	3,847,867	25,671,058	65,829,267	91,500,325
Total liabilities and net assets	\$45,571,909	\$7,153,166	\$52,725,075	\$99,563,885	\$152,288,960

The accompanying notes are an integral part of these financial statements

ST. MARY PARISH COUNCIL

Statement of Activities
Year Ended December 31, 2003

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government		Total	Total Primary Government and Component Units
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$4,159,550	\$793,130	\$449,334	(\$2,601,638)		(\$2,601,638)	(\$2,601,638)
Public safety	2,620,092	928,656	980,747	(218,548)		(218,548)	(218,548)
Public works	6,441,716	541,115	1,252,382	(4,059,683)		(4,059,683)	(4,059,683)
Sanitation	451,499	598,718		147,219		147,219	147,219
Culture & recreation	1,416,540	511,881	1,956,110	1,135,371		1,135,371	1,135,371
Health & welfare	1,012,937	73,254		(693,770)		(693,770)	(693,770)
Economic development & assistance	724,080	50,000	1,406,990	732,910		732,910	732,910
Interest and fees on long-term debt	1,674,545	77,385		(1,597,160)		(1,597,160)	(1,597,160)
Total governmental activities	18,500,959	3,574,139	6,045,563	(7,155,299)		(7,155,299)	(7,155,299)
Business-type activities:							
Solid Waste Landfill	2,561,749	40,000			(615,612)	(615,612)	(615,612)
Small Animal Control	222,205	70			(182,679)	(182,679)	(182,679)
Kemper Williams Park	542,609	68,473	11,181		(296,934)	(296,934)	(296,934)
Total business-type activities	3,326,563	108,543	11,181		(1,095,225)	(1,095,225)	(1,095,225)
Total primary government	21,827,522	3,682,682	6,056,744	(7,155,299)	(1,095,225)	(8,250,524)	(8,250,524)
COMPONENT UNITS:							
General government	2,705,457						
Water & sewer	6,390,385	198,712	202,383				(\$1,389,510)
Drainage	2,190,636	142,058					(2,030,051)
Fire Protection	415,027		280,467				(2,039,213)
Recreation	1,242,160	500	6,741				(134,560)
Health and Welfare	48,838						(1,128,143)
Medical care	15,719,272	3,323,455					(48,838)
Library	1,376,131	24,461					(1,293,277)
Tourism	365,022						(1,346,156)
Housing Program	406,234						(365,022)
Public safety	425,796	391,472					(14,762)
Long-term indebtedness	607,018	1,946					51,843
Total component units	31,891,976	4,082,604	489,591				(10,344,707)
component units	\$53,719,498	\$7,765,286	\$6,546,335				(\$18,595,231)

Net (Expense) Revenue and Changes in Net Assets

	Primary Government		Total
	Governmental Activities	Business- type Activities	Primary Government & Component Units
		Total	Units
General revenues:			
Taxes:			
Sales and use	\$4,630,566		\$ 4,910,493
Ad valorem taxes levied for general purposes	1,739,838		11,852,336
Ad valorem taxes levied for debt service	282,649		844,091
Severance taxes	750,201		750,201
Hotel-Motel tax	66,486		263,570
Other taxes, penalties, & interest, etc.	5,818,134		66,486
Royalty road funds	255,795		5,818,134
Occupational licenses	405,843		255,795
State shared revenue	91,228		405,843
Special assessments	389,576	\$21,021	91,228
Investment earnings & interest			504,615
Transfers:			
Operating Capital	(903,102)	903,102	
Transfer to Agency fund	(206,635)	206,635	
State Grants			(178,000)
Payments from St. Mary Parish Council			302,948
Payment from local governments			1,316,663
Miscellaneous			52,889
	13,320,579	1,130,758	256,331
Total general revenues and transfers	6,165,280	35,533	13,721,594
Change in net assets	15,657,911	3,812,334	28,172,931
Net assets - beginning of year	\$21,823,191	\$3,847,867	3,376,887
Net assets - end of year			62,452,380
			\$91,500,325

The accompanying notes are an integral part of these financial statements

ST. MARY PARISH COUNCIL

Balance Sheet
Governmental Funds
December 31, 2003

	General Fund	Road Construction & Maintenance Fund	Sanitation Fund	Capital Improvement Fund	Amelia & Vicinity Fund	Wards 5 & 8 Sewer Project Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents		\$436,206	\$652,313	\$1,037,337			\$3,567,210	\$5,693,066
Investments		63,867	3,127,360	396,721			4,433,177	8,021,125
Receivables (net of allowances for uncollectibles)	\$35,634	18,857		137,710			387,571	579,772
Due from component units	28,045		85,395	142,130	\$96,869		382,910	735,349
Due from other governments	2,379,704	1,274,297	343,317	593,496			1,294,111	5,884,925
Due from other funds	50,000				11,332	\$22,704	229,776	313,812
Advance to other funds		847,000	958,000	1,709,808			1,269,683	4,784,491
Total assets	\$2,493,383	\$2,640,227	\$5,166,385	\$4,017,202	\$108,201	\$22,704	\$11,564,438	\$26,012,540

LIABILITIES AND FUND BALANCES

Liabilities								
Accounts payable	\$133,118	\$214,659	\$9,394	\$639			\$206,816	\$564,626
Contracts payable	27,659	21,991	142,502	567,686		\$22,704	87,093	869,635
Retainage payable				214,109			5,000	219,109
Accrued liabilities	178,391	36,785					248	215,424
Deferred revenue	18,000						271,296	289,296
Due to component units							40,093	40,093
Due to other governments							125,000	125,000
Due to other funds	876,803		76,312				237,500	313,812
Advance from other funds			622,601		\$1,142,020	1,525,787	958,730	5,125,941
Total liabilities	1,233,971	273,435	850,809	782,434	1,142,020	1,548,491	1,931,776	7,762,936

Fund balances (deficit)								
Fund balances (deficits)								
Reserved for non-current portion of receivables		18,857	958,000	142,130			460,536	1,579,523
Reserved for debt service							2,372,133	2,372,133
Unreserved - undesignated, reported in General fund	1,259,412	2,347,935	3,357,576					1,259,412
Special revenue funds							1,323,933	7,029,444
Debt service funds							2,030,510	2,030,510
Capital projects funds				3,092,638	(1,033,819)	(1,525,787)	3,445,550	3,978,582
Total fund balances (deficit)	1,259,412	2,366,792	4,315,576	3,234,768	(1,033,819)	(1,525,787)	9,632,662	18,249,604
Total liabilities and fund balances	\$2,493,383	\$2,640,227	\$5,166,385	\$4,017,202	\$108,201	\$22,704	\$11,564,438	\$26,012,540

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

ST. MARY PARISH COUNCIL

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2003

Reconciliation of the total fund balance -- total governmental funds
to the net assets of governmental activities:

Total fund balance - Governmental Funds		\$18,249,604
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		24,657,672
Interest payable on long-term debt does not require current financial resources, and, therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(385,394)
Noncurrent liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:		
Current portion of long-term debt	\$2,094,622	
Noncurrent portion of long-term debt	18,448,789	
Compensated absences	155,280	
		<u>(20,698,691)</u>
Net assets of governmental activities		<u><u>\$21,823,191</u></u>

over (under) expenditures	<u>(1,676,952)</u>	<u>3,208,445</u>	<u>1,449,831</u>	<u>(2,483,617)</u>	<u>96,869</u>	<u>(299,703)</u>	<u>(902,083)</u>	<u>(607,210)</u>
OTHER FINANCING SOURCES								
Proceeds from bonds				93,616			2,913,826	3,007,442
Payment to refunding bond escrow agent	1,640,972			1,367,431	149,600	299,703	(2,885,257)	(2,885,257)
Operating transfers in	(425,277)	(2,447,670)	(1,603,298)		(246,502)		3,144,008	6,601,714
Operating transfers out		(2,447,670)	(1,603,298)		(96,902)	299,703	(2,782,069)	(7,504,816)
Total other financing sources (uses)	<u>1,215,695</u>	<u>(2,447,670)</u>	<u>(1,603,298)</u>	<u>1,461,047</u>	<u>(96,902)</u>	<u>299,703</u>	<u>390,508</u>	<u>(780,917)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(461,257)</u>	<u>760,775</u>	<u>(153,467)</u>	<u>(1,022,570)</u>	<u>(33)</u>		<u>(511,575)</u>	<u>(1,388,127)</u>
Fund balance (deficits) as previously stated	<u>1,720,669</u>	<u>1,606,017</u>	<u>4,290,089</u>	<u>4,257,338</u>	<u>(1,033,786)</u>	<u>(1,525,787)</u>	<u>9,909,995</u>	<u>19,224,535</u>
Prior period adjustment			<u>178,954</u>				<u>234,242</u>	<u>413,196</u>
Fund balance (deficits) as restated	<u>1,720,669</u>	<u>1,606,017</u>	<u>4,469,043</u>	<u>4,257,338</u>	<u>(1,033,786)</u>	<u>(1,525,787)</u>	<u>10,144,237</u>	<u>19,637,731</u>
Fund balance (deficits) at end of year	<u>\$1,259,412</u>	<u>\$2,366,792</u>	<u>\$4,315,576</u>	<u>\$3,234,768</u>	<u>(\$1,033,819)</u>	<u>(\$1,525,787)</u>	<u>\$9,632,662</u>	<u>\$18,249,604</u>

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

ST. MARY PARISH COUNCIL

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2003

Reconciliation of the changes in fund balances - total governmental funds to the change in net assets of governmental activities:

Net change in fund balance - Governmental Funds	(\$1,388,127)
Amounts reported for governmental activities in the Statement of Activities are different because:	

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$6,447,756) exceeded depreciation (\$1,029,611) in the current period.	5,418,145
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases noncurrent liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net assets.

Debt issued:	
Refunding public improvement bonds	(\$2,900,000)
Special Assessment Paving Certificates	(93,616)
Premium on refunding bonds	(13,826)
Repayments to paying agents for principal	<u>5,528,098</u>
Net adjustment	2,520,656

Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds:	
Interest and fiscal charges	<u>(385,394)</u>

Change in net assets of governmental activities	<u><u>\$6,165,280</u></u>
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The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Statement of Net Assets
Proprietary Funds
December 31, 2003

	Business-type Activities			
	Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$638,526	\$37,684	\$174,161	\$850,371
Investments	426,572			426,572
Receivables (net of allowances for uncollectibles)	160,009		83	160,092
Due from other governments		1,562		1,562
Advance to other funds	467,835			467,835
Total current assets	<u>1,692,942</u>	<u>39,246</u>	<u>174,244</u>	<u>1,906,432</u>
Property, plant, and equipment (net of accumulated depreciation)	3,124,746	24,674	2,565,149	5,714,569
Total assets	<u>\$4,817,688</u>	<u>\$63,920</u>	<u>\$2,739,393</u>	<u>\$7,621,001</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$61,243	\$10,663	\$13,986	\$85,892
Contracts payable	15,857			15,857
Certificate of indebtedness payable	165,000			165,000
Advance from other funds			126,385	126,385
Total current liabilities	<u>242,100</u>	<u>10,663</u>	<u>140,371</u>	<u>393,134</u>
Long-term liabilities				
Landfill closure costs and post-closure care costs	3,380,000			3,380,000
Total liabilities	<u>3,622,100</u>	<u>10,663</u>	<u>140,371</u>	<u>3,773,134</u>
Net assets				
Invested in capital assets, net of related debt	2,959,746	24,674	2,565,149	5,549,569
Unrestricted	(1,764,158)	28,583	33,873	(1,701,702)
Total net assets	<u>1,195,588</u>	<u>53,257</u>	<u>2,599,022</u>	<u>3,847,867</u>
Total liabilities and net assets	<u>\$4,817,688</u>	<u>\$63,920</u>	<u>\$2,739,393</u>	<u>\$7,621,001</u>

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

ST. MARY PARISH COUNCIL

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2003

	Business-type Activities Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	Total
Operating revenues				
Solid waste disposal fees	\$1,905,007			\$1,905,007
Impound fees		\$39,456		39,456
Admission fees			\$27,518	27,518
Campsite fees			53,015	53,015
Special events			42,602	42,602
Other	1,130		42,886	44,016
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating revenues	1,906,137	39,456	166,021	2,111,614
	<hr/>	<hr/>	<hr/>	<hr/>
Operating expenses				
Personal services	801,091	146,900	267,027	1,215,018
Contractual services	154,786		4,905	159,691
Supplies	54,194	5,976	18,619	78,789
Materials	363,913	6,011	4,146	374,070
Utilities	26,102	16,626	39,575	82,303
Repairs and maintenance	178,872	3,487	14,002	196,361
Landfill closure costs	220,000			220,000
Equipment and rentals	352,311	26,534	25,801	404,646
Miscellaneous	44,128	513	37,092	81,733
Depreciation	254,066	8,529	118,717	381,312
Insurance	91,784	7,629	12,725	112,138
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	2,541,247	222,205	542,609	3,306,061
	<hr/>	<hr/>	<hr/>	<hr/>
Net operating income (loss)	(635,110)	(182,749)	(376,588)	(1,194,447)
	<hr/>	<hr/>	<hr/>	<hr/>
Non-operating revenues				
Investment earnings	19,901	429	691	21,021
Interest expense	(20,502)			(20,502)
Gifts/donations		70	68,473	68,543
State grant	40,000		11,181	51,181
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-operating revenues	39,399	499	80,345	120,243
	<hr/>	<hr/>	<hr/>	<hr/>
Income (loss) before contributions and transfers	(595,711)	(182,250)	(296,243)	(1,074,204)
	<hr/>	<hr/>	<hr/>	<hr/>
Capital contributions			206,635	206,635
Operating transfers in				
General Fund		109,549	197,661	307,210
Sanitation Fund	595,892			595,892
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions and transfers	595,892	109,549	404,296	1,109,737
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	181	(72,701)	108,053	35,533
Net assets, beginning of year	1,195,407	125,958	2,490,969	3,812,334
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, end of year	\$1,195,588	\$53,257	\$2,599,022	\$3,847,867
	<hr/>	<hr/>	<hr/>	<hr/>

ST. MARY PARISH COUNCIL

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2003

Increase (Decrease) in Cash & Cash Equivalents

	Business-type Activities			
	Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	Total
Cash flows from operating activities:				
Cash received from charges for services	\$2,210,689	\$39,458	\$168,317	\$2,418,464
Cash payments to suppliers for goods & services	(1,285,119)	(65,593)	(155,048)	(1,505,760)
Cash payments to employees for services	(797,433)	(142,877)	(267,677)	(1,207,987)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows (deficiency) from operating activities	128,137	(169,012)	(254,408)	(295,283)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from noncapital financing activities:				
Interest		429	691	1,120
Contributions		70	68,473	68,543
Operating grants received	40,000		11,181	51,181
Operating transfers in from other funds	595,892	109,549	197,661	903,102
Advances to other funds	(467,835)	(294)		(468,129)
Advance to component units			8,874	8,874
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows from noncapital financing activities	168,057	109,754	286,880	564,691
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from capital and related financial activities				
Fixed asset acquisitions	(174,681)	(3,953)		(178,634)
Payments on debt	(175,502)			(175,502)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows (deficiency) from capital and related financing activities	(350,183)	(3,953)	--	(354,136)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from investing activities				
Investment earnings	19,901			19,901
Proceeds from sale and maturities of investments	247,834			247,834
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows (deficiency) from investing activities	267,735	--	--	267,735
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	213,746	(63,211)	32,472	183,007
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at beginning of year	424,780	100,895	141,689	667,364
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	<u>\$638,526</u>	<u>\$37,684</u>	<u>\$174,161</u>	<u>\$850,371</u>

	Business-type Activities			Total
	Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	
Reconciliation of operating income (loss) to net cash, provided by operating activities:				
Operating income (loss)	(\$635,110)	(\$182,749)	(\$376,588)	(\$1,194,447)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	254,066	8,529	118,717	381,312
Decrease (increase) in accounts receivable	102,372		2,296	104,668
Decrease (increase) in due from other governments	202,181			202,181
Increase (decrease) in accounts payable and accrued expenses	(15,372)	5,208	1,167	(8,997)
Landfill closure costs	220,000			220,000
Total adjustments	763,247	13,737	122,180	899,164
Net cash provided by (used for) operating activities	\$128,137	(\$169,012)	(\$254,408)	(\$295,283)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from government			\$206,635	\$206,635

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

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad Valorem	\$1,510,000	\$1,734,870	\$1,739,838	\$4,968
Other taxes, penalties, & interests, etc.	64,875	71,323	66,486	(4,837)
Intergovernmental revenues				
Federal grants	15,265	235,016	169,789	(65,227)
State funds				
State grants		2,109,256	2,031,408	(77,848)
State revenue sharing	440,391	541,357	533,642	(7,715)
Severance taxes	750,500	750,180	750,201	21
Local grants	5,000	3,750	2,311	(1,439)
Criminal court fund	14,000	24,327	26,257	1,930
Licenses & Permits	297,250	299,296	299,976	680
Fees, Charges, & Commission	267,932	282,381	277,226	(5,155)
Mosquito Abatement		225,183	245,913	20,730
Investment earnings & interest	110,286	130,042	127,961	(2,081)
Other revenues			28,673	28,673
Total revenues	<u>3,475,499</u>	<u>6,406,981</u>	<u>6,299,681</u>	<u>(107,300)</u>
EXPENDITURES				
Current:				
General government				
Legislative	328,547	352,742	330,598	22,144
Judicial	729,891	680,719	692,676	(11,957)
Executive	154,573	157,758	150,855	6,903
Elections	101,740	198,019	135,664	62,355
Finance and administrative	530,284	542,558	536,580	5,978
Courthouse	1,032,028	1,067,427	1,053,500	13,927
Other	562,408	611,081	632,231	(21,150)
Public safety	367,685	472,820	456,995	15,825
Public works		8,430	8,430	
Culture & Recreation	685,228	925,285	867,610	57,675
Health & Welfare	368,075	426,943	425,383	1,560
Economic development & assistance	157,208	2,280,859	2,175,120	105,739
Mosquito abatement		280,938	298,451	(17,513)
Airport operations	243,548	266,949	212,540	54,409
Total expenditures	<u>5,261,215</u>	<u>8,272,528</u>	<u>7,976,633</u>	<u>295,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,785,716)</u>	<u>(1,865,547)</u>	<u>(1,676,952)</u>	<u>188,595</u>
OTHER FINANCING SOURCES				
Operating transfers in				
Road Construction and Maintenance Fund	650,502	949,731	949,731	
Sales Tax Bond Sinking Fund	850,000	691,241	691,241	
Operating transfers out				
Small Animal Control Fund	(130,367)	(109,549)	(109,549)	
Jail Operating & Maintenance Fund	(239,395)	(31,792)	(31,792)	
Kemper Williams Park Fund	(197,661)	(197,661)	(197,661)	
Wards 1, 2, 3, 4, 7, & 10 Sales Tax Fund		(86,275)	(86,275)	
Certificates of Indebtedness Sinking Fund				
Total other financing sources (uses)	<u>933,079</u>	<u>1,215,695</u>	<u>1,215,695</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(852,637)</u>	<u>(649,852)</u>	<u>(461,257)</u>	<u>188,595</u>
Fund balance at beginning of year	<u>1,311,517</u>	<u>1,720,341</u>	<u>1,720,669</u>	<u>328</u>
Fund balance (deficits) at end of year	<u>\$458,880</u>	<u>\$1,070,489</u>	<u>\$1,259,412</u>	<u>\$188,923</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Road Construction & Maintenance Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues				
Federal grants		\$134,939	\$32,613	(\$102,326)
State funds				
Royalty road funds	\$3,250,000	5,607,999	5,818,134	210,135
Parish road transportation funds	400,000	400,000	404,545	4,545
Rural development - Lake Palourde		20,000		(20,000)
Rural development - Parish Road			31,585	31,585
Investment earnings & interest	93,000	37,689	35,269	(2,420)
Total revenues	<u>3,743,000</u>	<u>6,200,627</u>	<u>6,322,146</u>	<u>121,519</u>
EXPENDITURES				
Current:				
Public works				
Highways/streets and roads	2,544,893	2,767,179	2,555,482	211,697
Road supervisor	46,724	55,262	55,825	(563)
Municipal - highways, streets, and roads	100,000	100,000	100,000	
Bridges	323,034	285,320	247,653	37,667
Avoca ferry	158,630	168,282	154,741	13,541
Total expenditures	<u>3,173,281</u>	<u>3,376,043</u>	<u>3,113,701</u>	<u>262,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>569,719</u>	<u>2,824,584</u>	<u>3,208,445</u>	<u>383,861</u>
OTHER FINANCING SOURCES				
Operating transfers out				
General Fund	(650,502)	(949,731)	(949,731)	
Certificates of Indebtedness Sinking Fund	(503,600)	(591,183)	(591,808)	(625)
Capital Improvement Fund		(906,131)	(906,131)	
Total other financing sources (uses)	<u>(1,154,102)</u>	<u>(2,447,045)</u>	<u>(2,447,670)</u>	<u>(625)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(584,383)</u>	<u>377,539</u>	<u>760,775</u>	<u>383,236</u>
Fund balance (deficits) at beginning of year	<u>602,215</u>	<u>1,606,017</u>	<u>1,606,017</u>	
Fund balance (deficits) at end of year	<u>\$17,832</u>	<u>\$1,983,556</u>	<u>\$2,366,792</u>	<u>\$383,236</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Sanitation Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Taxes				
Sales and use	\$1,900,000	\$2,030,000	\$2,018,044	(\$11,956)
Fees, Charges, & Commission	605,273	583,273	588,536	5,263
Investment earnings & interest	109,000	54,400	33,617	(20,783)
Other revenues			2,238	2,238
Total revenues	<u>2,614,273</u>	<u>2,667,673</u>	<u>2,642,435</u>	<u>(25,238)</u>
EXPENDITURES				
Current:				
General government	175	175		175
Public safety	195,275	295,481	291,725	3,756
Public works	875,250	899,641	900,879	(1,238)
Total expenditures	<u>1,070,700</u>	<u>1,195,297</u>	<u>1,192,604</u>	<u>2,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,543,573</u>	<u>1,472,376</u>	<u>1,449,831</u>	<u>(27,931)</u>
OTHER FINANCING SOURCES				
Operating transfers out				
Amelia & Vicinity Fund	(141,075)	(150,728)	(149,600)	1,128
Franklin & Vicinity Fund	(237,310)	(253,547)	(251,650)	1,897
Cypremort Point & Vicinity Fund	(255,360)	(272,832)	(270,791)	2,041
Wards 5 & 8 Fund	(282,625)	(301,962)	(299,703)	2,259
Morgan City & Vicinity Fund	(33,630)	(35,931)	(35,662)	269
Reduction and Transfer Fund	(1,054,091)	(595,892)	(595,892)	
Total other financing sources (uses)	<u>(2,004,091)</u>	<u>(1,610,892)</u>	<u>(1,603,298)</u>	<u>7,594</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(460,518)</u>	<u>(138,516)</u>	<u>(153,467)</u>	<u>(20,337)</u>
Fund balance (deficits) as previously stated	4,174,644	4,290,089	4,290,089	
Prior period adjustment			178,954	178,954
Fund balance (deficits) as restated	<u>4,174,644</u>	<u>4,290,089</u>	<u>4,469,043</u>	<u>178,954</u>
Fund balance (deficits) at end of year	<u>\$3,714,126</u>	<u>\$4,151,573</u>	<u>\$4,315,576</u>	<u>\$158,617</u>

ST. MARY PARISH COUNCIL

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2003

	Component Unit Agency <u>Funds</u>
Assets	
Cash	\$ 23,618,182
Investments	1,980,948
Receivables	2,415,003
Investments - restricted	60,653
Prepaid expenses	<u>1,500</u>
	<u>\$ 28,076,286</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 263
Amounts due to taxing units	3,855,689
Retained taxes collected	65,329
Unsettled deposits	400,299
Due to litigants	23,546,605
Due to special assessment note holders	<u>208,101</u>
	<u>\$ 28,076,286</u>

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

ST. MARY PARISH COUNCIL

Notes to the Financial Statements December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial statements of the St. Mary Parish Council and its component units have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Council's accounting policies are described below.

The Council and its component units implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions and GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments during the year ended December 31, 2003. Significant changes required by these Statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the Council's and component's overall financial position and results of operations, the preparation of the financial statements using full accrual accounting for all of the Council's and component's activities (Government-wide Financial Statements), a change in the method for reporting nonexchange transactions and the reporting of infrastructure assets. The major change under full accrual accounting includes reporting fixed assets (net of accumulated depreciation) and long-term liabilities in the Government-wide Financial Statements. The Council and components have elected to implement the provisions of the Statements in the current year except for the reporting of infrastructure acquired in years prior to 2003. The Council and components plan to retroactively report infrastructure assets (acquired prior to January 1, 2003) in the fiscal year ending December 31, 2007. These changes are reflected in the accompanying financial statements (including notes to the financial statements).

The Council and its components have not presented an MD & A that GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements of the Council's reporting entity financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

A. Reporting Entity

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

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

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

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
St. Mary Parish Water & Sewer Comm. No. 1	December 31	2, 3
St. Mary Parish Water & Sewer Comm. No. 2	September 30	2,3
St. Mary Parish Water and Sewer Comm. No. 5	September 30	2, 3
St. Mary Parish Library	December 31	2, 3
Hospital Service District:		
No. 1	September 30	2, 3
*No. 2	September 30	2, 3
No. 3	September 30	2, 3
Fairview Treatment Center	June 30	1, 3
Claire House	June 30	1, 3
Waterworks District:		
No. 5	September 30	2, 3
No. 6	September 30	2, 3

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Sewerage District:		
No. 5	September 30	2, 3
No. 7	September 30	1, 2, 3
No. 8	September 30	2, 3
No. 9	September 30	1, 2, 3
No. 11 (no activity)	September 30	1, 2, 3
Wards 5 & 8 Joint Sewer Comm.	September 30	2, 3
*Consolidated Gravity Drainage		
District No. 1	September 30	2, 3
Consolidated Gravity Drainage		
District No. 2	September 30	2, 3, 4
Gravity Drainage District No. 6	September 30	2, 3
Wax Lake East Drainage District	September 30	2, 3
Sub Gravity Drainage District No.1 of Gravity Drainage District No.2	September 30	2, 3
Cajun Coast Visitors and Convention Bureau		
	September 30	2, 3
*St. Mary Parish Sales and Use Tax Dept.	December 31	1, 3, 4
Recreation District:		
* No. 1	September 30	2, 3
No. 2	September 30	1, 2, 3, 4
No. 3	September 30	2, 3
No. 4	September 30	2, 3
*No. 5	September 30	2, 3
Fire Protection District:		
*No. 1	December 31	2, 3
No. 2	September 30	1, 2, 3
No. 3	September 30	1, 2, 3
*No. 11	September 30	2, 3
No. 12 (no activity)	September 30	2, 3
*Mosquito Control District No. 1	December 31	1, 2, 3
Communications District (911)	December 31	2, 3, 4
*St. Mary Parish Housing Program	September 30	1, 3, 4
St. Mary Parish Assessor	December 31	4
*St. Mary Parish Clerk of Court	June 30	1, 4
*Industrial Development Board Of the Parish of St. Mary, Louisiana. Inc.		
	December 31	2, 3, 4

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accompanying financial statements present the Council's primary government and component units over which the Council has financial accountability. The component unit columns in the basic financial statements include the financial data of the Council's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the Council. The Council and all the component units with activity issue separate financial statements containing only the Council or that component's financial operations. The Council and several component units are audited and reported on by Pitts & Matte, the primary auditor. Most of the component units are audited by and reported on separately by other auditors who furnish those audit reports to the primary auditor. The component units audited by the primary auditor (either as a separate component unit or a part of the reporting entity audit) are noted by an asterick (*). Reports for each component unit can be obtained from the administrative offices of each component and from the Clerk of the St. Mary Parish Council, Fifth Floor St. Mary Parish Courthouse, Franklin, Louisiana.

The Council's financial statements are maintained on the calendar year basis. Many of the component units maintain their financial statements on other fiscal years as shown earlier. The information represented in these financial statements for the Council is as of December 31, 2003 and the year then ended. The financial information for the component units is as of and for their year ended within 2003. Because of the different year ends, certain amounts shown as payable between the Council and component units may differ.

The parish school board, the St. Mary Parish Sheriff, and the municipal level governments, are excluded from the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the Council. Also in accordance with GASB, the St. Mary Community Action Committee Association, Inc. (CAA) and the West St. Mary Parish Port, Harbor, and Terminal District (Port) are considered to be related organizations of the St. Mary Parish Council, primary government. Several different primary governments or other bodies appoint members to the board of the Port and CAA but none are considered to be financially accountable because they do not impose their will or have a financial benefit or burden relationship with the Port or CAA.

The Council considers eight of these component units to be major components. In determining which components are major, the Council considers the significance of the components assets and liabilities and revenues and expenditures in relation to the Council and to the other component units.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following are condensed statements of net assets for the Council's eight major component units at year end:

ASSETS	CONSOLIDATED								TOTAL MAJOR COMPONENT UNITS
	WATER & SEWER COMMISSION # 1 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION # 2 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 6 OF THE PARISH OF ST. MARY	GRAVITY DRAINAGE DISTRICT # 2 OF THE PARISH OF ST. MARY	WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY	HOSPITAL SERVICE DISTRICT # 1 OF THE PARISH OF ST. MARY	FAIRVIEW TREATMENT CENTER	
Current assets									
Cash and cash equivalents	\$ 927,874	\$ 963,291	\$ 328,020	\$ 1,678,411	\$ 2,178,385	\$ 4,978,665	\$ 200	\$ 11,054,846	
Investments	111,068	492,853						603,921	
Receivables (net of allowances for uncollectibles)	55,258	111,255	103,884	110,279		\$ 3,383,191	226,254	3,990,121	
Other receivables	804		82	4,024	54,819	5,400	59,771	70,081	
Due from St. Mary Parish Council	327,997					181	315,250	370,250	
Due from other governments	29,722	62,410	33,353	24,265	25,949	928	158,677	1,482,222	
Prepaid expenses	19,692	22,274					161,126	336,825	
Inventories							490,548	532,514	
Total current assets	1,472,415	1,652,083	465,339	1,816,979	2,259,153	4,985,174	700,381	18,440,780	
Noncurrent Assets									
Restricted Assets									
Cash	51,940	720,939	121,547	172,610			2,527	1,069,563	
Investments		120,112						120,112	
Taxes receivable							248,655	248,655	
Other		24,615	414				2,299	414	
Unamortized debt issuance costs, net		326,403	34,639					61,553	
Invest in Berwick Bayou Vista Commission								326,403	
Capital Assets									
Land and improvements	205,726	51,709	22,237	6,926	914,054	263,959	7,958	1,208,610	
Buildings, net of accumulated depreciation	2,597,075	10,714	18,055		503,086	2,693,474	2,693,474	5,822,404	
Improvements, other than buildings, net of accumulated depreciation	2,376,541	2,982,256	4,640,950	2,685,935	1,572,043		14,047	14,535,731	
Equipment and furniture, net of accumulated depreciation	45,886	53,243	37,223	1,248,506	546,960	38,587	1,753,868	3,896,182	
Construction in progress	451,906	78,664		291,517	4,547,153	45,583		5,414,823	
Total noncurrent assets	5,729,074	4,368,655	4,875,065	4,405,494	8,083,296	348,129	4,722,828	32,704,450	
Total assets	\$ 7,201,489	\$ 6,020,738	\$ 5,340,404	\$ 6,222,473	\$ 10,342,449	\$ 5,333,303	\$ 872,290	\$ 51,145,230	

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	CONSOLIDATED						FAIRVIEW TREATMENT CENTER	TOTAL MAJOR COMPONENT UNITS
	WATER & SEWER COMMISSION #1 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION #2 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT #5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT #6 OF THE PARISH OF ST. MARY	GRAVITY DRAINAGE DISTRICT #2 OF THE PARISH OF ST. MARY	WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY		
LIABILITIES AND NET ASSETS								
Liabilities								
Current liabilities								
Accounts payable	\$ 137,616	\$ 23,830	\$ 8,402	\$ 25,863	\$ 7,630	\$ 6,654	\$ 1,748,180	\$ 1,958,175
Contracts payable		39,406			47,025			86,431
Retainage payable		37,851			197,339			235,190
Accrued liabilities	4,008		4,519	14,557		2,264	604,061	629,409
Due to St. Mary Parish Council	16,552	25,228		12,005				53,785
Due to other component units		13,217		17,606				30,823
Due to other governments		24,614		2,258		193		27,065
Payable from restricted assets	51,940	138,792	60,371	73,105			406,640	730,848
Accrued interest payable		5,442	20,790	7,393		80,125		132,035
Certificates of indebtedness payable		40,000	120,000	107,871	200,000	35,000	1,200,000	1,200,000
Current portion of long-term debt	210,116	348,380	214,082	260,658	470,279	124,236	3,958,881	502,871
Total current liabilities								5,586,632
Noncurrent liabilities								
Compensated absences								\$ 42,027
Noncurrent portion of long-term debt		1,330,000	2,090,000	2,506,469	4,340,000	3,965,000	145,403	14,376,872
Total noncurrent liabilities		1,330,000	2,090,000	2,506,469	4,340,000	3,965,000	145,403	14,418,899
Total liabilities	210,116	1,678,380	2,304,082	2,767,127	4,810,279	4,089,236	4,104,284	20,005,531
Net Assets								
Invested in capital assets, net of related debt	5,677,134	1,806,586	2,628,465	1,618,544	3,543,296	371,474	4,262,707	20,080,115
Restricted for:								
Capital projects		667,236		248,034	863,399	9,375	51,182	1,530,635
Debt service		25,065			806,796			1,140,452
Other purposes	7,252	138,792						146,044
Unrestricted	1,306,987	1,704,679	407,857	1,588,768	318,679	863,218	1,393,911	8,242,453
Total net assets	6,991,373	4,342,358	3,036,322	3,455,346	5,532,170	1,244,067	5,707,800	31,139,699
Total liabilities and net assets	\$ 7,201,489	\$ 6,020,738	\$ 5,340,404	\$ 6,222,473	\$ 10,342,449	\$ 5,333,303	\$ 9,812,084	\$ 51,145,230

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following are condensed statements of activities for the Council's eight major components for 2003:

	WATER & SEWER COMMISSION # 1 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION # 2 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 6 OF THE PARISH OF ST. MARY	CONSOLIDATED GRAVITY DRAINAGE DISTRICT # 2 OF THE PARISH OF ST. MARY	WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY	HOSPITAL SERVICE DISTRICT # 1 OF THE PARISH OF ST. MARY	FAIRVIEW TREATMENT CENTER	TOTAL MAJOR COMPONENT UNITS
Expenses									
General government	\$1,114,814	\$913,245	\$954,305	\$1,086,707	\$763,880	\$266,786			\$266,786
Water & sewer									4,069,071
Drainage						163,535			927,415
Medical care		1,296	130,343	166,157					14,740,617
Long-term debt expense		17,314						2,640,697	297,796
Miscellaneous expense		931,855	1,084,648	1,252,864					17,314
Total program expenses	1,114,814	931,855	1,084,648	1,252,864	763,880	430,321		2,640,697	20,318,999
Program revenues									
Charges for services									
Water & sewer	581,170	699,146	504,481	773,696		9,365			2,558,493
Drainage									9,365
Medical care									10,695,808
Total charges for services	581,170	699,146	504,481	773,696		9,365			10,867,540
Operating grants and contributions									171,732
Water & sewer	124,097			15,761					171,732
Drainage					29,077				2,545,645
Medical care									2,545,645
Total operating grants and contributions	124,097			15,761	29,077				2,743,251
Net program expenses	409,547	232,709	580,167	463,407	734,803	392,285	1,404,112	(76,680)	4,140,350
General revenues									
Taxes:									
Ad valorem taxes levied for general purposes	284,749	456,781	255,505	459,791	868,692	277,534	1,440,708		4,043,760
Ad valorem taxes levied for debt service			218,532				342,910		561,442
State shared revenue			8,631	18,352		33,357			60,340
Investment earnings & interest	17,168	50,499	5,513	27,436	43,564	31,088			175,268
Transfer to agency fund		(178,000)							(178,000)
Payment from St. Mary Parish Council	25,000				594,032				619,032
Payment from local government		25,000							25,000
Miscellaneous			1,049			15,920			50,391
Total general revenues and transfers	326,917	354,280	489,230	505,579	1,506,288	357,899	1,817,040		5,357,233
Change in net assets	(82,630)	121,571	(90,937)	42,172	771,485	(34,386)	412,928	76,680	1,216,883
Net assets - beginning of year	7,074,003	4,220,787	3,127,259	3,413,174	4,760,685	1,278,453	5,294,872	753,583	29,922,816
Net assets - end of year	6,991,373	4,342,358	3,036,322	3,455,346	5,532,170	1,244,067	5,707,800	830,263	31,139,699

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities which report all activities of the Council and its components except for fiduciary activities (the Council does not conduct fiduciary activities however three of the component units do). The government-wide presentation focuses primarily on the sustainability of the Council and components and the change in the net assets resulting from the current year's activities. For the most part, the effect of interfund activity of the Council has been removed from these statements. *Governmental activities* generally are financed through taxes, intergovernmental revenues and other nonexchange revenues, are reported separately from *business type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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*.

In accordance with GASB No. 34 this is the first year that Government-wide Financial Statements are presented.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the Council.

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Council reports two special revenue funds as major funds as follows:

ROAD CONSTRUCTION AND MAINTENANCE FUND

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

SANITATION FUND

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

Debt Service Funds

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

Capital Projects Funds

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

The Council reports the three following capital project funds as major funds:

CAPITAL IMPROVEMENT FUND

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

AMELIA AND VICINITY FUND

The Amelia and Vicinity Sewer Construction Fund was used to account for the financing, acquiring and construction of sewerage disposal systems within the Amelia and Vicinity area.

WARDS 5 & 8 SEWER PROJECT FUND

The Wards 5 & 8 Sewer Project Fund was used to account for the financing, acquiring and construction of sewerage disposal systems within the Wards 5 & 8 area of the Parish.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUND

Enterprise Funds

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

The Council reports two of its three proprietary funds as major funds:

REDUCTION AND TRANSFER FUND

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

KEMPER WILLIAMS PARK FUND

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

Because the Council only has one remaining proprietary fund it is presented in the basic financial statements, even though the Council considers it to be a nonmajor fund.

SMALL ANIMAL CONTROL FUND

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

Fiduciary Fund

Agency Funds

Three of the Council's component units utilize agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Sales and Use Tax Dept. Accounts for the collection and disbursement of assets held as an agent for other governmental units. The Clerk of Court utilizes agency funds to account for assets received or ordered by the Court to be held for others. Sewer District No. 7 utilizes an agency fund to account for special assessments received and receivable, held for the payment of Special Assessment debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Statements and Proprietary Fund Financial Statements

The government-wide statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities (whether current or noncurrent) are included in determining financial position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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 Council and all major components, except Hospital Service District No. 1, have elected not to follow subsequent private-sector guidance.

Fund Financial Statements

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the Council uses a sixty day period after year end).

E. Revenues

The following is a summary of the recognition policies for major revenue sources:

Sales tax revenues are recorded when the sales tax is earned, regardless of when they are collected by the St. Mary Parish Council's sales tax department.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal and State aid and grants are recorded when the Council or component units have met the requirements of the grant and are entitled to receive the funds.

Investment earnings are generally recorded when earned.

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

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

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 are charges to customers for sale and services. Operating expenses for enterprise funds include the cost of sales and 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 Council's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Expenses/Expenditures

The government-wide and proprietary fund financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

In the governmental fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

G. Budgets

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

1. Ninety days prior to the beginning of each fiscal year, the Parish President presents to the Council the annual operating budget which was prepared by the Director of Finance under the direction of the Chief Administrative Officer.
2. The Council then orders a public hearing, notice of which, along with a summary of the budget, will be published ten days prior to the date of the hearing in the official journal of the Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. No later than the second to last regular meeting of the fiscal year, the Council enacts an ordinance to adopt the annual operating budget for the ensuing fiscal year. The Council may adjust the budget as proposed by the Parish President or amend it, as they see fit, by a vote of the majority of the Council.
4. The Parish President may accept or veto the entire budget as approved by the Council or he may line item veto certain appropriations.
5. Should the Council and Parish President be unable to adopt a budget prior to the beginning of the year, then fifty percent of the prior year's budget shall be appropriated for the upcoming year; until such time as a new budget is properly enacted.
6. The Director of Finance, under the direction of the Chief Administrative Officer, has the authority to alter, and must approve all changes in budgeted amounts within function lines. However, budget adjustments that cross function lines require approval of the Council.
7. *Formal budgetary integration is employed as a management control device during the year.*
8. The General Fund and all major Special Revenue Funds have adopted budgets, the following nonmajor special revenue funds have not adopted annual budgets.

Gaming Receipt Fund
Re-entry Drug Court Fund
Local Law Enforcement Block Grant #2 Fund
OJP Juvenile Drug Court Fund
Juvenile Incentive Block Grant Fund

9. Budget appropriations lapse at year end.
10. In the financial statement comparison of the budget to actual amounts, both the original and final amended budget amounts are shown.

H. *Cash and Cash Equivalents*

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Investments

Approximately sixty-nine percent of the Council's investments and approximately fifty-seven percent of the component unit's investments are in the Louisiana Asset Management Pool, Inc. (LAMP) an external investment fund which operates in a manner consistent with the SEC's Rule 2A7. In accordance with GASB this type of investment is valued by the Council at amortized cost.

The Council's remaining investments consist of federal government securities which the Council values at fair value in accordance with GASB.

Substantially all the remaining investments of the component units are comprised of certificates of deposit, nonparticipating contracts which are recorded at cost, unless there is significant impairment of the credit standing of the issuer.

J. Receivables

The Council's receivables are stated at net realizable value after provision for estimated uncollectible accounts which are negligible. Most component unit use the direct write off method for recording bad debt, however bad debts are insignificant. Hospital Service District No. 1 uses the reserve method.

K. Inventories

The Council and most component units do not report inventories at year end as the amounts are immaterial.

In the case of Hospital Service District No. 1, inventory consists primarily of drugs and medical supplies and is valued at a lower of cost or market (first-in first-out method).

L. Prepaid Expenses

The Council does not report prepaid expense because they are not material.

Component units with material period expenses record the prepayments of expenses, such as insurance as an asset on the balance sheet and systematically recognize an expense over the period of the prepayment.

M. Restricted Assets

Many of the business-type component units hold cash and investments, that are limited as to use, which are reported in restricted asset accounts on their statement of net assets. The use of these assets is limited to repayment of debt, additions or maintenance of assets or as security for customer utility deposits.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fixed Assets

The accounting treatment over property, plant, equipment (fixed assets) depends on whether they are reported in the government-wide, proprietary fund, or governmental fund financial statements.

Government-wide Statements and Proprietary Fund

In the government-wide and proprietary fund financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Buildings	10-50
Equipment and furniture	3-40
Improvements	5-50
Water plants and distribution system	5-50
Sewerage plants and distribution system	10-50
Drainage Systems and improvements	10-25
Infrastructure	10-50

GASB No. 34 requires that in the initial year of implementation, accumulated depreciation on fixed assets be recorded retroactively since their acquisition. Due to this change, the value of the Council's fixed assets was reduced by approximately \$6,800,000 at the beginning of the year.

Due to this change, the value of the component unit's fixed assets was reduced by approximately \$14,400,000 at the beginning of the year.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operation are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. 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. Significant bond premiums and discounts, as well as significant issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount, if significant. Significant 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Compensated Absences

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

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

An accrual is made for the amount of compensation the employees will receive in the future based upon services performed in the current year for vacation time not used. An accrual is also made for accumulated sick time estimated to be paid to employees at retirement. The portion of this accumulated sick pay estimated to be paid to employees retiring within the next year is recorded as a liability within the fund to which the particular employees' salary is allocated. The liability for the Council's portion of this accumulated sick pay, totals approximately \$155,000.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Council's compensated absences, by fund, are approximately as follows:

Accrued vacation time-

Major funds

General Fund	\$44,000
Road Construction and Maintenance Fund	25,000
Reduction and Transfer Fund	13,000
Kemper Williams Park Fund	3,000
Non-major governmental funds	
Small Animal Control Fund	4,000

Liabilities for compensated absences by component units are as follows:

Sewerage District No. 5	\$3,000
Fairview Treatment Center	42,000
Claire House	<u>11,000</u>
	<u>\$56,000</u>

The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. The noncurrent portion of the liability is not reported.

Q. Equity Classifications

Government-wide Statements, Proprietary Fund Statements and Component Unit's Statements of Net Assets

Equity is classified as net assets and displayed in the three components:

- a) Invested in capital assets, net of related debt - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds 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, contributions, 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"

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

R. Interfund Transfers

Permanent reallocations of resources between funds of the Council are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

S. Net Patient Service Revenue

Hospital Service District No. 1 reports net patient service revenue at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Amounts reimbursed for services rendered to patient covered under Medicare and Medicaid programs are generally less than the established billing rates. The Hospital District also provide services to beneficiaries of certain other third-party payor programs at amounts less than established rates based on contractual arrangements. Differences between the established billing rates and amounts reimbursed are contractual adjustments.

Certain amounts receivable under reimbursement agreements between the Hospital District and the Medicare and Medicaid programs are subject to examination and retroactive adjustment. Provisions for estimated retroactive adjustments under such programs are provided in the period the related services are rendered and adjusted in future periods as final settlements are determined.

T. Reclassification

Certain items have been reclassified from the separately issued financial statements of the component units in order to make these financial statements more comparative.

U. Accounting Estimates

The preparation of financial statements in conformity with generally accounting principles require management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES

As stated in Note 1, the Council changed its method of accounting because of the implementation of GASB Statements 33 and 34. Statement 33 requires that nonexchange transactions (transactions in which the government gives [or receives] value without directly receiving [or giving] equal value in return) be recorded at the time the underlying exchange transaction occurs - for example, at the time a retail sale takes place.

Adjustments necessary to record sales and use tax revenue accruals at the beginning of the year are reported as prior-period adjustments in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances as a result of implementing the revenue recognition requirements of GASB Statement No. 33 on nonexchange transactions as follows:

Major Governmental Funds:

Sanitation Fund \$178,954

Non-major Governmental Funds:

Wards 5 & 8 Sales Tax Fund 22,426

Wards 1,2,3,4,7, & 10 Sales Tax Fund 27,045

Jail Operating & Maintenance Fund 59,592

Sales Tax Bonding Sinking Fund 125,179

\$413,196

NOTE 3 - FUND DEFICITS

The following individual funds of the Council had deficit fund balances at December 31, 2003:

<u>Deficit Fund</u>	<u>Amount</u>
Major Funds:	
Amelia and Vicinity	\$(1,033,819)
Wards 5 & 8	(1,525,787)
Non-major Funds:	
Spine Road Construction Fund	(7,780)
Re-entry Drug Court Fund	(10,234)

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

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

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

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

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

NOTE 3 - FUND DEFICITS (continued)

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

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

The deficits in the Spine Road Construction Fund and the Re-entry Drug Court Fund will be made up by revenues from next year.

NOTE 4 - EXPENDITURES - EXCESS OF ACTUAL OVER APPROPRIATED

Actual expenditures exceeded appropriated expenditures by significant amounts in the following funds of the primary government for 2003:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Unfavorable Variance</u>
Special Revenue Funds:			
Jail Operating & Maintenance	\$891,741	\$852,905	\$38,836

Actual expenditures exceeded appropriated expenditures by significant amounts in the following component units for 2003:

<u>Component Unit</u>	<u>Actual</u>	<u>Budget</u>	<u>Unfavorable Variance</u>
Fire Protection District No. 2	\$521,238	\$337,445	\$183,793
Recreation District No. 3	263,658	222,100	41,558
Consolidated Gravity Drainage District No. 2	399,966	257,800	142,166

NOTE 5 - TAXES

Sales Taxes

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

NOTE 5 - TAXES (continued)

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

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

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

Recreation District No. 1 located in Amelia receives the proceeds of the three-tenths of one percent sales and use tax which is used for the purpose of operating and maintaining recreational facilities and providing other services in that area of the Parish.

Recreation District No. 2 located in the Siracusa Community receives the proceeds of the three-tenths of one percent sales and use tax which is used for the purpose of operating and maintaining recreational facilities in that area of the parish.

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

Chain Store Tax

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

NOTE 5 - TAXES (continued)

Ad Valorem Taxes

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

Hotel-Motel Tax

Proceeds from a hotel-motel tax received by the component unit, St. Mary Parish Tourist Commission, are used to fund the operations of the Commission. The taxes are collected by the Parish and the State and then remitted to the Commission.

Communications Taxes

Proceeds from communications taxes are collected on behalf of the component entity, St. Mary Parish Communications District, by various telephone companies and then remitted to the Communications District. The communications taxes are used for the general operation of the Communication District.

NOTE 6 - CASH AND CASH EQUIVALENTS

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

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

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

NOTE 6 - CASH AND CASH EQUIVALENTS (continued)

The following is a summary of the cash and cash equivalents and the related federal deposit insurance and related pledged securities as of December 31, 2003:

<u>Council</u>	
Cash and cash equivalents - stated value	<u>\$6,543,437</u>
Cash and cash equivalents - bank balance	<u>\$7,301,206</u>
Portion insured by federal deposit insurance	700,000
Collateralized by securities in the Council's name held by the Council or third parties	<u>NONE</u>
Balance uninsured and uncollateralized under GASB codification	6,601,206
Portion of deposits secured under Louisiana law	<u>6,601,206</u>
Amount unsecured under Louisiana law	<u>NONE</u>

NOTE 6 - CASH AND CASH EQUIVALENTS (continued)

	<u>MAJOR COMPONENT UNITS</u>			
	<u>Water & Sewer Commission #1</u>	<u>Water & Sewer Commission #2</u>	<u>Waterworks District #5</u>	<u>Waterworks District #6</u>
Cash and cash equivalents-stated value	\$ 979,814	\$ 452,474	\$ 449,567	\$ 1,851,021
Cash and cash equivalents-bank balance	983,162	479,380	486,578	1,851,194
Portion insured by federal deposit insurance	103,851	100,000	208,249	462,052
Collateralized by securities in the Council's name held by the Council or third parties	NONE	NONE	NONE	NONE
Balance uninsured and uncollateralized under GASB codification	879,311	379,380	278,329	1,389,142
Portion of deposits secured under Louisiana law	879,311	379,380	278,329	1,389,142
Amount unsecured under Louisiana law	NONE	NONE	NONE	NONE
	<u>Consolidated Gravity Drainage District #2</u>	<u>Wax Lake East Drainage District</u>	<u>Hospital Service District #1</u>	<u>Fairview Treatment Center</u>
Cash and cash equivalents-stated value	\$ 2,178,385	\$ 4,978,665	\$ 2,527	\$ 200
Cash and cash equivalents-bank balance	2,183,768	4,978,971	41,519	200
Portion insured by federal deposit insurance	165,055	277,397	41,519	200
Collateralized by securities in the Council's name held by the Council or third parties	2,018,713	NONE	NONE	NONE
Balance uninsured and uncollateralized under GASB codification		4,701,574		
Portion of deposits secured under Louisiana law	-	4,701,574	-	-
Amount unsecured under Louisiana law	NONE	NONE	NONE	NONE
	<u>Nonmajor Components</u>	<u>Total Component Units</u>		
Cash and cash equivalents-stated value	\$ 10,159,039	\$ 21,051,692		
Cash and cash equivalents-bank balance	10,074,536	21,079,308		
Portion insured by federal deposit insurance	4,849,393	6,207,716		
Collateralized by securities in the Council's name held by the Council or third parties	679,495	6,501,888		
Balance uninsured and uncollateralized under GASB codification	4,545,648	8,369,704		
Portion of deposits secured under Louisiana law	4,545,648	8,369,704		
Amount unsecured under Louisiana law	NONE	NONE		
Component unit cash is presented on the statement of net assets as follows:				
Cash	\$ 19,548,694			
Restricted Asset & Cash	1,502,998			
	<u>\$ 21,051,692</u>			

NOTE 6 - CASH AND CASH EQUIVALENTS (continued)

	<u>COMPONENT UNITS - AGENCY FUNDS</u>			
	<u>St. Mary Parish Sales & Use Tax</u>	<u>St. Mary Parish Clerk of Court</u>	<u>Sewer Dist. No. 7 of the Parish of St. Mary</u>	<u>Total Component Units-Agency Funds</u>
Cash and cash equivalents-stated value	\$ 9,475	\$ 23,599,955	\$ 8,752	\$ 23,618,182
Cash and cash equivalents-bank balance	37,967	23,681,469	8,752	23,728,188
Portion insured by federal deposit insurance	37,967	212,483	8,752	259,202
Collateralized by securities in the Council's name held by the Council or third parties	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Balance uninsured and uncollateralized under GASB codification	NONE	23,468,986	NONE	23,468,986
Portion of deposits secured under Louisiana law	-	23,468,986	-	23,468,986
Amount unsecured under Louisiana law	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

NOTE 7 - INVESTMENTS

Under state law, the Council and the component units may invest in certain federally guaranteed securities, certain bank time certificates of deposit, certain high-grade corporate commercial paper, and in the Louisiana Asset Management Pool (LAMP).

LAMP is an external investment pool operated to allow local governments to pool their investment funds. LAMP is not registered with the SEC as an investment company. LAMP is subject to regulatory oversight of the Louisiana State Treasurer and the LAMP board of directors. The Council's and component unit's investments in the pool are valued at amortized cost which may vary slightly from the fair value.

The Council's and component unit's investments, except for LAMP, are categorized as either:

- (1) insured or registered or for which the securities are held by the government or its agent in the government's name,
- (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name or,
- (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

Council Investments

<u>Type of Investment</u>	<u>Categories</u>	<u>Reported Amount</u>	<u>Fair Value</u>
U.S. Government & related agencies securities - long-term	1	\$2,643,025	\$2,643,000
LAMP	N/A	<u>5,804,672</u>	<u>5,810,000</u>
		<u>\$8,447,697</u>	<u>\$8,453,000</u>

NOTE 7 - INVESTMENTS (continued)

Component Units Investments

	<u>Reported Amount</u>	<u>Fair Value</u>	<u>Category</u>
<u>LAMP</u>			
Water & Sewer Commission #1	\$ 111,068	\$ 111,068	
Water & Sewer Commission #2	1,231,755	1,231,755	
Nonmajor Components	<u>3,315,449</u>	<u>3,315,449</u>	
Total LAMP	<u>4,658,272</u>	<u>4,658,272</u>	
<u>Certificates of Deposit</u>			
Water & Sewer Commission #2	479,375	479,375	1
Nonmajor Components	<u>807,871</u>	<u>807,871</u>	1
Total Certificates of Deposit	<u>1,287,246</u>	<u>1,287,246</u>	
<u>U.S. Treasury Notes</u>			
Water & Sewer Commission #2	38,906	38,906	1
Hospital Service District #2	<u>739,013</u>	<u>739,013</u>	1
Total Treasury Notes	<u>777,919</u>	<u>777,919</u>	
<u>U.S. Agencies</u>			
Water & Sewer Commission #2	94,685	94,685	1
Hospital Service District #2	<u>2,803,399</u>	<u>2,803,399</u>	1
Total U.S. Agencies	<u>2,898,084</u>	<u>2,898,084</u>	
<u>Government Securities</u>			
Recreation District #3	<u>50,000</u>	<u>50,000</u>	1
Total Investments	<u>\$ 9,671,521</u>	<u>\$ 9,671,521</u>	

Component unit investments are presented on the statement of net assets as follows:

<u>Account</u>	<u>Amount</u>
Investments	\$ 7,555,465
Restricted assets: Investments	<u>2,116,056</u>
	<u>\$ 9,671,521</u>

Component Units - Agency Funds

<u>LAMP</u>			
St. Mary Parish Sales & Use Tax Dept	\$ 1,751,686	\$ 1,751,686	
St. Mary Parish Sales & Use Tax Dept-Restricted	60,653	60,653	
St. Mary Parish Clerk of Court	<u>229,262</u>	<u>229,262</u>	
	<u>\$ 2,041,601</u>	<u>\$ 2,041,601</u>	

Component Unit - Agency Fund investments are presented on the Statement of Fiduciary net assets as follows:

Investments	\$ 1,980,948
Investments-restricted	<u>60,653</u>
	<u>\$ 2,041,601</u>

The investment in LAMP is not categorized in the three risk categories because it is a pooled investment and the Council's or component unit's ownership is not evidenced by securities or book entry.

Note 8 - RECEIVABLES

Receivables at year end, are as follows for the primary government:

Governmental Funds					
	Major			Total Nonmajor Governmental Funds	Total Governmental Receivables
	General Fund	Road Construction & Maintenance Fund	Capital Improvement Fund		
Assessments:					
Current				\$70,973	\$70,973
Delinquent				80,541	80,541
Deferred				236,057	236,057
Accounts	\$35,634	\$18,857	\$137,710		192,201
Total	<u>\$35,634</u>	<u>\$18,857</u>	<u>\$137,710</u>	<u>\$387,571</u>	<u>\$579,772</u>
Nonmajor					
	Paving Series N Fund	Paving Series O Fund	1995 Paving Jupiter Green Acres # 2	2002 Paving Delmar Pluto	Total Nonmajor Governmental Funds
Assessments:					
Current	\$24,691	\$17,026	\$13,341	\$15,915	\$70,973
Delinquent	31,387	28,560	20,594		80,541
Deferred	75,973	64,329	11,500	84,255	236,057
Total	<u>\$132,051</u>	<u>\$109,915</u>	<u>\$45,435</u>	<u>\$100,170</u>	<u>\$387,571</u>
Enterprise Funds					
	Reduction and Transfer Fund	Kemper Williams Park Fund	Total Enterprise Funds Receivables		
Accounts	\$160,009	\$83	\$160,092		
	Accounts Receivable	Other Receivables	Total		
Major Components					
Water & Sewer Commission # 1	\$55,258	\$804	\$56,062		
Water & Sewer Commission # 2	111,255		111,255		
Waterworks District # 5	103,884	82	103,966		
Waterworks District # 6	110,279	4,024	114,303		
Wax Lake East Drainage District		5,400	5,400		
Hospital Service District # 1	3,383,191	59,771	3,442,962		
Fairview Treatment Center	226,254		226,254		
Total major components	3,990,121	70,081	4,060,202		
Nonmajor Components	185,916	138,527	324,443		
Total Components	<u>\$4,176,037</u>	<u>\$208,608</u>	<u>\$4,384,645</u>		

All receivables are net of allowances for uncollectible accounts which are immaterial, except for Hospital District No. 1 where the allowance for uncollectible accounts is \$720,000.

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

NOTE 9 - DUE FROM/TO OTHER FUNDS-PRIMARY GOVERNMENT ONLY

Due from/to other funds at December 31, 2003 as shown on the Governmental Funds Balance Sheet consists of the following:

<u>Due to</u>	<u>Due from</u>		
	<u>Sanitation Fund</u>	<u>Non Major Governmental</u>	<u>Total</u>
General Fund		\$50,000	\$50,000
Amelia & Vicinity	\$11,332		11,332
Wards 5 & 8 Sewer	22,704		22,704
Non Major Governmental	42,276	187,500	229,776
Total	<u>\$76,312</u>	<u>\$237,500</u>	<u>\$313,812</u>

The balances in the due to and from accounts are as a result of short term transactions where one fund receives funds from another and repayments are made within the next fiscal year.

NOTE 10 - ADVANCES TO/FROM OTHER FUNDS-PRIMARY GOVERNMENT ONLY

Advances to/from other funds as of December 31, 2003 consisted of the following:

<u>Advance due to</u>	<u>Advance due from</u>						<u>Total</u>
	<u>General Fund</u>	<u>Sanitation Fund</u>	<u>Amelia & Vicinity</u>	<u>Wards 5 & 8 Sewer</u>	<u>Non Major Governmental</u>	<u>Kemper Williams Park</u>	
Road Construction & Maint.	\$847,000						\$847,000
Sanitation			\$458,269	\$499,731			958,000
Capital Improvement			683,752	1,026,056			1,709,808
Non Major Governmental	29,803	\$622,601			\$490,894	\$126,385	1,269,683
Reduction & Transfer					467,836		467,836
Total	<u>\$876,803</u>	<u>\$622,601</u>	<u>\$1,142,021</u>	<u>\$1,525,787</u>	<u>\$958,730</u>	<u>\$126,385</u>	<u>\$5,125,942</u>

The balance of \$126,385 advanced to Kemper Williams Park from Sales Tax Bond & Interest Sinking Fund (a nonmajor debt service fund), the balance of \$458,269 advanced to Amelia & Vicinity from Sanitation, and the balance of \$499,731 advanced to Wards 5 & 8 Sewer from Sanitation are not scheduled to be repaid in the upcoming year. A reservation of fund balance for non-current receivables has been shown on the balance sheets of the funds to which payments are due.

NOTE 10 - ADVANCES TO/FROM OTHER FUNDS-
PRIMARY GOVERNMENT ONLY (continued)

Advances between funds arise in one of two ways:

When one fund has a shortfall, and funds from another fund are used to cover expenditures. *These are not expected to be repaid within current year.*

The Council maintains a commingled cash account and periodically one fund temporarily borrows amounts from the other funds to cover expenditures.

NOTE 11 - INTERFUND TRANSFERS-PRIMARY GOVERNMENT ONLY

Interfund transfers in for the year ended December 31, 2003, consisted of the following:

TRANSFER TO	TRANSFER FROM		
Major Governmental Funds:			
General Fund	Road Construction and Maintenance Fund	\$ 949,731	
	Sales Tax Bond Sinking Fund	<u>691,241</u>	
Total General Fund			\$ 1,640,972
Capital Improvement Fund	Community Grant Fund	461,300	
	Road Construction and Maintenance Fund	<u>906,131</u>	
Total Capital Improvement Fund			1,367,431
Amelia & Vicinity Fund	Sanitation Fund		149,600
Wards 5 & 8 Sewer Project Fund	Sanitation Fund		<u>299,703</u>
Non Major Governmental Funds:			
Wards 1,2,3,4,7 & 10 Sales Tax Fund	General Fund	86,275	
	Wards 5 & 8 Sales Tax Fund	<u>3,402</u>	
Total Wards 1,2,3,4,7 & 10 Sales Tax Fund			89,677
Jail Operating & Maintenance Fund	General Fund		31,792
Joe C. Russo Fund	Boat Landing Permit Fund		20,000
Sales Tax Bond Sinking Fund	Sales Tax Bond Reserve Fund 1994, 1996		281,003
3/4% Sales Tax Bond Sinking Fund	3/4% Sales Tax Bond Reserve Fund	28,049	
	Amelia & Vicinity Fund	246,502	
	Franklin & Vicinity Fund	<u>116,805</u>	
Total 3/4% Sales Tax Bond Sinking Fund			391,356
Certificates of Indebtedness Sinking Fund	Community Grant Fund	611,353	
	Road Construction and Maintenance Fund	<u>591,808</u>	
Total Certificates of Indebtedness Sinking Fund			1,203,161
Jail Sinking Fund	Jail Operating & Maintenance Fund		494,206
Jail Reserve Fund	Jail Operating & Maintenance Fund		24,710
Franklin & Vicinity Fund	Sanitation Fund	251,650	
	Wards 1,2,3,4,7 & 10 Sales Tax Fund	<u>50,000</u>	
Total Franklin & Vicinity Fund			301,650
Morgan City & Vicinity Fund	Sanitation Fund		35,662
Cypremort Point & Vicinity Fund	Sanitation Fund		<u>270,791</u>
Total Transfers In -Non Major Governmental Funds			3,144,008
Total Transfers In - Governmental Funds			<u>6,601,714</u>
Business-type Activities:			
Reduction and Transfer Fund	Sanitation Fund		\$ 595,892
Small Animal Control Fund	General Fund		109,549
Kemper Williams Park Fund	General Fund		<u>197,661</u>
Total Transfers In - Business-type Activities			903,102
Total Transfers In			<u>\$ 7,504,816</u>

NOTE 11 - INTERFUND TRANSFERS-PRIMARY GOVERNMENT ONLY (continued)

Interfund transfers out for the year ended December 31, 2003, consisted of the following:

TRANSFER FROM	TRANSFER TO		
Major Governmental Funds:			
General Fund	Small Animal Control Fund	\$ 109,549	
	Jail Operating & Maintenance Fund	31,792	
	Kemper Williams Park Fund	197,661	
	Wards 1,2,3,4,7 & 10 Sales Tax Fund	<u>86,275</u>	
Total General Fund			\$ 425,277
Road Construction and Maintenance Fund	General Fund	949,731	
	Certificates of Indebtedness Sinking Fund	591,808	
	Capital Improvement Fund	<u>906,131</u>	
Total Road Construction and Maintenance Fund			2,447,670
Sanitation Fund	Amelia & Vicinity Fund	149,600	
	Franklin & Vicinity Fund	251,650	
	Cypremort Point & Vicinity Fund	270,791	
	Wards 5 & 8 Sewer Project Fund	299,703	
	Morgan City & Vicinity Fund	35,662	
	Reduction and Transfer Fund	<u>595,892</u>	
Total Sanitation Fund			1,603,298
Amelia & Vicinity Fund	3/4% Sales Tax Bond Sinking Fund		<u>246,502</u>
Non Major Governmental Funds:			
Community Grant Fund	Certificates of Indebtedness Sinking Fund	611,353	
	Capital Improvement Fund	<u>461,300</u>	
Total Community Grant Fund			1,072,653
Wards 5 & 8 Sales Tax Fund	Wards 1,2,3,4,7 & 10 Sales Tax Fund		3,402
Wards 1,2,3,4,7 & 10 Sales Tax Fund	Franklin & Vicinity Fund		50,000
Jail Operating & Maintenance Fund	Jail Sinking Fund	494,206	
	Jail Reserve Fund	<u>24,710</u>	
Total Jail Operating & Maintenance Fund			518,916
Boat Landing Permit Fund	Joe C. Russo Fund		20,000
Sales Tax Bond Sinking Fund	General Fund		691,241
Sales Tax Bond Reserve Fund 1994, 1996	Sales Tax Bond Sinking Fund		281,003
3/4% Sales Tax Bond Reserve Fund	3/4% Sales Tax Bond Sinking Fund		28,049
Franklin & Vicinity Fund	3/4% Sales Tax Bond Sinking Fund		<u>116,805</u>
Total Transfers Out - Non Major Governmental Funds			2,782,069
Total Transfers Out - Governmental Funds			<u>\$ 7,504,816</u>

Transfers are used to:

Move revenues from the fund, that the budget ordinance requires to collect them to the fund that the budget ordinance requires to expend them

Move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and

Use excess unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 12 - DUE TO/FROM PRIMARY GOVERNMENT AND COMPONENT UNITS

Due from component units at December 31, 2003 consists of the following:

Receivable by the Council from components

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
Major Funds:		
General Fund	Waterworks #5	\$7,676
	Water & Sewer Commissions #2	7,462
	Waterworks District #6	4,235
	Water & Sewer Commission #1	2,354
	Water & Sewer Commission #5	<u>6,318</u>
		<u>28,045</u>
Sanitation	Water & Sewer Commission #1	12,773
	Waterworks #6	14,353
	Waterworks #5	22,315
	Water & Sewer Commission #2	26,907
	Water & Sewer Commission #5	<u>9,047</u>
		<u>85,395</u>
*Capital Improvements	Hospital District #1	<u>142,130</u>
Amelia & Vicinity	Consolidated Water & Sewer District #1	<u>96,869</u>
Major funds due from component units		<u>352,439</u>
Non-major Funds:		
*3/4% Sales Tax Bond Sinking	Sewer District #8	117,260
Franklin & Vicinity	Sewer District #7	48,759
*Cypremort Point & Vicinity	Water & Sewer Commission #5	<u>216,891</u>
Non-major funds due from component units		<u>382,910</u>
Total due from component units		<u>\$735,349</u>

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

NOTE 12 - DUE TO/FROM PRIMARY GOVERNMENT AND
COMPONENT UNITS (continued)

Due to component units at December 31, 2003 consists of the following:

Payable by the Council to components

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
Fairview Treatment Center	Local Law Enforcement Block Grant #2	\$16,359
	Juvenile Incentive Block Grant	13,500
	Re-entry Drug Court	<u>10,234</u>
Total due to component units		<u>\$40,093</u>

NOTE 12 - DUE TO/FROM PRIMARY GOVERNMENT AND COMPONENT UNITS (continued)

Due to Other Component Units

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
Wards 5 & 8 Joint Sewer Commission	Water & Sewer Commission #2	\$ 13,217
Sewerage District #7	Waterworks District #6	7,005
Water & Sewer Commission #5	Waterworks District #6	1,501
Sewerage District #9	Waterworks District #6	5,220
Mosquito Control District No. 1	Waterworks District #6	3,880
Waterworks District #6	Sewerage District #9	580
Sewerage District #8	Wards 5 & 8 Joint Sewerage Commission	4,518
Water & Sewer District #2	Wards 5 & 8 Joint Sewerage Commission	19,487
		<u>\$ 55,408</u>

Due from Other Component Units

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
Wards 5 & 8 Joint Sewer Commission	Water & Sewer Commission #2	\$ 23,644
Wards 5 & 8 Joint Sewer Commission	Sewerage District #8	13,793
		<u>\$ 37,437</u>

Due to/from the Primary Government by the Component Units at year end:

Receivable by the Components from the Council

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
Sewerage District #7	St. Mary Parish Council	\$ 100,422
Drainage District # 2	St. Mary Parish Council	54,819
Drainage District #6	St. Mary Parish Council	179,667
Wax Lake East Drainage District	St. Mary Parish Council	181
Recreation District #2	St. Mary Parish Council	37,907
Recreation District #3	St. Mary Parish Council	29,524
Fairview Treatment Center	St. Mary Parish Council	315,250
Claire House	St. Mary Parish Council	117,703
Clerk of Court	St. Mary Parish Council	720
		<u>\$ 836,193</u>

Payable by the Component Units to the Council

<u>Payable To</u>	<u>Due From</u>	<u>Amount</u>
St. Mary Parish Council	Water & Sewer Commission #1	\$ 16,552
St. Mary Parish Council	Water & Sewer Commission #2	25,228
St. Mary Parish Council	Water & Sewer Commission #5	7,968
St. Mary Parish Council	Waterworks District #6	12,005
St. Mary Parish Council	Wards 5 & 8 Joint Sewerage Commission	15,820
St. Mary Parish Council	Hospital Service District #1	145,403
		<u>\$ 222,976</u>

NOTE 13 - FIXED ASSETS

CAPITAL ASSETS

Capital asset and depreciation activity for the year ended December 31, 2003 for the primary government, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$1,750,876			\$1,750,876
Construction in progress	636,273	\$2,404,309		3,040,582
Infrastructure		2,048,396		2,048,396
Total capital assets not being depreciated	<u>2,387,149</u>	<u>4,452,705</u>	<u>--</u>	<u>6,839,854</u>
Other capital assets:				
Buildings	14,973,330	33,158		15,006,488
Equipment and furniture	5,027,425	1,957,026	(\$69,583)	6,914,868
Improvements	3,219,607	476,242		3,695,849
Total other capital assets at historical cost	<u>23,220,362</u>	<u>2,466,426</u>	<u>(69,583)</u>	<u>25,617,205</u>
Less accumulated depreciation for:				
Buildings	(2,073,274)	(410,009)		(2,483,283)
Equipment and furniture	(3,600,123)	(436,913)	69,583	(3,967,453)
Improvements	(1,165,962)	(182,689)		(1,348,651)
Total accumulated depreciation	<u>(6,839,359)</u>	<u>(1,029,611)</u>	<u>69,583</u>	<u>(7,799,387)</u>
Other capital assets, net	<u>16,381,003</u>	<u>1,436,815</u>	<u>--</u>	<u>17,817,818</u>
Governmental capital assets, net	<u>\$18,768,152</u>	<u>\$5,889,520</u>	<u>--</u>	<u>\$24,657,672</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$2,052,372			\$2,052,372
Land improvements	1,710,164	\$40,063		1,750,227
Total capital assets not being depreciated	<u>3,762,536</u>	<u>40,063</u>	<u>--</u>	<u>3,802,599</u>
Other capital assets:				
Buildings	4,282,652			4,282,652
Equipment	5,488,177	189,945	(\$68,343)	5,609,779
Improvements		206,635		206,635
Total other capital assets at historical cost	<u>9,770,829</u>	<u>396,580</u>	<u>(68,343)</u>	<u>10,099,066</u>
Less accumulated depreciation for:				
Buildings	(4,265,503)	(11,881)		(4,277,384)
Equipment	(3,585,017)	(378,073)	63,710	(3,899,380)
Improvements		(10,332)		(10,332)
Total accumulated depreciation	<u>(7,850,520)</u>	<u>(400,286)</u>	<u>63,710</u>	<u>(8,187,096)</u>
Other capital assets, net	<u>1,920,309</u>	<u>(3,706)</u>	<u>(4,633)</u>	<u>1,911,970</u>
Business-type activities capital assets, net	<u>\$5,682,845</u>	<u>\$36,357</u>	<u>(\$4,633)</u>	<u>\$5,714,569</u>

The beginning balance of \$6,839,359 recorded in accumulated depreciation for governmental activities is for the cumulative effect for depreciation not recorded in years prior due to the effect of GASB No. 34.

NOTE 13 - FIXED ASSETS (continued)

Depreciation expense for the Primary Government was charged to functions as follows:

Governmental activities:

General government	\$543,904
Public safety	6,164
Public works	333,992
Health and welfare	116,031
Culture and recreation	<u>29,520</u>

Total governmental activities depreciation expense \$1,029,611

Business-type activities:

Small Animal Control	\$8,529
Kemper Williams Park	130,030
Reduction and Transfer-Solid Waste Landfill	<u>261,727</u>

Total business-type activities depreciation expense \$400,286

NOTE 13 - FIXED ASSETS (continued)

Capital asset and depreciation activity for the component units is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Major Components				
Water & Sewer Commission No. 1				
Capital Assets not being depreciated				
Land	\$ 205,726			\$ 205,726
Construction in progress	33,140	\$ 418,766	-	451,906
Total capital assets not being depreciated	<u>238,866</u>	<u>418,766</u>	<u>-</u>	<u>657,632</u>
Other Capital Assets				
Buildings	4,052,997			4,052,997
Equipment and furniture	206,102	12,500	\$ (9,938)	208,664
Improvements	7,817,264	8,780	-	7,826,044
Total other assets at historical cost	<u>12,076,363</u>	<u>21,280</u>	<u>(9,938)</u>	<u>12,087,705</u>
Less accumulated depreciation for:				
Buildings	(1,371,952)	(83,970)		(1,455,922)
Equipment and furniture	(157,070)	(15,646)	9,938	(162,778)
Improvements	(5,205,356)	(244,147)	-	(5,449,503)
Total accumulated depreciation	<u>(6,734,378)</u>	<u>(343,763)</u>	<u>9,938</u>	<u>(7,068,203)</u>
Total Capital Assets, net	<u>\$ 5,580,851</u>	<u>\$ 96,283</u>	<u>\$ -</u>	<u>\$ 5,677,134</u>
Water & Sewer Commission No.2				
Capital Assets not being depreciated				
Land	\$ 51,709			\$ 51,709
Construction in progress	44,634	\$ 34,030	-	78,664
Total capital assets not being depreciated	<u>96,343</u>	<u>34,030</u>	<u>-</u>	<u>130,373</u>
Other Capital Assets				
Buildings	48,533			48,533
Equipment and furniture	105,915	24,497		130,412
Improvements	5,713,866	797,420	-	6,511,286
Total other assets at historical cost	<u>5,868,314</u>	<u>821,917</u>	<u>-</u>	<u>6,690,231</u>
Less accumulated depreciation for:				
Buildings	(36,507)	(1,312)		(37,819)
Equipment and furniture	(90,707)	(12,505)	\$ 26,043	(77,169)
Improvements	(3,436,824)	(159,493)	67,287	(3,529,030)
Total accumulated depreciation	<u>(3,564,038)</u>	<u>(173,310)</u>	<u>93,330</u>	<u>(3,644,018)</u>
Total Capital Assets	<u>\$ 2,400,619</u>	<u>\$ 682,637</u>	<u>\$ 93,330</u>	<u>\$ 3,176,586</u>

NOTE 13 - FIXED ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Waterworks District No. 5				
Capital Assets not being depreciated				
Land	\$ 22,237			\$ 22,237
Construction in progress	41,200	\$ 11,670	\$ (52,870)	-
Total capital assets not being depreciated	<u>63,437</u>	<u>11,670</u>	<u>(52,870)</u>	<u>22,237</u>
Other Capital Assets				
Buildings	99,634			99,634
Equipment and furniture	218,466			218,466
Improvements	7,913,321	75,268	-	7,988,589
Total other assets at historical cost	<u>8,231,421</u>	<u>75,268</u>	<u>-</u>	<u>8,306,689</u>
Less accumulated depreciation for:				
Buildings	(80,953)	(626)		(81,579)
Equipment and furniture	(169,939)	(11,304)		(181,243)
Improvements	(3,144,487)	(203,152)	-	(3,347,639)
Total accumulated depreciation	<u>(3,395,379)</u>	<u>(215,082)</u>	<u>-</u>	<u>(3,610,461)</u>
Total Capital Assets, net	<u>\$ 4,899,479</u>	<u>\$ (128,144)</u>	<u>\$ (52,870)</u>	<u>\$ 4,718,465</u>
Waterworks District No. 6				
Capital Assets not being depreciated				
Land	\$ 6,926			\$ 6,926
Construction in progress	26,133	\$ 291,517	\$ (26,133)	291,517
Total capital assets not being depreciated	<u>33,059</u>	<u>291,517</u>	<u>(26,133)</u>	<u>298,443</u>
Other Capital Assets				
Equipment and furniture	2,307,697	342,192		2,649,889
Improvements	4,270,911	-	-	4,270,911
Total other assets at historical cost	<u>6,578,608</u>	<u>342,192</u>	<u>-</u>	<u>6,920,800</u>
Less accumulated depreciation for:				
Equipment and furniture	(1,318,916)	(82,467)		(1,401,383)
Improvements	(1,431,698)	(153,278)	-	(1,584,976)
Total accumulated depreciation	<u>(2,750,614)</u>	<u>(235,745)</u>	<u>-</u>	<u>(2,986,359)</u>
Total Capital Assets, net	<u>\$ 3,861,053</u>	<u>\$ 397,964</u>	<u>\$ (26,133)</u>	<u>\$ 4,232,884</u>
Consolidated Gravity Drainage District No. 2				
Capital Assets not being depreciated				
Land	\$ 914,054			\$ 914,054
Construction in progress	944,271	\$ 3,602,882	-	4,547,153
Total capital assets not being depreciated	<u>1,858,325</u>	<u>3,602,882</u>	<u>-</u>	<u>5,461,207</u>
Other Capital Assets				
Buildings	1,750,401	10,900		1,761,301
Equipment and furniture	2,195,863	27,620		2,223,483
Improvements	1,895,808	-	-	1,895,808
Total other assets at historical cost	<u>5,842,072</u>	<u>38,520</u>	<u>-</u>	<u>5,880,592</u>
Less accumulated depreciation for:				
Buildings	(1,204,160)	(54,055)		(1,258,215)
Equipment and furniture	(1,610,774)	(65,749)		(1,676,523)
Improvements	(259,964)	(63,801)	-	(323,765)
Total accumulated depreciation	<u>(3,074,898)</u>	<u>(183,605)</u>	<u>-</u>	<u>(3,258,503)</u>
Total Capital Assets, net	<u>\$ 4,625,499</u>	<u>\$ 3,457,797</u>	<u>-</u>	<u>\$ 8,083,296</u>

NOTE 13 - FIXED ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Wax Lake East Drainage District				
Capital Assets not being depreciated				
Construction in progress	\$ 16,690	\$ 28,893	-	\$ 45,583
Total capital assets not being depreciated	<u>16,690</u>	<u>28,893</u>	-	<u>45,583</u>
Other Capital Assets				
Equipment and furniture	47,790			47,790
Improvements	447,444	7,287	-	454,731
Total other assets at historical cost	<u>495,234</u>	<u>7,287</u>	-	<u>502,521</u>
Less accumulated depreciation for:				
Equipment and furniture	(3,805)	(5,398)		(9,203)
Improvements	<u>(172,825)</u>	<u>(17,947)</u>	-	<u>(190,772)</u>
Total accumulated depreciation	<u>(176,630)</u>	<u>(23,345)</u>	-	<u>(199,975)</u>
Total Capital Assets, net	<u>\$ 335,294</u>	<u>\$ 12,835</u>	-	<u>\$ 348,129</u>
Hospital District No. 1				
Capital Assets not being depreciated				
Land	\$ 7,958	-	-	\$ 7,958
Total capital assets not being depreciated	<u>7,958</u>	-	-	<u>7,958</u>
Other Capital Assets				
Buildings	6,398,378	\$ 6,880		6,405,258
Equipment and furniture	7,142,066	558,118		7,700,184
Improvements	61,134	3,300	-	64,434
Total other assets at historical cost	<u>13,601,578</u>	<u>568,298</u>	-	<u>14,169,876</u>
Less accumulated depreciation for:				
Buildings	(3,557,743)	(154,041)		(3,711,784)
Equipment and furniture	(5,688,420)	(257,896)		(5,946,316)
Improvements	<u>(47,468)</u>	<u>(2,919)</u>	-	<u>(50,387)</u>
Total accumulated depreciation	<u>(9,293,631)</u>	<u>(414,856)</u>	-	<u>(9,708,487)</u>
Total Capital Assets, net	<u>\$ 4,315,905</u>	<u>\$ 153,442</u>	-	<u>\$ 4,469,347</u>
Fairview Treatment Center				
Other Capital Assets				
Equipment and furniture	\$ 556,707	\$ 6,983	-	\$ 563,690
Total other assets at historical cost	<u>556,707</u>	<u>6,983</u>	-	<u>563,690</u>
Less accumulated depreciation for:				
Equipment and furniture	(350,393)	(41,388)	-	(391,781)
Total accumulated depreciation	<u>(350,393)</u>	<u>(41,388)</u>	-	<u>(391,781)</u>
Total Capital Assets, net	<u>\$ 206,314</u>	<u>\$ (34,405)</u>	-	<u>\$ 171,909</u>

NOTE 13 - FIXED ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Major Components Total				
Capital Assets not being depreciated				
Land	\$ 1,208,610	-	-	\$ 1,208,610
Construction in progress	1,106,068	\$ 4,387,758	\$ (79,003)	5,414,823
Total capital assets not being depreciated	<u>2,314,678</u>	<u>4,387,758</u>	<u>(79,003)</u>	<u>6,623,433</u>
Other Capital Assets				
Buildings	12,349,943	17,780		12,367,723
Equipment and furniture	12,780,606	971,910	(9,938)	13,742,578
Improvements	28,119,748	892,055	-	29,011,803
Total other assets at historical cost	<u>\$ 53,250,297</u>	<u>\$ 1,881,745</u>	<u>\$ (9,938)</u>	<u>\$ 55,122,104</u>
Less accumulated depreciation for:				
Buildings	(6,251,315)	(294,004)		(6,545,319)
Equipment and furniture	(9,390,024)	(492,353)	35,981	(9,846,396)
Improvements	(13,698,622)	(844,737)	67,287	(14,476,072)
Total accumulated depreciation	<u>(29,339,961)</u>	<u>(1,631,094)</u>	<u>103,268</u>	<u>(30,867,787)</u>
Total Capital Assets, net	<u>\$ 26,225,014</u>	<u>\$ 4,638,409</u>	<u>\$ 14,327</u>	<u>\$ 30,877,750</u>
Nonmajor Components Total				
Capital Assets not being depreciated				
Land	\$ 868,376	\$ 67,500		\$ 935,876
Construction in progress	291,487	1,505,384	\$ (27,927)	1,768,944
Total capital assets not being depreciated	<u>1,159,863</u>	<u>1,572,884</u>	<u>(27,927)</u>	<u>2,704,820</u>
Other Capital Assets				
Buildings	10,311,241	114,176	(25,595)	10,399,822
Equipment and furniture	10,071,038	995,349	(168,198)	10,898,189
Improvements	19,075,139	533,922	-	19,609,061
Infrastructure	-	18,668	-	18,668
Total other assets at historical cost	<u>39,457,418</u>	<u>1,662,115</u>	<u>(193,793)</u>	<u>40,925,740</u>
Less accumulated depreciation for:				
Buildings	(3,361,161)	(275,342)	9,129	(3,627,374)
Equipment and furniture	(5,006,538)	(744,087)	46,928	(5,703,697)
Improvements	(6,752,122)	(714,717)		(7,466,839)
Infrastructure	-	(1,867)	-	(1,867)
Total accumulated depreciation	<u>(15,119,821)</u>	<u>(1,736,013)</u>	<u>56,057</u>	<u>(16,799,777)</u>
Total Capital Assets, net	<u>\$ 25,497,460</u>	<u>\$ 1,498,986</u>	<u>\$ (165,663)</u>	<u>\$ 26,830,783</u>

NOTE 13 - FIXED ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Total Components				
Capital Assets not being depreciated				
Land	\$ 2,076,986	\$ 67,500		\$ 2,144,486
Construction in progress	<u>1,397,555</u>	<u>5,893,142</u>	\$ (106,930)	<u>7,183,767</u>
Total capital assets not being depreciated	<u>3,474,541</u>	<u>5,960,642</u>	<u>(106,930)</u>	<u>9,328,253</u>
Other Capital Assets				
Buildings	22,661,184	131,956	(25,595)	22,767,545
Equipment and furniture	22,851,644	1,967,259	(178,136)	24,640,767
Improvements	47,194,887	1,425,977	-	48,620,864
Infrastructure	-	18,668	-	18,668
Total other assets at historical cost	<u>92,707,715</u>	<u>3,543,860</u>	<u>(203,731)</u>	<u>96,047,844</u>
Less accumulated depreciation for:				
Buildings	(9,612,476)	(569,346)	9,129	(10,172,693)
Equipment and furniture	(14,396,562)	(1,236,440)	82,909	(15,550,093)
Improvements	(20,450,744)	(1,559,454)	67,287	(21,942,911)
Infrastructure	-	(1,867)	-	(1,867)
Total accumulated depreciation	<u>(44,459,782)</u>	<u>(3,367,107)</u>	<u>159,325</u>	<u>(47,667,564)</u>
Total Capital Assets, net	<u>\$ 51,722,474</u>	<u>\$ 6,137,395</u>	<u>\$ (151,336)</u>	<u>\$ 57,708,533</u>

The following is the cumulative effect for depreciation not recorded in prior years due to the conversion to GASB 34 in the current year:

Major Component Units	
Consolidated Gravity Drainage District No. 2	\$ 3,074,898
Wax Lake East Drainage District	176,630
Fairview Treatment Center	<u>350,393</u>
Total major component units	3,601,921
Nonmajor component units	<u>10,819,342</u>
	<u>\$ 14,421,263</u>

Depreciation expense for the component units were charged to functions as follows:

Governmental activities:	
General government	\$ 88,104
Water & Sewer	313,667
Drainage	345,018
Fire Protection	132,590
Recreation	215,548
Health & welfare	691
Medical care	45,040
Library	312,173
Tourism	13,254
Public safety	<u>5,467</u>
Total governmental activities depreciation expense	<u>\$ 1,471,552</u>
Business-type activities:	
Water & Sewer	\$ 1,410,570
Medical care	<u>484,985</u>
Total business-type activities depreciation expense	<u>\$ 1,895,555</u>

NOTE 14 - LONG TERM DEBT

At year end, the governmental long-term debt is segregated between the amounts to be repaid from the Council's governmental activities and amounts to be repaid from Council's business-type activities and the amounts to be repaid from component units.

Governmental Activities:

As of December 31, 2003, the governmental long-term debt of the Council consisted of the following:

Public Improvement Sales Tax Bonds

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

\$1,515,000

\$2,900,000 of Public Improvement Sales Tax Refunding Bonds, Series 2003, were issued on October 1, 2003 for the refunding of Sales Tax Bonds issued April 1, 1994. The bonds bear interest of 2.0 to 3.7 percent and are payable through the year 2012. The bonds are being retired from the One Percent Sales Tax Bond Sinking Fund.

2,900,000

\$5,500,000 of Public Improvement Sales Tax Refunding Bonds were issued on June 1, 1993 to advance refund \$4,620,000 of the 1987 \$7,210,000 Public Improvement Sales Tax Refunding bonds which mature December 1, 2000 to December 1, 2004. The bonds bear interest at rates ranging from 2.5% to 5.0% with payments due through 2004. These bonds are to be retired from the Three-fourths Percent Sales Tax Bond Sinking Fund.

825,000

\$2,200,000 of General Obligation Bonds were issued November 1, 1996 to improve, construct and acquire buildings, equipment, and books for the parish libraries. The bonds bear interest at rates ranging from 4.9% to 8.0% and mature March 1, 2016. These bonds are to be retired from the annual levy and collection of unlimited ad valorem taxes on all taxable property within the Parish's boundaries, excluding the City of Morgan City. Although the Council is servicing the debt on these bonds, the St. Mary Parish Library Fund will be expending the proceeds and will also be transferring ad valorem taxes to the Council to service the debt. These bonds are being paid from the St. Mary Parish Library General Obligation '96 Sinking Fund.

1,685,000

NOTE 14 - LONG TERM DEBT (continued)

Refunding Certificates of Indebtedness

\$2,105,000 of Certificates of Indebtedness, Series 2002 were issued on August 15, 2002, to refund \$2,105,000 of the 1999 \$4,200,000 Certificates of Indebtedness. The certificates bear interest of 3.85% and are payable through the year 2007. The certificates are being retired from the Certificates of Indebtedness Series 2002, (Spine Road) Fund.

\$1,640,000

REVENUE BONDS

\$2,800,000 of Revenue Bonds Series A, 1999 were issued on March 1, 1999 for the purpose of paying a portion of the costs of constructing and equipping a new 300 bed jail facility and to renovate, improve and equip the existing jail facilities. The bonds bear interest of 4.95% and are payable through the year 2014. These bonds are to be retired from the excess of revenues over expenditures from the Jail Operating Fund. These bonds are being paid from the Jail Sinking Fund.

2,360,000

\$1,191,000 of Revenue bonds, Series B, 1999 were issued for the purpose of paying a portion of the costs of constructing and equipping a new 300 bed jail facility. The bonds bear interest of 5% and are payable through the year 2029. This is a drawdown against the total amount of the loan of \$1,196,000. The bonds are to be retired from the income, revenues, and receipts from the operation of jail facilities after paying the reasonable and necessary expenses of administering, operating, and maintaining the jail facilities. These bonds are being paid from the Jail Sinking Fund.

1,109,134

\$4,500,000 of Road Bonds, Series 2000, were issued on September 1, 2000, for the purpose of constructing, improving, and resurfacing public streets and roads in the Parish and the various municipalities within the Parish and other capital projects. The bonds bear interest of 5.8% and are payable through the year 2015. The bonds are to be retired from the excess of annual revenues of the Parish. These bonds are being paid from the Certificates of Indebtedness Sinking Fund.

3,885,000

\$1,300,000 of Revenue Bonds, Series 2000, were issued on November 1, 2000, for the purpose of renovating, improving, and equipping the Parish's jail facilities located in the Parish Courthouse, and constructing and equipping a new 300 bed jail facility. The bonds bear interest of 5.8% and are payable through the year 2015. The bonds are to be retired solely from the net revenues from the operation of the jail by the facility by the Sheriff of the Parish. These bonds are being paid from the Jail Sinking Fund.

1,175,000

NOTE 14 - LONG TERM DEBT (continued)

Public Parks and Recreation Bonds

\$1,000,000, Series 2002 - A, were issued on May 1, 2002, to pay a portion of the cost of constructing a public golf course at Kemper Williams Park. The bonds bear interest of 5.5% and are payable through the year 2017. Those bonds are to be retired from the excess annual revenues of the Parish and are paid from the Certificate of Indebtedness Sinking Fund. \$1,000,000

\$2,000,000, Series 2002 - B, were issued on December 1, 2002, to pay a portion of the cost of constructing a public golf course at Kemper Williams Park. The bonds bear interest of 4.75% and are payable through the year 2017. These bonds are to be retired from the excess annual revenues of the Parish and are paid from the Certificate of Indebtedness Sinking Fund. 2,000,000

SPECIAL ASSESSMENT

Paving Certificates

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

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

\$263,803 Paving Certificates, Series 1995, issued July 1, 1995; due in annual installments of \$26,380 through July 1, 2005; interest at 6.375% 52,760

\$322,089 Paving Certificates, Series 1999, issued October 1, 1999; due in annual installments of \$32,208 through October 1, 2008; interest at 4.75% 161,044

\$236,429 Paving Certificates, Series 1999, issued March 10, 1999; due in annual installments of \$23,643 through May 2009; interest at 5% 141,857

\$93,616 Paving Certificates, Series 2003, issued May 1, 2003; due in annual installments of \$9,362 through May 2013; interest at 4.25% 93,616

Accrued compensated absences-all noncurrent 155,280
 Total Governmental Activity Debt \$20,698,691

NOTE 14 - LONG TERM DEBT (continued)

Business-type Activities:

As of December 31, 2003, the long-term debt payable from proprietary fund resources consisted of the following:

Enterprise Fund Certificates of Indebtedness

\$750,000 of Certificates of Indebtedness, Series 1999, were issued on October 1, 1999 for the purpose of constructing improvements at the Parish landfill. The Certificates bear interest at 4.625% and are payable through the year 2004. The Certificates are being retired through the transfer of excess revenues in the Reduction and Transfer Fund. These certificates are being paid from the Reduction and Transfer Fund.

\$ 165,000

Total Enterprise Certificates of Indebtedness

\$ 165,000

On October 1, 2003, the Council issued \$2.9 million of Public Improvement Sales Tax Refunding Bonds with an average interest rate of 3.25 percent to advance refund \$3.465 million of outstanding 1994 Series bonds with an average interest rate of 5.3 percent. The net proceeds of \$2.885 million (after payment of underwriting fees, insurance, and other issuance costs) plus an additional \$500,000 of reserve and sinking fund monies were used to establish an escrow fund with an escrow agent to provide for all future debt service payments on the 1994 Series bonds. As a result, the 1994 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$80,000. The Council completed the advance refunding to reduce its total debt service payments over the next nine years by \$190,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$98,000.

NOTE 14 - LONG TERM DEBT (continued)

Long-term liability activity for the primary government for the year ended December 31, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation Debt	\$ 10,735,000	\$ 2,900,000	\$ (5,070,000)	\$ 8,565,000	\$ 1,375,000
Revenue bonds	8,988,623		(459,489)	8,529,134	483,028
Public parks and recreation bonds	3,000,000			3,000,000	145,000
Special assessment bonds	437,893	93,616	(82,232)	449,277	91,594
Total bonds payable	<u>23,161,516</u>	<u>2,993,616</u>	<u>(5,611,721)</u>	<u>20,543,411</u>	<u>2,094,622</u>
Other liabilities:					
Compensated absences	124,929	30,351	--	155,280	--
Total other liabilities	<u>124,929</u>	<u>30,351</u>	<u>--</u>	<u>155,280</u>	<u>--</u>
Governmental activities long-term liabilities	<u>\$ 23,286,445</u>	<u>\$ 3,023,967</u>	<u>\$ (5,611,721)</u>	<u>\$ 20,698,691</u>	<u>\$ 2,094,622</u>
Business-type Activities					
Bonds payable:					
Landfill debt	\$ 320,000	--	\$ (155,000)	\$ 165,000	\$ 165,000
Business-type activities long-term liabilities	<u>\$ 320,000</u>	<u>--</u>	<u>\$ (155,000)</u>	<u>\$ 165,000</u>	<u>\$ 165,000</u>

NOTE 14 - LONG TERM DEBT (continued)

Debt Maturity

Debt service requirements for the Primary Government at December 31, 2003, were as follows:

Year Ended December 31.	Governmental Activities - Bonds							
	General Obligation		Revenue Bonds		Special Assessment		Public Parks and Recreation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 1,375,000	\$ 337,556	\$ 483,028	\$ 460,278	\$ 91,594	\$ 22,084	\$ 145,000	\$ 145,000
2005	910,000	296,040	514,338	433,256	91,594	17,293	160,000	138,000
2006	945,000	265,380	545,561	404,664	65,214	12,502	165,000	130,263
2007	975,000	229,933	571,846	374,503	65,214	9,391	175,000	122,288
2008	565,000	193,077	603,057	342,904	65,213	6,280	185,000	113,825
2009-2013	2,830,000	587,525	3,608,550	1,167,234	70,448	7,150	1,075,000	426,102
2014-2018	965,000	89,791	1,594,016	282,669			1,095,000	135,614
2019-2023			261,930	133,048				
2024-2028			325,702	69,277				
2029			21,106	3,766				
Total	<u>\$ 8,565,000</u>	<u>\$ 1,999,302</u>	<u>\$ 8,529,134</u>	<u>\$ 3,671,599</u>	<u>\$ 449,277</u>	<u>\$ 74,700</u>	<u>\$ 3,000,000</u>	<u>\$ 1,211,092</u>

Business-type Activities-Certificates of Indebtedness

	Landfill Debt	
	Principal	Interest
2004	<u>\$ 165,000</u>	<u>\$ 7,630</u>

NOTE 14 - LONG TERM DEBT (continued)

OBLIGATIONS PAYABLE BY COMPONENT ENTITIES ARE AS FOLLOWS:

Major Components

Water & Sewer Commission No. 2

\$1,400,000 of General Obligation Bonds, Series 2002 were issued in 2002 for the purpose of constructing and acquiring improvements to the waterworks and sewer plant and systems. The bonds bear interest at rates ranging from 5.0 percent to 6.0 percent and are payable through the year 2022. The bonds are being retired from the operating revenues of Water & Sewer Commission No. 2

\$1,370,000

Total for Water & Sewer Commission No. 2

\$1,370,000

Waterworks District No. 5

\$495,000 of Public Improvement Bonds were issued in 1999 for the purpose of advance refunding General Obligation Bonds, Series 1990. The bonds bear interest at 4.85 percent and are payable through the year 2010. The bonds are being retired from ad valorem taxes.

\$375,000

\$1,900,000 of Public Improvement Bonds were issued in 2000 for the purpose of constructing and acquiring improvements to the waterworks system. The bonds bear interest at rates ranging from 5.30 percent to 6.10 percent and are payable through the year 2020. The bonds are being retired from ad valorem taxes.

1,835,000

Total for Waterworks District No. 5

\$2,210,000

Waterworks District No. 6

\$2,350,000 of General Obligation Bonds, Series 1995 were issued for the purpose of constructing and acquiring improvements to the waterworks plant. The bonds bear interest rates of 9.0 and are payable through the year 2015. The bonds are being retired from ad valorem taxes.

\$1,720,000

\$900,000 note payable of Water Revenue Bonds were issued in 2002. The note has an interest rate of 4.75 percent payable in monthly installments of \$4,230 through the year 2043. The note will be paid from the operating revenues of Waterworks District No. 6

894,340

Total for Waterworks District No. 6

\$2,614,340

Consolidated Gravity Drainage District No. 2

\$5,240,000 of General Obligation Bonds, Series 1998 were issued for the purpose of constructing and acquiring improvements to the drainage system. The bonds bear interest at rates ranging from 4.40 percent to 5.40 percent and mature March 1, 1999 to March 1, 2018. The bonds are being retired from ad valorem taxes.

\$4,540,000

Total for Consolidated Gravity Drainage District No. 2

\$4,540,000

NOTE 14 - LONG TERM DEBT (continued)

Wax Lake East Drainage District

General obligations bonds:

\$4,000,000 general obligation bonds, Series 2003, issued April 1, 2003 for construction of Berwick Borrow Canal Pump Station, payable in annual installments of \$35,000 to \$320,000 through March 1, 2023,

With variable interest rate ranging from 3.5% to 4.5%

\$4,000,000

Total for Wax Lake East Drainage District

\$4,000,000

Hospital Service District No. 1

\$1,750,000 of General Obligation Refunding Bonds, Series 1997 were issued in 1997 for the purpose of advance refunding of General Obligation Bonds, Series 1994. The bonds bear rates ranging from 4.7 percent to 6.6 percent and are payable through the year 2004.

The bonds are being retired from ad valorem taxes.

\$210,000

\$900,000 of General Obligation Refunding Bonds, Series 1999 were issued in 1999 for the purpose of constructing and acquiring buildings, machinery and equipment to be used in hospital facilities. The bonds bear interest at rates ranging from 3.3 percent to 3.8 percent and are payable through the year 2004. The bonds are being retired from ad valorem taxes.

200,000

Less: Unamortized Discount

(3,360)

Total for Hospital Service District No. 1

\$ 406,640

Fairview Treatment Center

Compensated Absences

\$42,027

Total for Fairview Treatment Center

\$42,027

Total for Major Components

\$15,183,007

NONMAJOR COMPONENTS

Water & Sewer Commission No. 5

\$300,000 of Waterworks Revenue Bonds issued in 1980 for the purpose of constructing and acquiring improvements to the waterworks and sewer plant and systems. The bonds bear interest at 5.0 percent and are payable through the year 2020. The bonds are being from the operating revenues of Water & Sewer Commission No. 5.

\$200,454

\$120,000 of Waterworks Revenue Bonds issued in 1997 for the purpose of constructing and acquiring improvements to the waterworks and sewer plant and systems. The bonds bear interest at 4.875 percent and mature December 5, 1998 to November 5, 2037. The bonds are being retired from the operating revenues of Water & Sewer Commission No. 5.

113,828

Total for Water & Sewer Commission No. 5

\$314,282

NOTE 14 - LONG TERM DEBT (continued)

Sewerage District No. 5

\$1,545,000 of Sewerage System Bonds, Series 1997 were issued in 1997 for the purpose of refunding Sewerage System Bonds, Series 1989. The bonds bear interest at a fixed rate 5.2 percent and are payable through the year 2004. The bonds are being retired from ad valorem taxes.

\$260,000

Municipal Facilities Revolving Loan dated February 1994 bearing 2.45 percent interest payable in annual installments of \$ 35,000 to \$50,000 through March 2015. The loan was financed through the issuance of Sewerage Revenue Bonds, Series 1994.

525,000

Compensated Absences

2,760

Total for Sewerage District No. 5

\$787,760

Sewerage District No. 8

\$1,340,000 of Sewerage Bonds, Series 1997 were issued for the purpose of constructing and acquiring improvements to the sewerage system. The bonds bear interest rates of 5.75 percent and are payable through the year 2005. The bonds are being retired from ad valorem taxes.

\$356,000

Total for Sewerage District No. 8

\$356,000

Sewerage District No. 9

\$1,000,000 of Sewerage Revenue Bonds were issued in 2000 for the purpose of constructing and acquiring improvements to the sewerage system. The bonds bear interest at 4.50 percent and are payable through the year 2040. The bonds are being retired from the operating revenues of Sewerage District No. 9.

\$982,827

\$100,000 of Sewerage Revenue Bonds were issued in 2000 for the purpose of constructing and acquiring improvements to the sewerage system. The bonds bear interest at 4.5 percent and are payable through the year 2040. The bonds are being retired from the operating revenues of Sewerage District No. 9

98,282

Total for Sewerage District No. 9

\$1,081,109

NOTE 14 - LONG TERM DEBT (continued)

Fire Protection District No. 2

Fire Protection District No. 2 has acquired equipment under a capital lease. Payments on the lease will be completed in the year ending September 30, 2008 and will total \$126,269 including interest of \$19,759.

Present value of net minimum lease payments	<u>\$90,887</u>
Total for Fire Protection District No. 2	<u>\$90,887</u>

Recreation District No. 1

\$925,000 of General Obligation Refunding Bonds were issued in 1994 for the purpose of advance refunding certain outstanding General Obligation Bonds, Series 1986. The bonds bear interest at rates from 4.0 percent to 5.85 percent and mature March 1, 1997 to March 1, 2006. The Refunding Bonds are being retired from ad valorem taxes.

\$340,000

\$250,000 of General Obligation Bonds were issued in 1990, for the purpose of purchasing and acquiring lands, buildings, equipment and other facilities to be used in providing recreational facilities. The bonds bear interest at rates of 7.2 percent and 7.25 percent and payable through the year 2010. The bonds are being retired from ad valorem taxes.

145,000

\$1,000,000 of General Obligation Bonds were issued on April 1, 2003 for the purpose of constructing and improving public parks, building, and other recreational facilities. The bonds bear interest at rates ranging from 3.75 percent to 4.65 percent and are payable through the Year 2018. The bonds are being retired from ad valorem taxes.

1,000,000

Total for Recreation District No. 1

\$1,485,000

NOTE 14 - LONG TERM DEBT (continued)

Recreation District No. 2

\$735,000 of General Obligation Refunding Bonds, Series 1993 were issued for the purpose of purchasing and acquiring lands, buildings, equipment and other facilities to be used in providing recreational facilities. The bonds bear interest at rates of 5.125 percent and mature March 1, 1997 to March 1, 2006. The Refunding Bonds are being retired from ad valorem taxes

\$280,000

\$1,100,000 of General Obligation Bonds, Series 2002 were issued for the purpose of constructing, purchasing, and acquiring lands, buildings, equipment, and other facilities to be used in providing recreational facilities for the District. The bonds mature in 2015.

1,050,000

Total for Recreation District No. 2

\$1,330,000

Recreation District No. 3

\$1,085,000 General Obligation Refunding Bonds, Series 1998, due in annual installments of \$60,542 to \$136,125 through March 1, 2011, interest fixed at 5% payable from ad valorem taxes of the District. These bonds were issued for the advance refunding of \$1,075,000 of the Series 1991 bonds, where were issued for the construction of the original facility

\$870,000

\$850,000 General Obligation Bonds, Series 2003 of which only \$600,000 has been issued, due in annual installments of \$11,216 to \$49,088 through March 1, 2023, interest from 4.00% to 5.00% payable from ad valorem taxes to be levied by the District. Issued for the purpose of constructing, equipping and furnishing an addition to the community center and improving existing parks and other recreational facilities for the District.

600,000

Total for Recreation District No. 3

\$1,470,000

Recreation District No. 4

\$1,045,000 of General Obligation Refunding Bonds, Series 1997 were issued for the purpose of advance refunding of General Obligation Bonds, Series 1990. The bonds bear interest at rates of 5.0 percent and are payable through the year 2010. The bonds are being retired from ad valorem taxes .

\$770,000

Total for Recreation District No. 4

\$770,000

NOTE 14 - LONG TERM DEBT (continued)

Recreation District No. 5

\$2,100,000 of General Obligation Bonds, Series 2002 were issued on December 1, 2002, for the purpose of purchasing and acquiring lands, buildings, equipment and other facilities to be used in providing recreational facilities. The bonds bear interest at rates of 4.2 percent and 5.2 percent and are payable through the year 2022. The bonds are being retired from ad valorem taxes .

\$2,040,000

Total for Recreation District No. 5

\$2,040,000

Claire House

Compensated Absences

\$11,178

Total for Claire House

11,178

St. Mary Parish Assessor

The Assessor entered into three capital lease agreements for the purchase of computer equipment. Payments on the lease will be completed from 2002 to 2005 at present value.

\$16,821

Total for St. Mary Parish Assessor

\$16,821

Total Nonmajor Components

\$9,753,037

Total Component Units

\$24,936,044

NOTE 14 - LONG TERM DEBT

Long-term liability activity for the component units for 2003 is as follows:

Major Components	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Water and Sewer Commission No. 2					
Bonds Payable:					
General Obligation Debt	\$ 1,400,000	\$ -	\$ (30,000)	\$ 1,370,000	\$ 40,000
Total Bonds Payable	<u>1,400,000</u>	<u>-</u>	<u>(30,000)</u>	<u>1,370,000</u>	<u>40,000</u>
Waterworks District No. 5					
Bonds Payable:					
General Obligation Debt	2,350,000	-	(140,000)	2,210,000	120,000
Total Bonds Payable	<u>2,350,000</u>	<u>-</u>	<u>(140,000)</u>	<u>2,210,000</u>	<u>120,000</u>
Waterworks District No. 6					
Bonds Payable:					
General Obligation Debt	1,815,000	-	(95,000)	1,720,000	100,000
Revenue Bonds	900,000	-	(5,660)	894,340	7,871
Total Bonds Payable	<u>2,715,000</u>	<u>-</u>	<u>(100,660)</u>	<u>2,614,340</u>	<u>107,871</u>
Consolidated Gravity Drainage District No. 2					
Bonds Payable:					
General Obligation Debt	4,730,000	-	(190,000)	4,540,000	200,000
Total Bonds Payable	<u>4,730,000</u>	<u>-</u>	<u>(190,000)</u>	<u>4,540,000</u>	<u>200,000</u>
Wax Lake East Drainage District					
Bonds Payable:					
General Obligation Debt	-	4,000,000	-	4,000,000	35,000
Total Bonds Payable	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>	<u>35,000</u>
Hospital Service District No. 1					
Bonds Payable:					
General Obligation Debt	789,919	-	(383,279)	406,640	410,000
Total Bonds Payable	<u>789,919</u>	<u>-</u>	<u>(383,279)</u>	<u>406,640</u>	<u>410,000</u>
Fairview Treatment Center					
Compensated Absences	26,199	15,828	-	42,027	-
Total other liabilities	<u>26,199</u>	<u>15,828</u>	<u>-</u>	<u>42,027</u>	<u>-</u>
Total Major Components	\$ 12,011,118	\$ 4,015,828	\$ (843,939)	\$ 15,183,007	\$ 912,871
Nonmajor Components					
Water and Sewer Commission No. 5					
Bonds Payable:					
Revenue Bonds	\$ 321,583	\$ -	\$ (7,301)	\$ 314,282	\$ 9,129
Total Bonds Payable	<u>321,583</u>	<u>-</u>	<u>(7,301)</u>	<u>314,282</u>	<u>9,129</u>
Sewerage District No. 5					
Bonds Payable:					
General Obligation Debt	500,000	-	(240,000)	260,000	-
Revenue Bonds	560,000	-	(35,000)	525,000	-
Total Bonds Payable	<u>1,060,000</u>	<u>-</u>	<u>(275,000)</u>	<u>785,000</u>	<u>-</u>
Other Liabilities:					
Compensated Absences	2,760	-	-	2,760	-
Total other liabilities	<u>2,760</u>	<u>-</u>	<u>-</u>	<u>2,760</u>	<u>-</u>

NOTE 14 - LONG TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Sewerage District No. 8					
Bonds Payable:					
General Obligation Debt	\$ 512,000	-	\$ (156,000)	\$ 356,000	\$ 172,000
Total Bonds Payable	512,000	-	(156,000)	356,000	172,000
Sewerage District No. 9					
Bonds Payable:					
Revenue Bonds	1,092,245	-	(11,136)	1,081,109	11,514
Total Bonds Payable	1,092,245	-	(11,136)	1,081,109	11,514
Fire Protection District No. 2					
Capital leases payable	106,510	-	(15,623)	90,887	16,419
Total capital leases payable	106,510	-	(15,623)	90,887	16,419
Recreation District No. 1					
Bonds Payable:					
General Obligation Debt	595,000	\$ 1,000,000	(110,000)	1,485,000	160,000
Total Bonds Payable	595,000	1,000,000	(110,000)	1,485,000	160,000
Recreation District No. 2					
Bonds Payable:					
General Obligation Debt	360,000	1,100,000	(130,000)	1,330,000	135,000
Total Bonds Payable	360,000	1,100,000	(130,000)	1,330,000	135,000
Recreation District No. 3					
Bonds Payable:					
General Obligation Debt	960,000	600,000	(90,000)	1,470,000	110,000
Total Bonds Payable	960,000	600,000	(90,000)	1,470,000	110,000
Recreation District No.4					
Bonds Payable:					
General Obligation Debt	855,000	-	(85,000)	770,000	95,000
Total Bonds Payable	855,000	-	(85,000)	770,000	95,000
Recreation District No. 5					
Bonds Payable:					
General Obligation Debt	-	2,100,000	(60,000)	2,040,000	65,000
Total Bonds Payable	-	2,100,000	(60,000)	2,040,000	65,000
Claire House					
Compensated Absences	-	11,178	-	11,178	-
Total other liabilities	-	11,178	-	11,178	-
St. Mary Parish Assessor					
Capital Leases Payable	14,462	13,326	(10,967)	16,821	12,164
Total other liabilities	14,462	13,326	(10,967)	16,821	12,164
Total Nonmajor Components	\$ 5,879,560	\$ 4,824,504	\$ (951,027)	\$ 9,753,037	\$ 786,226
Total Component Units	\$ 17,890,678	\$ 8,840,332	\$ (1,794,966)	\$ 24,936,044	\$ 1,699,097

NOTE 14 - LONG TERM DEBT (continued)

Debt Maturity

Debt Service Requirements at the component's 2003 year ends, are as follows:

Component Units Governmental Activities-Bonds

Major Components	General Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
Water and Sewer Commission No. 2				
2004	\$ 40,000	\$ 71,000		
2005	45,000	68,875		
2006	45,000	66,625		
2007	50,000	64,250		
2008	55,000	61,584		
2009-2013	310,000	260,759		
2014-2018	410,000	166,976		
2019-2023	415,000	46,726		
Total	<u>\$ 1,370,000</u>	<u>\$ 806,795</u>		
Waterworks District No. 5				
2004	125,000	121,411		
2005	135,000	114,488		
2006	135,000	107,260		
2007	140,000	99,803		
2008	145,000	92,036		
2009-2013	610,000	347,308		
2014-2018	620,000	186,495		
2019-2023	300,000	18,606		
Total	<u>\$ 2,210,000</u>	<u>\$ 1,087,407</u>		
Waterworks District No. 6				
2004	100,000	86,290	\$ 7,871	\$ 42,889
2005	110,000	81,184	8,258	42,502
2006	115,000	75,627	8,664	42,095
2007	120,000	69,642	9,091	41,669
2008	130,000	63,192	9,538	41,221
2009-2013	770,000	193,756	54,216	199,584
2014-2018	375,000	29,985	71,211	182,589
2019-2023			89,280	164,520
2024-2028			113,527	140,273
2029-2033			144,369	109,441
2034-2038			183,564	70,237
2039-2043			194,751	20,999
Total	<u>\$ 1,720,000</u>	<u>\$ 599,676</u>	<u>\$ 894,340</u>	<u>\$ 1,098,019</u>

NOTE 14 - LONG TERM DEBT (continued)

	General Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
Consolidated Gravity Drainage District No. 2				
2004	\$ 200,000	\$ 214,023		
2005	210,000	202,952		
2006	225,000	171,208		
2007	235,000	178,787		
2008	250,000	165,693		
2009-2013	1,480,000	636,967		
2014-2018	1,940,000	243,291		
Total	<u>\$ 4,540,000</u>	<u>\$ 1,812,921</u>		
Wax Lake East Drainage District				
2004	35,000	226,234		
2005	125,000	155,863		
2006	130,000	150,125		
2007	140,000	144,050		
2008	145,000	137,638		
2009-2013	860,000	587,531		
2014-2018	1,115,000	401,580		
2019-2023	1,450,000	154,992		
Total	<u>\$ 4,000,000</u>	<u>\$ 1,958,013</u>		
Hospital Service District No. 1				
2004	406,640	10,730		
Total	<u>\$ 406,640</u>	<u>\$ 10,730</u>		
Total Major Components	<u>\$ 14,246,640</u>	<u>\$ 6,275,542</u>	<u>\$ 894,340</u>	<u>\$ 1,098,019</u>
Nonmajor Components				
			Revenue Bonds	
			Principal	Interest
Water and Sewer Commission No. 5				
2004			\$ 9,128	\$ 15,542
2005			9,585	15,085
2006			10,063	14,607
2007			10,567	14,103
2008			11,095	13,575
2009-2013			64,367	58,983
2014-2018			82,144	41,206
2019-2023			48,546	18,183
2024-2028			19,941	14,475
2029-2033			25,433	8,983
2034			23,413	2,238
Total			<u>\$ 314,282</u>	<u>\$ 216,980</u>

NOTE 14 - LONG TERM DEBT (continued)

	General Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
Sewerage District No. 5				
2004	\$ 260,000	\$ 13,520	\$ 35,000	\$ 12,434
2005			40,000	11,515
2006			40,000	10,535
2007			40,000	9,555
2008			40,000	8,575
2009-2013			230,000	26,583
2014-2018	-	-	100,000	2,450
Total	<u>\$ 260,000</u>	<u>\$ 13,520</u>	<u>\$ 525,000</u>	<u>\$ 81,647</u>
Sewerage District No.8				
2004	172,000	15,525		
2005	184,000	5,290		
Total	<u>\$ 356,000</u>	<u>\$ 20,815</u>		
Sewerage District No.9				
2004			11,514	48,414
2005			12,043	47,885
2006			12,596	47,332
2007			13,175	46,753
2008			13,780	46,148
2009-2013			78,995	220,900
2014-2018			98,887	200,709
2019-2023			123,785	175,801
2024-2028			154,361	144,616
2029-2033			193,971	105,583
2034-2038			242,812	56,827
2039-2041			125,190	6,460
Total			<u>\$ 1,081,109</u>	<u>\$ 1,147,428</u>
Recreation District No. 1				
2004	160,000	69,000		
2005	175,000	60,000		
2006	180,000	510		
2007	80,000	44,000		
2008	85,000	39,000		
2009-2013	385,000	134,000		
2014-2018	420,000	50,000		
Total	<u>\$ 1,485,000</u>	<u>\$ 396,510</u>		

NOTE 14 - LONG TERM DEBT (continued)

	General Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
Recreation District No. 2				
2004	\$ 135,000	\$ 57,477		
2005	150,000	50,292		
2006	160,000	42,478		
2007	60,000	36,975		
2008	65,000	33,912		
2009-2013	375,000	126,761		
2014-2015	385,000	36,474		
Total	<u>\$ 1,330,000</u>	<u>\$ 384,369</u>		
Recreation District No. 3				
2004	110,000	67,668		
2005	115,000	62,043		
2006	120,000	56,243		
2007	125,000	50,292		
2008	130,000	44,117		
2009-2013	495,000	128,862		
2014-2018	165,000	69,801		
2019-2023	210,000	25,650		
Total	<u>\$ 1,470,000</u>	<u>\$ 504,676</u>		
Recreation District No. 4				
2004	95,000	36,125		
2005	95,000	31,375		
2006	105,000	26,375		
2007	105,000	21,125		
2008	115,000	15,625		
2009-2013	255,000	12,875		
Total	<u>\$ 770,000</u>	<u>\$ 143,500</u>		
Recreation District No. 5				
2004	65,000	95,000		
2005	65,000	92,000		
2006	70,000	88,000		
2007	75,000	85,000		
2008	80,000	81,000		
2009-2013	470,000	344,000		
2014-2018	605,000	225,000		
2019-2023	610,000	63,000		
Total	<u>\$ 2,040,000</u>	<u>\$ 1,073,000</u>		
Total Nonmajor Components	<u>\$ 7,711,000</u>	<u>\$ 2,536,390</u>	<u>\$ 1,920,391</u>	<u>\$ 1,446,055</u>
Total Component Units	<u>\$ 21,957,640</u>	<u>\$ 8,811,932</u>	<u>\$ 2,814,731</u>	<u>\$ 2,544,074</u>

NOTE 14 - LONG TERM DEBT (continued)

	Principal	Interest
Capital Leases		
Fire Protection District No. 2	\$ 16.419	\$ 4.626
2004	17,254	3,791
2005	18,133	2,912
2006	19,056	1,989
2007	<u>20,025</u>	<u>1,019</u>
2008	<u>\$ 90,887</u>	<u>\$ 14,337</u>

NOTE 14 - LONG TERM DEBT (continued)

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

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

At December 31, 2003, \$3,155,000 of outstanding general-term debt are considered defeased.

NOTE 15 - CONDUIT DEBT OBLIGATION

In June of 2003, the Council through its component unit, the Industrial Development Board of the Parish of St. Mary, Louisiana, Inc., approved \$4 million of Taxable Revenue Bonds. This was done to provide financial assistance to a private-sector entity for the acquisition and construction of industrial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Council, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2003 the project is partially complete and approximately \$2,830,000 of the proceeds have been funded to the private-sector entity. No principle repayments had been made at year end.

NOTE 16 - VENTURES WITH OTHER GOVERNMENTS

Council

The Council is participating in an agreement with the City of Franklin for the operation of sewerage facilities for the City and surrounding Parish areas. The City funded seventy percent of the total cost of the upgrade of \$1,100,000, and the Council funded the remaining thirty percent. The City government operates the system including budgetary and financial matters and the Council does not participate in the operation or management of the system. The Council reimburses the City for thirty percent of the operating costs. The Council, in turn, is reimbursed for 33% of its share by St. Mary Parish Sewer District No. 7. The fiscal year for the project ends April 30, 2003. Total revenues for the year ended April 30, 2003, were approximately \$322,000; total expenditures were approximately \$519,000. Separate balance sheet amounts are not readily available at year end.

NOTE 16 - VENTURES WITH OTHER GOVERNMENTS (continued)

The Council entered into an intergovernmental agreement with the St. Mary Parish Consolidated Drainage No. 1 (District) and the City of Franklin (City) for a flood control improvement project at the Bayou Yokely Pump Station. The total cost of Phase 1 of the project is estimated to be approximately \$6.2 million. The administrative, engineering, and land acquisition costs of approximately \$800,000 are to be paid by the three local entities in equal shares. The Council's cash portion of project costs has been fully funded. Construction costs of \$5.4 million are to be paid jointly by the Louisiana Department of Transportation and Development (DOTD) and the U.S. Army Corp. of Engineers. The City is overseeing the three local government's participation in the project. The City and DOTD are presently considering a second phase of the project with an estimated cost of \$2.5 million. The Council expects to again partner with the District and the City to provide local funding if it is required.

The City maintains separate financial information for these projects, which are included in its financial report for the year ended April 30, 2003, which is available from the City Clerk of Franklin. For the year ended April 30, 2003, the City recognized \$56,000 in revenues and \$518,000 in expenditures for this project.

In a separate but related agreement, the City, Parish, and District have agreed to set up a fund for maintenance of the Yokely Pumping Station. Each of the three is to place in a Capital Maintenance Fund money in the amount of \$3,333 per year until the amount reaches the sum of \$50,000. At any time the fund falls below \$50,000 each entity is to replenish the fund on the same equal basis up to \$50,000. The District is in charge of overseeing the Capital Maintenance Fund. The District maintains separate financial information for this project, which is included in its financial report for the year ended September 30, 2003, which is available from the Clerk of the St. Mary Parish Council. Total revenues for the year ended September 30, 2003, were approximately \$7,000; total expenditures were approximately \$7,500. At September 30, 2003, total assets and fund balance were approximately \$46,000 each.

Sewerage District No. 9

In 1995, Sewerage District No. 9 entered into an agreement with the Sovereign Nation of the Chitimacha (Chitimacha Tribe of Louisiana) for the construction, operation and maintenance of sanitary sewerage collection and treatment facilities. The agreement shall be binding on the District and Tribe for a period of 40 years. The District is responsible for the construction, administration, operation and maintenance of the joint service components. The costs associated with the construction of the sewer treatment facility shall be shared equally by the District and the Tribe up to \$425,000 each. Ownership shall vest to the District and the Tribe in relation of their cost contribution in proportion to the total costs of the construction.

The District shall be responsible for the proper physical operation and maintenance of all joint service components constructed under the agreement. The Tribe shall pay to the District their pro-rata share of the costs of operating and maintaining the joint service components.

NOTE 16 - VENTURES WITH OTHER GOVERNMENTS (continued)

Water and Sewer Commission No. 2

All of the water sold by St. Mary Parish Water and Sewer Commission No. 2 is obtained from Berwick-Bayou Vista Joint Waterworks Commission. The Berwick-Bayou Vista Joint Waterworks Commission was created and established with the sole responsibility and duty to maintain, operate, and administer the joint water treatment plant for St. Mary Parish Water and Sewer Commission No. 2 and Town of Berwick. The water treatment plant was constructed and is owned by the Commission and the Town of Berwick, Louisiana. The St. Mary Parish Water and Sewer Commission No. 2 and the Town of Berwick appoint the members of the Board of Commissioners for the Joint Waterworks Commission. The Commission's portion of the cost of the plant is carried in property, plant and equipment. Amounts reported as an investment in joint water works represents the Commission's equity in the joint venture. The following is a summary of selected financial information of the Bewick-Bayou Vista Joint Waterworks Commission:

	Year Ended <u>9/30/03</u>
Total assets	\$689,005
Total liabilities	51,698
Total fund equity	637,307
Total revenues	510,195
Total expenditures	466,194
Net income	44,001

St. Mary Parish Water and Sewer Commission No. 2 purchased \$237,000 of water from the Joint Waterworks Commission.

Sewerage District No. 5 Waterworks No. 5 and Fire Protection District No. 2

During 2002, Sewerage District No. 5, Waterworks District No. 5, and the Fire Protection District No. 2 entered into a local service/cooperative endeavor agreement to jointly construct a multi-purpose building. The ownership interest is based on the following percentages: The Fire Protection District No. 2-66%, Sewerage District No. 5-17%, and Water District No. 5-17%. The estimated cost of the building is approximately \$695,000 which will be funded by a \$530,000 grant with the remaining balance being funded by each District based on their ownership percentage. The Districts shall be responsible for maintenance of their respective portions of the multi-purpose building. Maintenance of the grounds and common areas shall be shared by the Districts.

NOTE 17 - PENSION PLAN AND OTHER RETIREMENT BENEFITS

The Council and nine Component Units contribute to the Parochial Employees' Retirement System of Louisiana (Plan A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees consisting of seven members. The System provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The System was established by the Louisiana legislature by Act 205 of 1952 and revised by Act 765 of 1970. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Parochial Employees' Retirement System of Louisiana at (225) 928-1361. Plan members are required to contribute 9.50% of their annual covered salary and the employers are required to contribute at a rate established by the State Legislature. The current rate is 7.75% of annual payroll. The actual contributions to the System for the years ending 2003, 2002, and 2001 are approximately as follows and equal the required contributions for each year:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Primary Government	\$230,000	\$220,000	\$200,000
Component Units			
Consolidated Gravity Drainage			
District No. 1	23,000	20,000	20,000
Fairview Treatment Center	94,000	78,000	69,000
Claire House	26,000	25,000	25,000
St. Mary Parish Library	39,000	34,000	40,000
Sales & Use Tax Dept.	43,000	49,000	44,000
Communications District	20,000	16,000	15,000
Three small component units	12,000	11,000	10,000

Two component units contribute to the Parochial Employees' Retirement System of Louisiana (Plan B), a cost sharing multiple-employer public employee retirement system administered by a separate board of trustees. The system provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Parochial Employees' Retirement System of Louisiana at (225) 928-1361.

Plan members are required to contribute 2.0% of their annual covered salary and the employers are required to contribute at a rate established by the State Legislature. The current rate is 2.5% of annual payroll. The actual contributions to the System for the years ending 2003, 2002, and 2001 are approximately \$9,000, \$8,000, and \$8,000, respectively for Waterworks District No. 5 and \$11,000, \$9,000, and \$8,000, respectively for Waterworks District No. 6. The contributions equal the required contributions for each year.

NOTE 17 - PENSION PLAN AND OTHER RETIREMENT BENEFITS (continued)

Fire Protection District No. 3 contributed to the Louisiana Firefighters' Retirement System, a multiple-employer public employee retirement system administered by a separate board of trustees. The system provides retirement, disability, and death benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Capitol Station, Baton Rouge, Louisiana 70804.

Plan members are required to contribute 8.0% of their annual covered salary and Fire District is required to contribute at a rate established by the State Legislature. The current rate is 9.0% of annual payroll. The actual contributions to the System for the years ending 2003, 2002, and 2001 are approximately \$7,000, \$3,000, and \$5,000, respectively, equal to the required contributions for each year.

The St. Mary Parish Assessor contributes to the Louisiana Assessor's Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Louisiana Assessor's Retirement System at (318) 425-4446.

Members of the Plan are required to contribute 8.0% of their annual covered salary and the employer is required to contribute at a rate established by the State Legislature. The current rate is 10.75% of annual payroll. The actual contributions to the System for the years ending 2003, 2002, and 2001 are approximately \$63,000, \$47,000, and \$30,000, respectively, equal to the required contributions for each year.

The St. Mary Parish Clerk of Court contributes to the Louisiana Clerks of Court Retirement and Relief Fund, a cost sharing multiple-employer defined benefit pension plan controlled and administered by a separate board of trustees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Louisiana Clerks of Court Retirement and Relief Fund at (504) 293-1162.

Members of the Plan are required to contribute 8.25% of their annual covered salary and the employer is required to contribute at a rate established by the State Legislature. The current rate is 10.00% of annual payroll. The actual contributions to the System for the years ending 2003, 2002, and 2001 are approximately \$110,000, \$124,000, and \$122,000, respectively, equal to the required contributions for each year.

NOTE 17 - PENSION PLAN AND OTHER RETIREMENT BENEFITS (continued)

Three component units contribute to a SEP/IRA Retirement Plan. The employers contribute a percentage, determined by each component unit, of the gross wages of each qualified employee to their individual SEP/IRA Retirement Plan account on a monthly basis. The actual contributions to the Plan for the years ending 2003, 2002, and 2001 are approximately \$19,000, \$20,000, and \$20,000, respectively for Water and Sewer Commission No. 1, and \$11,000, \$10,000, and \$9,000, respectively for Water and Sewer Commission No. 2. and \$5,000, \$5,000 and \$5,000, respectively for Recreation District No. 3.

None of the other component units have significant retirement plans.

The Council and most component units are not responsible for any other significant post retirement benefits to its former employees. The Clerk of Court does provide certain continuing health care and life insurance benefits to retired employees. Substantially all the employees of the Clerk qualify for the benefits upon retirement. These benefits are funded through insurance. The Clerk recognizes the cost of these benefits when the insurance premiums are due. Costs for this was approximately \$40,000 in 2003 and \$20,000 in 2002.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Council

The Council entered into a Community Grant Agreement with the Chitimacha Tribe of Louisiana. This agreement calls for the Chitimacha Tribe to grant approximately \$10 million to the Council over a seven year period. The agreement also calls for half of the money be used to pay debt, and the other half to be specifically divided between the Council, Sheriff, and municipalities for specified purposes. The Council received \$1.5 million under this agreement during the year and made the required disbursements under the agreement.

The Council entered into a cooperative endeavor agreement with the Town of Baldwin, and the Chitimacha Tribe. Under this agreement, the Council will transfer a portion of the money received under the Community Grant Agreement to the Town of Baldwin to pay debt owed by the Town. During the year, the Council transferred approximately \$138,000 under this agreement.

In October 2002, Hurricane Lili struck the Louisiana Gulf Coast. The winds and rainfall associated with the hurricane caused the Council to incur costs related to debris clean up and damage to property. The Council is eligible to receive financial assistance from the federal and state governments. The Council estimates the total expenditures due to the hurricane will be approximately \$3 million. At December 31, 2003, the Council had expended approximately \$2.9 million related to the hurricane. The Council may incur significant costs due to the hurricane in excess of the amounts funded by federal and state governments.

NOTE 18 - COMMITMENTS AND CONTINGENCIES (continued)

During the year, the Council began construction of a golf course on a portion of the Kemper Williams Park site. The total project is estimated to cost approximately \$8 million, excluding the value of the land. The \$8 million construction cost is being funded by \$4 million in state grants, \$3 million from public parks and recreation bonds issued by the Council in 2002, and an additional \$1 million in anticipated grants. At December 31, 2003, the Council had spent approximately \$1 million on this project.

Subsequent to year end, the Council plans to issue \$6.2 million of sewerage sales tax bonds to pay the cost of constructing sewerage improvements within the Parish.

COMPONENT UNITS

Consolidated Gravity Drainage District No. 2

The Consolidated Gravity District No. 2 entered into two construction commitments not completed at year end. Total contract amounts were \$4,800,000. Approximately \$800,000 remained to be completed at year end.

Sub-Gravity Drainage District No. 1 of Gravity Drainage District No. 2

Sub-Gravity Drainage District No. 1 of Gravity Drainage District No. 2 (District) entered into a cooperative endeavor agreement with the State of Louisiana to plan and construct a new pump station. The agreement estimates total costs of \$1,400,000 of which the District is providing \$300,000. The State has funded approximately \$100,000 for the planning phase thus far.

Recreation District No. 1

Recreation District No. 1 entered into two agreements to improve the recreational facilities within the District. The agreements total approximately \$450,000 and the District has expended approximately \$210,000 at year end. In addition, the District plans to spend approximately \$600,000 more to improve recreational facilities.

Recreation District No. 2

Recreation District No. 2 entered into two agreements to improve recreational facilities within the District. These agreements total approximately \$560,000 and the District has expended approximately \$270,000 at year end.

Recreation District No. 5

Recreation District No. 5 plans to spend approximately \$2 million towards the construction of a recreational facility.

Water and Sewer Commission No. 1

Mandates by the Environmental Protection Agency and the Louisiana Department of Environmental Quality require that the Water and Sewer Commission No. 1 (District) upgrade its treatment facility to comply with stricter discharge requirements. The District estimates that to achieve compliance with the new mandates will cost approximately \$100,000 to \$250,000.

NOTE 18 - COMMITMENTS AND CONTINGENCIES (continued)

Water and Sewer Commission No. 2

Water and Sewer Commission No. 2 entered into two agreements to improve the water and sewer facilities. The agreements total approximately \$1 million. At year end, the District expended approximately \$380,000 on these projects.

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

NOTE 19 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

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

Area 3 which includes approximately 39 acres is the main portion of the Parish landfill currently in operation. Area 3A which totals approximately 8 acres is restricted to receiving construction waste and debris and has been used primarily for debris from storms. Area 4 was permitted in late 2002 and has yet to be developed, it will cover approximately 60 acres.

Since the Council accepted solid wastes at the landfill site after October 1993, the Council will be responsible for meeting state and federal requirements on the portions of the landfill which operate after that time. Those requirements mandate not only rigid landfill closure requirements but also monitoring, remediation and containment requirements for thirty years after closure. Recently management, with the assistance of consulting engineers, has estimated costs for closure of the landfill to be approximately \$9,240,000. Costs for postclosure care, monitoring, and containment have been estimated to be approximately \$1,891,000 (\$63,000 per year for thirty years).

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

NOTE 19 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS (continued)

GASB No. 18 also requires that current costs be adjusted when changes in closure or post closure care plans or landfill operating conditions increase or decrease the estimated costs.

The permitting of Area 4 increased the landfill space by threefold. This increase in size increased the total estimated closure and post closure costs by approximately \$4,000,000. However, the area 4 expansion has allowed the Council to reduce the estimated closure and post closure costs to approximately \$2.00 per ton as compared to approximately \$5.00 per ton prior to the permit for the expansion.

As of December 31, 2003, the Council has recognized \$3,380,000 as the total estimated closure and post closure care costs based upon an estimated utilization of available usable landfill space as follows: Area 3 - 83%, Area 3A - 3%, and Area 4 - 0%. This leaves \$7,750,000 of estimated closure and post closure care costs remaining to be recognized in future years.

It is estimated that the landfill will reach its capacity in approximately 40 years at the current rate of use.

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

The Council meets the federal and state financial assurance requirements for operations of landfills, under the financial test or "self-insurance" method. The Council has not formally set aside or formally restricted any assets for closure or post closure care costs.

NOTE 20 - RELATED PARTY

Between the Council and Component Units

The advances due from Hospital Service District No. 1 are being reduced by medical services provided to the St. Mary Parish Jail inmates. The value of these services was approximately \$40,000 in 2003.

The Council received payments from Sewerage District No. 2 & No. 8 and Water and Sewer Commission No. 1 of approximately \$379,000, \$123,000 and \$100,000 respectively to defray their portion of bonded indebtedness during the year.

The Council received payment from the St. Mary Parish Sales Tax Department of approximately \$10,000 for office rental payments in 2003.

NOTE 20 - RELATED PARTY (continued)

The Council and Consolidated Gravity Drainage District No. 2 entered into a Cooperative Endeavor agreement for drainage improvements. The Council receives grant funds and then remits them to the District. The Council remitted approximately \$633,000 and the District received approximately \$594,000. The difference is due to the difference in year ends of the Council and the District. The remaining funds were received after year end by the District.

See Note 12 for the balances in the various payable and receivable accounts at December 31, 2003.

Between Component Units

Hospital Service District No. 3 rents its facility to Fairview Treatment Center, the Drug Court and Claire House for annual rentals of approximately \$160,000, 20,000 and \$55,000 respectfully.

NOTE 21 - RISK MANAGEMENT AND CONTINGENCIES

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

During the year ended December 31, 1996, the Council adopted the provisions of GASB Statement No. 10, which establishes accounting and reporting standards for risk and insurance related activities of governmental entities. In accordance with the provisions of this statement, the Council is reporting its risk retention activities in its General Fund.

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

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

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

NOTE 21 - RISK MANAGEMENT AND CONTINGENCIES (continued)

Changes in the Council's estimated claims liabilities for years ended December 31, 2002 and 2003 were:

Liability balance, Jan. 1, 2002	\$2,000
Claims & changes in estimate	187,000
Claims paid	<u>(175,000)</u>
Liability balance, Dec. 31, 2002	14,000
Claims & changes in estimate	184,000
Claims paid	<u>(188,000)</u>
Liability balance, Dec. 31, 2003	<u>\$ 10,000</u>

The total expenditures reported by the Council for claims related to retained risk for the year ended December 31, 2003 totaled \$184,000.

NOTE 22 - CHANGE IN OPERATION AND CONTROL AND LEASE OF HOSPITAL SERVICE DISTRICT NO. 2

Effective in December 2001, Hospital Service District No. 2 executed a lease agreement which, among other things, leased for a period of 40 years substantially all of the Hospital's assets to Province Healthcare Corporation (Province). Commitments, contracts, leases and agreements relating to the assets, and all licenses and permits to the extent assignable, were included in the lease. Province assumed certain of the Hospital's existing liabilities.

Province began operating the Hospital using the name Teche Regional Medical Center, in December 1, 2001. Province assumed the responsibility and liability for treating patients on that date and retained the majority of the Medical Center's employees. Province also assumed the accrued vacation and sick time liability of employees who were retained.

At the closing on December 6, 2001, Province repaid the outstanding principal and accrued interest on the Medical Center's debt and paid an additional \$4,000,000 to the District. Province will also pay additional rent to the District on or before each annual anniversary date during the lease term an amount of cash equal to (a) \$50,000 if the net income of the Medical Center is between \$50,000 and \$1,000,000 or (b) \$100,000 if the net income of the Medical Center is \$1,000,000 or greater. Additional rent is not required in the event that the net income of the Medical Center is less than \$50,000. Province has also committed to expand a minimum of \$8 million in permanent improvements, repairs and renovations to the Medical Center during the first 18 months of the lease term. For the four years following closing of the lease agreement, the District will pay Province on a quarterly basis up to \$750,000 a year for the expense of providing "uncompensated care" to non Medicare, Medicaid, managed care or private insurance patients.

In connection with execution of the lease, the Medical Center's defined contribution retirement plan was frozen.

NOTE 23 - CONCENTRATIONS - Component Units

Fairview Treatment Center, Claire House, and St. Mary Parish Housing Program receive 93%, 100%, and 99% respectively, of their operating revenues from federal grants.

Waterworks District No. 5 Services two carbon black plants which are major customers. From one, the district receives 24% of its operating revenues and from the other, it receives 12% of its operating revenues.

Hospital Service District No. 1 grants credit to patients, substantially all of who are local residents of St. Mary Parish, and other patients consistent with applicable laws and regulations. The Hospital District generally does not require collateral or other security when extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under health insurance programs, plans, or policies (e.g. Medicare, Medicaid, Blue Cross and commercial insurance policies).

Receivables from the Medicare and Medicaid programs represent a concentrated credit risk for the Hospital District. The Hospital's management does not believe that there is a significant risk of loss associated with these programs. Various other payors, subject to differing economic conditions, do represent significant concentrated credit risks to the Hospital District. The Hospital's management continually monitors and adjusts its reserves and allowances associated with these receivables.

The Communication District's revenues are in the form of communications and cellular tax. The communications and cellular taxes accounted for approximately 54% and 45% respectively of the District's total revenues.

Hospital Service District No. 3 rents its facility to three entities. The three entities account for 100% of the District's rental income. Fairview Treatment Center accounts for 68%, the Drug Court 9% and Claire House 23% of total rental income.

The St. Mary Parish Tourist Commission receives 45% of its revenues from the Hotel-motel tax.

A substantial number of the remaining components rely upon ad valorem taxes to fund a significant portion of their operations.

SUPPLEMENTARY INFORMATION-NON MAJOR GOVERNMENTAL FUNDS

ST. MARY PARISH COUNCIL
COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS
By Governmental Fund Type

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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

CAPITAL PROJECTS FUNDS

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

ST. MARY PARISH COUNCIL

Combining Balance Sheet
 Nonmajor Governmental Funds - By Fund Type
 December 31, 2003

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$479,234	\$1,580,041	\$1,507,935	\$3,567,210
Investments	1,048,765	1,921,012	1,463,400	4,433,177
Receivables (net of allowances for uncollectibles)		387,571		387,571
Due from component units		117,260	265,650	382,910
Due from other governments	768,038	514,889	11,184	1,294,111
Due from other funds		187,500	42,276	229,776
Advance to other funds	48,453	423,041	798,189	1,269,683
Total assets	<u>\$2,344,490</u>	<u>\$5,131,314</u>	<u>\$4,088,634</u>	<u>\$11,564,438</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$172,211	\$176	\$34,429	\$206,816
Contracts payable			87,093	87,093
Retainage payable			5,000	5,000
Accrued liabilities	248			248
Deferred revenue	35,239	236,057		271,296
Due to component units	40,093			40,093
Due to other governments	125,000			125,000
Due to other funds	187,500		50,000	237,500
Advance from other funds	460,266	248,793	249,671	958,730
Total liabilities	<u>1,020,557</u>	<u>485,026</u>	<u>426,193</u>	<u>1,931,776</u>
Fund equity (deficit)				
Fund balances (deficits)				
Reserved for non-current portion of receivables		243,645	216,891	460,536
Reserved for debt service		2,372,133		2,372,133
Unreserved - undesignated	1,323,933	2,030,510	3,445,550	6,799,993
Total fund equity (deficit)	<u>1,323,933</u>	<u>4,646,288</u>	<u>3,662,441</u>	<u>9,632,662</u>
Total liabilities and fund equity	<u>\$2,344,490</u>	<u>\$5,131,314</u>	<u>\$4,088,634</u>	<u>\$11,564,438</u>

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds - By Fund Type
 For the Year Ending December 31, 2003

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes				
Sales and use	\$1,201,524	\$1,410,998		\$2,612,522
Ad Valorem		282,649		282,649
Intergovernmental revenues				
Federal grants	654,726			654,726
State funds				
State grants	366,021	78		366,099
Local		501,849	\$51,372	553,221
Chitimacha tribal grant	1,500,000			1,500,000
Special assessments		91,228		91,228
Licenses & Permits	22,526			22,526
Fees, Charges, & Commission	521,319			521,319
Investment earnings & interest	16,716	74,247	61,881	152,844
Total revenues	4,282,832	2,361,049	113,253	6,757,134
EXPENDITURES				
Current:				
General government	100,492	27,029	9,710	137,231
Public safety	1,814,496		13,477	1,827,973
Public works	217,425		450,007	667,432
Sanitation			151,796	151,796
Culture & Recreation	611,225			611,225
Health & Welfare	172,696		376	173,072
Capital outlay	94,745		63,751	158,496
Debt service				
Principal		2,642,841		2,642,841
Interest		1,246,127		1,246,127
Fees		43,024		43,024
Total expenditures	3,011,079	3,959,021	689,117	7,659,217
Excess (deficiency) of revenues over (under) expenditures	1,271,753	(1,597,972)	(575,864)	(902,083)
OTHER FINANCING SOURCES				
Proceeds from bonds		2,913,826		2,913,826
Payment to refunding bond escrow agent		(2,885,257)		(2,885,257)
Operating transfers in	141,469	2,394,436	608,103	3,144,008
Operating transfers out	(1,664,971)	(1,000,293)	(116,805)	(2,782,069)
Total other financing sources (uses)	(1,523,502)	1,422,712	491,298	390,508
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(251,749)	(175,260)	(84,566)	(511,575)
Fund balance (deficits) as previously stated	1,466,619	4,696,369	3,747,007	9,909,995
Prior period adjustment	109,063	125,179		234,242
Fund balance (deficits) as restated	1,575,682	4,821,548	3,747,007	10,144,237
Fund balance (deficits) at end of year	\$1,323,933	\$4,646,288	\$3,662,441	\$9,632,662

ST. MARY PARISH COUNCIL
COMBINING FINANCIAL STATEMENTS & BUDGETARY COMPARISON SCHEDULES
NON-MAJOR SPECIAL REVENUE FUNDS

GAMING RECEIPT FUND

The Gaming Receipt Fund is used to account for earnings on gaming revenue under old Chitimacha Tribal Compact.

COMMUNITY GRANT FUND

The Community Grant Fund is used to account for money received from the Chitimacha Tribe under the community grant agreement.

WARDS 5 AND 8 SALES TAX FUND

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

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

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

HURRICANE LILI FUND

The Hurricane Lili Fund accounts for money to be received from FEMA for expenditures incurred as a result of damages sustained due to Hurricane Lili.

BOAT LANDING FUNDS

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

RE-ENTRY DRUG COURT FUND

The Re-entry Drug Court Fund is used to account for Federal grant funds received to operate a re-entry drug court in the Sixteenth Judicial District.

LOCAL LAW ENFORCEMENT BLOCK GRANT

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

OFFICE OF JUSTICE PROGRAM GRANT FUND

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

16th JUDICIAL DISTRICT DRUG COURT - BYRNE FEDERAL GRANT FUND

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

LOCAL LAW ENFORCEMENT BLOCK GRANT #2

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

OJP JUVENILE DRUG COURT FUND

The OJP Juvenile Drug Court accounts for the proceeds and expenditures resulting from a grant from the U.S. Department of Justice. This grant is to support the establishment and implementation of drug courts.

JUVENILE INCENTIVE BLOCK GRANT

The Juvenile Incentive Block Grant fund is used to account for Federal grant funds used to provide early intervention with at-risk adolescents who currently manifest behaviors that may produce future criminal activity.

DRUG COURT ENHANCEMENT FUND

The Drug Court Enhancement Fund is used to account for the proceeds and expenditures resulting from a grant from the Louisiana Commission on Law Enforcement. This grant is used to support the drug court program.

JAIL OPERATING AND MAINTENANCE FUND

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

ST. MARY PARISH COUNCIL

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2003

	Boat Landing Funds					
	Boat Landing Permit Fund	Lawrence J. Michel, Jr. Memorial Fund	Joe C. Russo Fund	Jesse Fontenot Memorial Fund	Marcel Quintana Fund	Jessie B. Hayes Memorial Fund
ASSETS						
Cash and cash equivalents	\$23,560	\$22,195	\$41,524	\$713	\$43,169	\$18,494
Investments	43,253			19,066		54,066
Due from other governments				111,750		
Advance to other funds						
Total assets	\$66,813	\$22,195	\$41,524	\$131,529	\$43,169	\$18,494
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable			\$27,950	\$425		
Accrued liabilities						
Deferred revenue					12,000	
Due to component units						
Due to other governments						
Due to other funds						
Advance from other funds						
Total liabilities			27,950	425	12,000	--
Fund equity (deficit)						
Fund balances (deficits)	\$66,813	\$22,195	13,574	131,104	\$43,169	\$18,494
Unreserved - undesignated	66,813	22,195	13,574	131,104	43,169	18,494
Total fund equity (deficit)	\$66,813	\$22,195	\$41,524	\$131,529	\$43,169	\$18,494
Total liabilities and fund equity						

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

ST. MARY PARISH COUNCIL
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2003

	Local Law Enforcement Block Grant Fund	16th Judicial Drug Court, Byrne Federal Grant Fund	Local Law Enforcement Block Grant Fund # 2	OJP Juvenile Drug Court Fund	Drug Court Enhancement Fund	Juvenile Incentive Block Grant	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$3,102	\$281		\$25,300	\$11	\$856	\$479,234
Investments							1,048,765
Due from other governments			\$16,347			13,077	768,038
Advance to other funds							48,453
Total assets	<u>\$3,102</u>	<u>\$281</u>	<u>\$16,347</u>	<u>\$25,300</u>	<u>\$11</u>	<u>\$13,933</u>	<u>\$2,344,490</u>
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts payable							\$172,211
Accrued liabilities	\$1,239						248
Deferred revenue						\$13,500	35,239
Due to component units			\$16,359				40,093
Due to other governments							125,000
Due to other funds							187,500
Advance from other funds							460,266
Total liabilities	<u>1,239</u>	<u>--</u>	<u>16,359</u>	<u>--</u>	<u>--</u>	<u>13,500</u>	<u>1,020,557</u>
Fund equity (deficit)							
Fund balances (deficits)							
Unreserved - undesignated	1,863	\$281	(12)	\$25,300	\$11	433	1,323,933
Total fund equity (deficit)	<u>1,863</u>	<u>281</u>	<u>(12)</u>	<u>25,300</u>	<u>11</u>	<u>433</u>	<u>1,323,933</u>
Total liabilities and fund equity	<u>\$3,102</u>	<u>\$281</u>	<u>\$16,347</u>	<u>\$25,300</u>	<u>\$11</u>	<u>\$13,933</u>	<u>\$2,344,490</u>

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

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ending December 31, 2003

	Gaming Receipt Fund	Community Grant Fund	Wards 5 & 8 Sales Tax Fund	Wards 1,2,3,4,7 & 10 Sales Tax Fund	Hurricane Fili Fund	Re-entry Drug Court Fund	Jail Operating & Maint. Fund
REVENUES							
Taxes			\$237,042	\$302,824			\$661,658
Sales and use							
Intergovernmental revenues					\$225,831	\$124,066	
Federal grants							
State funds			20,000	20,000	326,021		
State grants		\$1,500,000					
Chitimacha tribal grant							
Licenses & Permits							479,069
Fees, Charges, & Commission	\$230	4,491	2,349	4,700			1,381
Investment earnings & interest	230	1,504,491	259,391	327,524	551,852	124,066	1,142,108
Total revenues							
EXPENDITURES							
Current:							
General government					420		
Public safety		638,647	10,000	59,273	214,835		891,741
Public works		25,313	50,971	141,141			
Culture & Recreation			314,243	258,998			
Health & Welfare			2,000	36,395		134,301	
Capital outlay							
Total expenditures		663,960	377,214	495,807	215,255	134,301	891,741
Excess (deficiency) of revenues over (under) expenditures	230	840,531	(117,823)	(168,283)	336,597	(10,235)	250,367
OTHER FINANCING SOURCES							
Operating transfers in				89,677			31,792
Operating transfers out		(1,072,653)	(3,402)	(50,000)			(518,916)
Total other financing sources (uses)		(1,072,653)	(3,402)	39,677	--	--	(487,124)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	230	(232,122)	(121,225)	(128,606)	336,597	(10,235)	(236,757)
Fund balance (deficits) as previously stated	26,547	341,450	220,019	520,168	(139,728)	1	194,588
Prior period adjustment			22,426	27,045			59,592
Fund balance (deficits) as restated	26,547	341,450	242,445	547,213	(139,728)	1	254,180
Fund balance (deficits) at end of year	\$26,777	\$109,328	\$121,220	\$418,607	\$196,869	(\$10,234)	\$17,423

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

ST. MARY PARISH COUNCIL

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ending December 31, 2003**

	Boat Landing Funds						
	Boat Landing Permit Fund	Lawrence J. Michel, Jr. Memorial Fund	Joe C. Russo Fund	Jesse Fontenot Memorial Fund	Marcel Fund	Quintana Fund	Jessie B. Hayes Memorial Fund
REVENUES							
Taxes							
Sales and use							
Intergovernmental revenues						\$59,496	
Federal grants			\$14,372	\$137,689			
State funds							
State grants							
Chitimacha tribal grant	\$22,526						
Licenses & Permits		\$2,353	4,214	16,916	\$9,713	1,097	\$2,990
Fees, Charges, & Commission	736	185	186	787	342	1,173	156
Investment earnings & interest							
Total revenues	23,262	2,538	18,772	155,392	10,055	61,766	3,146
EXPENDITURES							
Current:							
General government							
Public safety							
Public works							
Culture & Recreation	74		33,347	425	480	2,815	843
Health & Welfare							
Capital outlay				94,745			
Total expenditures	74	--	33,347	95,170	480	2,815	843
Excess (deficiency) of revenues over (under) expenditures	23,188	2,538	(14,575)	60,222	9,575	58,951	2,303
OTHER FINANCING SOURCES							
Operating transfers in	(20,000)		20,000				
Operating transfers out							
Total other financing sources (uses)	(20,000)	--	20,000	--	--	--	--
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	3,188	2,538	5,425	60,222	9,575	58,951	2,303
Fund balance (deficits) as previously stated	63,625	19,657	8,149	70,882	33,594	61,767	16,191
Prior period adjustment							
Fund balance (deficits) as restated	63,625	19,657	8,149	70,882	33,594	61,767	16,191
Fund balance (deficits) at end of year	\$66,813	\$22,195	\$13,574	\$131,104	\$43,169	\$120,718	\$18,494

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

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ending December 31, 2003

	Local Law Enforcement Block Grant Fund	16th Judicial Dist. Drug Court, Byrne Federal Grant Fund	Local Law Enforcement Block Grant # 2 Fund	OJP Juvenile Drug Court Fund	Drug Court Enhancement Fund	Juvenile Incentive Block Grant	Total Nonmajor Special Revenue Funds
REVENUES							
Taxes							
Sales and use							\$1,201,524
Intergovernmental revenues			\$32,191			\$61,081	654,726
Federal grants							366,021
State funds							1,500,000
State grants							22,526
Chitimatcha tribal grant							521,319
Licenses & Permits				\$4,967			16,716
Fees, Charges, & Commission							
Investment earnings & interest							
Total revenues	--	--	32,191	4,967	--	61,081	4,282,832
EXPENDITURES							
Current:							
General government			32,206	--	--	67,866	100,492
Public safety							1,814,496
Public works							217,425
Culture & Recreation							611,225
Health & Welfare							172,696
Capital outlay							94,745
Total expenditures	--	--	32,206	--	--	67,866	3,011,079
Excess (deficiency) of revenues over (under) expenditures	--	--	(15)	4,967	--	(6,785)	1,271,753
OTHER FINANCING SOURCES							
Operating transfers in							141,469
Operating transfers out							(1,664,971)
Total other financing sources (uses)							(1,523,502)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	--	--	(15)	4,967	--	(6,785)	(251,749)
Fund balance (deficits) as previously stated	\$1,863	\$281	3	20,333	\$11	7,218	1,466,619
Prior period adjustment							109,063
Fund balance (deficits) as restated	1,863	281	3	20,333	11	7,218	1,575,682
Fund balance (deficits) at end of year	\$1,863	\$281	(\$12)	\$25,300	\$11	\$433	\$1,323,933

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

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Community Grant Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Chitimacha tribal grant	\$1,500,000	\$1,500,000	\$1,500,000	
Investment earnings & interest	5,100	3,930	4,491	\$561
Total revenues	<u>1,505,100</u>	<u>1,503,930</u>	<u>1,504,491</u>	<u>561</u>
EXPENDITURES				
Current:				
Public safety				
Sheriff	175,000	175,000	175,000	
City of Franklin	75,000	75,000	75,000	
Town of Berwick	25,000	25,000	25,000	
City of Patterson	25,000	25,000	25,000	
Town of Baldwin	477,115	313,647	313,647	
City of Morgan City	25,000	25,000	25,000	
Public works				
Street lighting		25,000	25,313	(313)
Total expenditures	<u>802,115</u>	<u>663,647</u>	<u>663,960</u>	<u>(313)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>702,985</u>	<u>840,283</u>	<u>840,531</u>	<u>248</u>
OTHER FINANCING SOURCES				
Operating transfers out				
Certificates of Indebtedness Sinking Fund	(447,885)	(611,353)	(611,353)	
Capital Improvement Fund		(461,300)	(461,300)	
Total other financing sources (uses)	<u>(447,885)</u>	<u>(1,072,653)</u>	<u>(1,072,653)</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>255,100</u>	<u>(232,370)</u>	<u>(232,122)</u>	<u>248</u>
Fund balance at beginning of year	<u>390,966</u>	<u>341,450</u>	<u>341,450</u>	
Fund balance at end of year	<u>\$646,066</u>	<u>\$109,080</u>	<u>\$109,328</u>	<u>\$248</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Wards 5 & 8 Sales Tax Fund
 For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use	\$210,000	\$237,170	\$237,042	(\$128)
Intergovernmental revenues				
State funds				
State grants		20,000	20,000	
Investment earnings & interest	4,200	2,921	2,349	(572)
Total revenues	<u>214,200</u>	<u>260,091</u>	<u>259,391</u>	<u>(700)</u>
EXPENDITURES				
Current:				
General government	3,300	3,300		3,300
Public safety				
Fire fighting	10,000	10,000	10,000	
Public works				
Street lighting	25,000	30,018	32,504	(2,486)
Drainage flood control		22,900	16,900	6,000
Wax Lake East Drainage District	6,200	2,200	1,567	633
Culture & Recreation				
Bayou Vista Recreation Area	29,300	49,991	34,990	15,001
Recreation District #3	55,000	130,000	123,703	6,297
Recreation District #4	79,000	150,000	150,000	
Other	1,700	4,700	5,550	(850)
Health & Welfare				
St. Mary Center of Hope		2,000	2,000	
Total expenditures	<u>209,500</u>	<u>405,109</u>	<u>377,214</u>	<u>27,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,700</u>	<u>(145,018)</u>	<u>(117,823)</u>	<u>27,195</u>
OTHER FINANCING SOURCES				
Operating transfers out				
Wards 1,2,3,4,7, & 10 Sales Tax Ward		(3,402)	(3,402)	
Total other financing sources (uses)	<u>--</u>	<u>(3,402)</u>	<u>(3,402)</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>4,700</u>	<u>(148,420)</u>	<u>(121,225)</u>	<u>27,195</u>
Fund balance (deficits) as previously stated	<u>229,063</u>	<u>220,019</u>	<u>220,019</u>	
Prior period adjustment			<u>22,426</u>	<u>22,426</u>
Fund balance (deficits) as restated	<u>229,063</u>	<u>220,019</u>	<u>242,445</u>	<u>22,426</u>
Fund balance (deficits) at end of year	<u>\$233,763</u>	<u>\$71,599</u>	<u>\$121,220</u>	<u>\$49,621</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Wards 1, 2, 3, 4, 7, & 10 Sales Tax Fund
 For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use	\$285,000	\$306,110	\$302,824	(\$3,286)
Intergovernmental revenues				
State funds				
State grants		45,000	20,000	(25,000)
Investment earnings & interest	7,650	4,771	4,700	(71)
Total revenues	<u>292,650</u>	<u>355,881</u>	<u>327,524</u>	<u>(28,357)</u>
EXPENDITURES				
<i>Current:</i>				
Public safety				
Fire fighting	50,523	51,925	51,925	
Adult Correctional Institute	1,500	7,348	7,348	
Public works				
Drainage flood control		42,400	29,584	12,816
Sidewalks & crosswalks		20,000	19,017	983
Street lighting	83,200	85,450	92,540	(7,090)
Sewerage	27,000			
Culture & Recreation				
Administrative		6,896	6,896	
Elizabeth B. Davis Park	108,243	32,437	24,978	7,459
Hebert-Washington Park	46,183	47,667	31,635	16,032
City of Franklin	3,333	24,333	24,333	
Sorrell Park		10,000	2,050	7,950
North Bend Boat Launch		27,500	4,020	23,480
Baldwin & Charenton Recreation		139,913	139,933	(20)
St. Joseph Recreation Area		4,907	4,907	
Centerville Park		1,942	1,942	
Verdunville Park		16,423	16,453	(30)
Recreation District #5		1,500	1,500	
Other		3,400	351	3,049
Health & Welfare		36,395	36,395	
Total expenditures	<u>319,982</u>	<u>560,436</u>	<u>495,807</u>	<u>64,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,332)</u>	<u>(204,555)</u>	<u>(168,283)</u>	<u>36,272</u>
OTHER FINANCING SOURCES				
Operating transfers in				
General fund		86,275	86,275	
Wards 5 & 8 Sales Tax fund		3,402	3,402	
Operating transfers out				
Franklin & Vicinity fund		(50,000)	(50,000)	
Total other financing sources (uses)	<u>--</u>	<u>39,677</u>	<u>39,677</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(27,332)</u>	<u>(164,878)</u>	<u>(128,606)</u>	<u>36,272</u>
Fund balance (deficits) as previously stated	340,253	520,168	520,168	
Prior period adjustment			27,045	27,045
Fund balance (deficits) as restated	<u>340,253</u>	<u>520,168</u>	<u>547,213</u>	<u>27,045</u>
Fund balance (deficits) at end of year	<u>\$312,921</u>	<u>\$355,290</u>	<u>\$418,607</u>	<u>\$63,317</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Hurricane Lili Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues				
Federal grants		\$642,733	\$225,831	(\$416,902)
State funds				
State grants		101,843	326,021	224,178
Total revenues	<u>0</u>	<u>744,576</u>	<u>551,852</u>	<u>(192,724)</u>
EXPENDITURES				
Current:				
General government		420	420	
Public safety		286,152	214,835	71,317
Total expenditures	<u>0</u>	<u>286,572</u>	<u>215,255</u>	<u>71,317</u>
Excess (deficiency) of revenues over (under) expenditures	0	458,004	336,597	(121,407)
Fund balance (deficits) at beginning of year	<u>0</u>	<u>(139,728)</u>	<u>(139,728)</u>	
Fund balance (deficits) at end of year	<u>\$0</u>	<u>\$318,276</u>	<u>\$196,869</u>	<u>(\$121,407)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Jail Operating & Maintenance Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use	\$636,924	\$663,571	\$661,658	(\$1,913)
Fees, Charges, & Commission	512,200	479,654	479,069	(585)
Investment earnings & interest	700	2,216	1,381	(835)
Total revenues	<u>1,149,824</u>	<u>1,145,441</u>	<u>1,142,108</u>	<u>(3,333)</u>
EXPENDITURES				
Current:				
Public safety				
Administration	69,500	30,950	28,241	2,709
Adult Correctional Institution	721,683	523,307	564,673	(41,366)
Cost for Juvenile Prisoners	150,000	90,000	94,147	(4,147)
Adult Correctional Institution - Morgan City Jail	75,000	208,648	204,680	3,968
Total expenditures	<u>1,016,183</u>	<u>852,905</u>	<u>891,741</u>	<u>(38,836)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>133,641</u>	<u>292,536</u>	<u>250,367</u>	<u>(42,169)</u>
OTHER FINANCING SOURCES				
Operating transfers in				
General Fund	239,395	31,792	31,792	
Operating transfers out				
Jail Sinking Fund	(494,206)	(494,206)	(494,206)	
Jail Reserve Fund	(24,710)	(24,710)	(24,710)	
Total other financing sources (uses)	<u>(279,521)</u>	<u>(487,124)</u>	<u>(487,124)</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(145,880)</u>	<u>(194,588)</u>	<u>(236,757)</u>	<u>(42,169)</u>
Fund balance (deficits) as previously stated	145,880	194,588	194,588	
Prior period adjustment			59,592	59,592
Fund balance (deficits) as restated	<u>145,880</u>	<u>194,588</u>	<u>254,180</u>	<u>59,592</u>
Fund balance (deficits) at end of year	<u>--</u>	<u>--</u>	<u>\$17,423</u>	<u>\$17,423</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Boat Landing Permit Fund
For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Licenses & Permits	\$20,000	\$21,500	\$22,526	\$1,026
Investment earnings & interest	910	736	736	
Total revenues	<u>20,910</u>	<u>22,236</u>	<u>23,262</u>	<u>1,026</u>
EXPENDITURES				
Current:				
Culture & Recreation	10,000	74	74	
Total expenditures	<u>10,000</u>	<u>74</u>	<u>74</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,910</u>	<u>22,162</u>	<u>23,188</u>	<u>1,026</u>
OTHER FINANCING SOURCES				
Operating transfers out				
Joe C. Russo Boat Landing Fund		(20,000)	(20,000)	
Total other financing sources (uses)	<u>--</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	10,910	2,162	3,188	1,026
Fund balance (deficits) at beginning of year	<u>64,358</u>	<u>63,625</u>	<u>63,625</u>	
Fund balance (deficits) at end of year	<u>\$75,268</u>	<u>\$65,787</u>	<u>\$66,813</u>	<u>\$1,026</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Lawrence J. Michel, Jr. Memorial Boat Landing Fund
 For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fees, Charges, & Commission	\$2,500	\$2,500	\$2,353	(\$147)
Investment earnings & interest	200	200	185	(15)
Total revenues	<u>2,700</u>	<u>2,700</u>	<u>2,538</u>	<u>(162)</u>
EXPENDITURES				
Current:				
Culture & Recreation	<u>18,226</u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>18,226</u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	(15,526)	2,700	2,538	(162)
Fund balance (deficits) at beginning of year	<u>18,026</u>	<u>19,657</u>	<u>19,657</u>	<u> </u>
Fund balance (deficits) at end of year	<u>\$2,500</u>	<u>\$22,357</u>	<u>\$22,195</u>	<u>(\$162)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Joe C. Russo Boat Landing Fund
 For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues				
Federal grants		\$14,372	\$14,372	
Fees, Charges, & Commission	\$4,300	4,300	4,214	(\$86)
Investment earnings & interest	200	200	186	(14)
Total revenues	<u>4,500</u>	<u>18,872</u>	<u>18,772</u>	<u>(100)</u>
EXPENDITURES				
Current:				
Culture & Recreation	5,000	32,721	33,347	(626)
Total expenditures	<u>5,000</u>	<u>32,721</u>	<u>33,347</u>	<u>(626)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500)</u>	<u>(13,849)</u>	<u>(14,575)</u>	<u>(726)</u>
OTHER FINANCING SOURCES				
Operating transfers in				
Boat Landing Permit Fund		20,000	20,000	
Total other financing sources (uses)	<u>--</u>	<u>20,000</u>	<u>20,000</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(500)	6,151	5,425	(726)
Fund balance (deficits) at beginning of year	<u>4,800</u>	<u>8,149</u>	<u>8,149</u>	
Fund balance (deficits) at end of year	<u>\$4,300</u>	<u>\$14,300</u>	<u>\$13,574</u>	<u>(\$726)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Jesse Fontenot Memorial Boat Landing Fund
 For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues				
Federal grants		\$111,750	\$137,689	\$25,939
Fees, Charges, & Commission	\$13,250	14,750	16,916	2,166
Investment earnings & interest	1,450	907	787	(120)
Total revenues	<u>14,700</u>	<u>127,407</u>	<u>155,392</u>	<u>27,985</u>
EXPENDITURES				
Current:				
Culture & Recreation			425	(425)
Capital outlay	17,750	103,977	94,745	9,232
Total expenditures	<u>17,750</u>	<u>103,977</u>	<u>95,170</u>	<u>8,807</u>
Excess (deficiency) of revenues over (under) expenditures	(3,050)	23,430	60,222	19,178
Fund balance (deficits) at beginning of year	<u>16,300</u>	<u>70,882</u>	<u>70,882</u>	
Fund balance (deficits) at end of year	<u>\$13,250</u>	<u>\$94,312</u>	<u>\$131,104</u>	<u>\$19,178</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Marcel Boat Landing Fund
 For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fees, Charges, & Commission	\$7,800	\$8,300	\$9,713	\$1,413
Investment earnings & interest	300	300	342	42
Total revenues	<u>8,100</u>	<u>8,600</u>	<u>10,055</u>	<u>1,455</u>
EXPENDITURES				
Current:				
Culture & Recreation	<u>36,437</u>	<u>480</u>	<u>480</u>	
Total expenditures	<u>36,437</u>	<u>480</u>	<u>480</u>	--
Excess (deficiency) of revenues over (under) expenditures	(28,337)	8,120	9,575	1,455
Fund balance (deficits) at beginning of year	<u>36,137</u>	<u>33,594</u>	<u>33,594</u>	
Fund balance (deficits) at end of year	<u><u>\$7,800</u></u>	<u><u>\$41,714</u></u>	<u><u>\$43,169</u></u>	<u><u>\$1,455</u></u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Quintana Boat Landing Fund
 For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <i>(Negative)</i>
REVENUES				
Intergovernmental revenues				
Federal grants		\$75,496	\$59,496	(\$16,000)
Fees, Charges, & Commission	\$10,000	1,130	1,097	(33)
Investment earnings & interest	1,020	1,020	1,173	153
Total revenues	<u>11,020</u>	<u>77,646</u>	<u>61,766</u>	<u>(15,880)</u>
EXPENDITURES				
Current:				
Culture & Recreation	51,122	25,842	2,815	23,027
Total expenditures	<u>51,122</u>	<u>25,842</u>	<u>2,815</u>	<u>23,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,102)</u>	<u>51,804</u>	<u>58,951</u>	<u>(38,907)</u>
Fund balance (deficits) at beginning of year	<u>50,102</u>	<u>61,767</u>	<u>61,767</u>	
Fund balance (deficits) at end of year	<u>\$10,000</u>	<u>\$113,571</u>	<u>\$120,718</u>	<u>(\$38,907)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Jessie B. Hayes Memorial Boat Landing Fund
 For the Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fees, Charges, & Commission	\$3,250	\$2,950	\$2,990	\$40
Investment earnings & interest	170	170	156	(14)
Total revenues	<u>3,420</u>	<u>3,120</u>	<u>3,146</u>	<u>26</u>
EXPENDITURES				
<i>Current:</i>				
Culture & Recreation	17,516	843	843	
Total expenditures	<u>17,516</u>	<u>843</u>	<u>843</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,096)</u>	<u>2,277</u>	<u>2,303</u>	<u>26</u>
Fund balance (deficits) at beginning of year	<u>17,346</u>	<u>16,191</u>	<u>16,191</u>	
Fund balance (deficits) at end of year	<u><u>\$3,250</u></u>	<u><u>\$18,468</u></u>	<u><u>\$18,494</u></u>	<u><u>\$26</u></u>

**ST. MARY PARISH COUNCIL
COMBINING FINANCIAL STATEMENTS
DEBT SERVICE FUNDS - NON MAJOR**

SALES TAX BOND SINKING FUND

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

SALES TAX BOND RESERVE FUND 1994, 1996

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

THREE-FOURTHS PERCENT SALES TAX BOND RESERVE FUND

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

THREE-FOURTHS PERCENT SALES TAX BOND SINKING FUND

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

LIBRARY GENERAL OBLIGATION 1996 SINKING FUND

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

CERTIFICATES OF INDEBTEDNESS, (1997, 1999, 2000 and 2002 A & B) SINKING FUND

The Certificate of Indebtedness, (1997, 1999, 2000 and 2002 A & B) Fund accounts for the transfer of gaming receipts from the Gaming Receipt Fund and repayment of the \$2,105,000 Certificates of Indebtedness and the transfer of revenues from the Solid Waste and Reduction Fund for repayment of the \$750,000 Certificates of Indebtedness and the transfer of revenues from the Road Construction and Maintenance Fund for repayment of the \$4,500,000 Road Bonds. This fund also accounts for the transfer of revenues for the payment of the \$3,000,000 Public Parks and Recreation Bonds.

PAVING FUNDS

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

JAIL SINKING FUND

The Jail Sinking Fund accounts for the payment of \$2,800,000 Series A, 1999 revenue bonds, \$1,196,000 Series B, 1999 revenue bonds and \$1,300,000, Series 2000 revenue bonds; and the transfer of excess revenues over expenditures from the Jail Operating Fund.

JAIL RESERVE FUND

The Jail Reserve Fund is a reserve fund required by the \$2,800,000 Series A, 1999 revenue bonds, the \$1,196,000 Series B, 1999 revenue bonds and \$1,300,000, Series 2000 revenue bonds.

ST. MARY PARISH COUNCIL

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2003

	Sales Tax Bond Sinking Fund	Sales Tax Bond Reserve Fund 1994-1996	3/4% Sales Tax Bond Reserve Fund	3/4% Sales Tax Bond Sinking Fund	St. Mary Parish Library Gen. Oblig. 9% Sink. Fund	Certificates of Indebtedness Sinking Fund	Paving Series N Fund
ASSETS							
Cash and cash equivalents							
Investments	\$231,863	\$662,167	\$410,243 468,261	\$385,711	\$219,896 173,010	\$391,530	\$43,508
Receivables (net of allowances for uncollectibles)				117,260	280,750		132,051
Due from component units	234,139						
Due from other governments							
Due from other funds	126,385			296,656			
Advance to other funds	\$592,387	\$662,167	\$878,504	\$799,627	\$673,656	\$579,030	\$175,559
Total assets							
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts payable	\$176						
Deferred revenue	41,807	\$206,986					\$75,973
Advance from other funds	41,983	206,986	--	--	--	--	75,973
Total liabilities							
Fund equity (deficit)							
Fund balances (deficits)							
Reserved for non-current portion of receivables	126,385			\$117,260			
Reserved for debt service	100,686	455,181	\$866,250	72,200	\$181,665	\$579,030	99,586
Unreserved - undesignated	323,333		12,254	610,167	491,991		
Total fund equity (deficit)	550,404	455,181	878,504	799,627	673,656	579,030	99,586
Total liabilities and fund equity	\$592,387	\$662,167	\$878,504	\$799,627	\$673,656	\$579,030	\$175,559

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

ST. MARY PARISH COUNCIL

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2003

	Paving Series O Fund	1995 Paving Jupiter Green Acres # 2	2002 Paving Delmar Pluto	Jail Sinking Fund	Jail Reserve Fund	Total Nonmajor Debt Service Funds
ASSETS						
Cash and cash equivalents	\$72,058	\$18,201	\$1,188	\$323,424	\$99,993	\$1,580,041
Investments						1,921,012
Receivables (net of allowances for uncollectibles)	109,915	45,435	100,170			387,571
Due from component units						117,260
Due from other governments						514,889
Due from other funds						187,500
Advance to other funds						423,041
Total assets	<u>\$181,973</u>	<u>\$63,636</u>	<u>\$101,358</u>	<u>\$323,424</u>	<u>\$99,993</u>	<u>\$5,131,314</u>
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable						\$176
Deferred revenue	\$64,329	\$11,500	\$84,255			236,057
Advance from other funds						248,793
Total liabilities	<u>64,329</u>	<u>11,500</u>	<u>84,255</u>	<u>--</u>	<u>--</u>	<u>485,026</u>
Fund equity (deficit)						
Fund balances (deficits)						
Reserved for non-current portion of receivables						243,645
Reserved for debt service	117,644	52,136	17,103	\$309,689	\$99,993	2,372,133
Unreserved - undesignated				13,735		2,030,510
Total fund equity (deficit)	<u>117,644</u>	<u>52,136</u>	<u>17,103</u>	<u>323,424</u>	<u>99,993</u>	<u>4,646,288</u>
Total liabilities and fund equity	<u>\$181,973</u>	<u>\$63,636</u>	<u>\$101,358</u>	<u>\$323,424</u>	<u>\$99,993</u>	<u>\$5,131,314</u>

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

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Debt Service Funds
 For the Year Ending December 31, 2003

	Sales Tax Bond Sinking Fund	Sales Tax Bond Reserve Fund 1994,1996	3/4% Sales Tax Bond Reserve Fund	3/4% Sales Tax Bond Sinking Fund	St. Mary Parish Library Gen. Oblig. 9% Sinking Fund	Certificates of Indebtedness Sinking Fund	Paving Series N Fund
REVENUES							
Taxes							
Sales and use	\$1,410,998						
Ad Valorem					\$282,649		
Intergovernmental revenues							
State funds							
State revenue sharing					78		
Sewerage District No. 2				\$378,896			
Sewerage District No. 8				122,953			
Chitimacha tribal grant							
Special assessments							
Investment earnings & interest	7,920	\$16,080	\$31,028	7,201	4,766	\$3,060	\$26,141
Total revenues	1,418,918	16,080	31,028	509,050	287,493	3,060	26,706
EXPENDITURES							
Current:							
General government		532	17,538		8,959		
Debt service							
Principal	864,453			785,000	85,000	585,000	32,209
Interest	347,656			80,108	95,065	452,268	9,180
Fees	30,866			176	1,043	887	200
Total expenditures	1,242,975	532	17,538	865,284	190,067	1,038,155	41,589
Excess (deficiency) of revenues over (under) expenditures	175,943	15,548	13,490	(356,234)	97,426	(1,035,095)	(14,883)
OTHER FINANCING SOURCES							
Proceeds from bonds	2,913,826						
Payment to refunding bond escrow agent	(2,885,257)						
Operating transfers in	281,003			391,356		1,203,161	
Operating transfers out	(691,241)	(281,003)	(28,049)				
Total other financing sources (uses)	(381,669)	(281,003)	(28,049)	391,356	--	1,203,161	--
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(205,726)	(265,455)	(14,559)	35,122	97,426	168,066	(14,883)
Fund balance (deficits) as previously stated	630,951	720,636	893,063	764,505	576,230	410,964	114,469
Prior period adjustment	125,179						
Fund balance (deficits) as restated	756,130	720,636	893,063	764,505	576,230	410,964	114,469
Fund balance (deficits) at end of year	\$550,404	\$455,181	\$878,504	\$799,627	\$673,656	\$579,030	\$99,586

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

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Debt Service Funds
 For the Year Ending December 31, 2003

	Paving Series O Fund	1995 Paving Jupiter Green Acres # 2	2002 Paving Delmar Photo	Jail Sinking Fund	Jail Reserve Fund	Total Nonmajor Debt Service Funds
REVENUES						
Taxes						\$1,410,998
Sales and use						282,649
Ad Valorem						78
Intergovernmental revenues						378,896
State funds						122,953
State revenue sharing						0
Sewerage District No. 2						91,228
Sewerage District No. 8						74,247
Chitimacha tribal grant						
Special assessments	\$24,361	\$15,911	\$24,815			
Investment earnings & interest	815	320	140	\$1,572	\$780	
Total revenues	25,176	16,231	24,955	1,572	780	2,361,049
EXPENDITURES						
Current:						
General government						27,029
Debt service						
Principal	23,643	26,380		241,156		2,642,841
Interest	8,275	5,045		248,530		1,246,127
Fees	800		7,852	1,200		43,024
Total expenditures	32,718	31,425	7,852	490,886	--	3,959,021
Excess (deficiency) of revenues over (under) expenditures	(7,542)	(15,194)	17,103	(489,314)	780	(1,597,972)
OTHER FINANCING SOURCES						
Proceeds from bonds						2,913,826
Payment to refunding bond escrow agent						(2,885,257)
Operating transfers in				494,206	24,710	2,394,436
Operating transfers out						(1,000,293)
Total other financing sources (uses)	--	--	--	494,206	24,710	1,422,712
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(7,542)	(15,194)	17,103	4,892	25,490	(175,260)
Fund balance (deficits) as previously stated	125,186	67,330		318,532	74,503	4,696,369
Prior period adjustment						125,179
Fund balance (deficits) as restated	125,186	67,330	--	318,532	74,503	4,821,548
Fund balance (deficits) at end of year	\$117,644	\$52,136	\$17,103	\$323,424	\$99,993	\$4,646,288

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

ST. MARY PARISH COUNCIL
COMBINING FINANCIAL STATEMENTS
CAPITAL PROJECTS FUNDS - NON MAJOR

SEWERAGE CONSTRUCTION FUNDS

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

SPINE ROAD CONSTRUCTION FUND

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

JAIL CONSTRUCTION FUND

The Jail Construction Fund accounts for the financing and construction of the new St. Mary Parish Law Enforcement Center and renovations to the existing jail facility in the courthouse.

ST. MARY PARISH COUNCIL

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2003

	Franklin & Vicinity Fund	Morgan City & Vicinity Fund	Cypremort Point & Vicinity Fund	Spine Road Construction Fund	Jail Construction Fund	Total Nonmajor Capital Projects Funds
ASSETS						
Cash and cash equivalents	\$154,228	\$65,956	\$743,065		\$544,686	\$1,507,935
Investments		213,286	857,406		392,708	1,463,400
Due from component units	48,759		216,891			265,650
Due from other governments	11,184					11,184
Due from other funds	19,063	2,701	20,512			42,276
Advance to other funds	226		688,471		109,492	798,189
Total assets	\$233,460	\$281,943	\$2,526,345	--	\$1,046,886	\$4,088,634

LIABILITIES AND FUND EQUITY

Liabilities						
Accounts payable	\$34,402		\$27			\$34,429
Contracts payable	87,093					87,093
Retainage Payable					\$5,000	5,000
Due to other funds	100,000		50,000			50,000
Advance from other funds			141,891	\$7,780		249,671
Total liabilities	221,495	--	191,918	7,780	5,000	426,193
Fund equity (deficit)						
Fund balances (deficits)						
Reserved for non-current portion of receivables	11,965	\$281,943	216,891			216,891
Unreserved - undesignated	11,965	281,943	2,117,536	(7,780)	1,041,886	3,445,550
Total fund equity (deficit)	\$233,460	\$281,943	\$2,526,345	--	\$1,046,886	\$4,088,634

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

ST. MARY PARISH COUNCIL

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ending December 31, 2003**

	Franklin & Vicinity Fund	Morgan City & Vicinity Fund	Cypremort Point & Vicinity Fund	Spine Road Construction Fund	Jail Construction Fund	Total Nonmajor Capital Projects Funds
REVENUES						
Intergovernmental revenues	\$51,372					\$51,372
Sewerage District No. 7	1,570	\$2,960	\$45,705	\$18	\$11,628	61,881
Investment earnings & interest	52,942	2,960	45,705	18	11,628	113,253
Total revenues						
EXPENDITURES						
Current:						
General government			9,710			9,710
Public safety		10,000	3,477			13,477
Public works	441,701			8,306		450,007
Sanitation		25,000	126,796			151,796
Health & Welfare			376			376
Capital outlay					63,751	63,751
Total expenditures	441,701	35,000	140,359	8,306	63,751	689,117
Excess (deficiency) of revenues over (under) expenditures	(388,759)	(32,040)	(94,654)	(8,288)	(52,123)	(575,864)
OTHER FINANCING SOURCES						
Operating transfers in	301,650	35,662	270,791			608,103
Operating transfers out	(116,805)					(116,805)
Total other financing sources (uses)	184,845	35,662	270,791	--	--	491,298
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(203,914)	3,622	176,137	(8,288)	(52,123)	(84,566)
Fund balance (deficits) at beginning of year	215,879	278,321	2,158,290	508	1,094,009	3,747,007
Fund balance (deficits) at end of year	\$11,965	\$281,943	\$2,334,427	(\$7,780)	\$1,041,886	\$3,662,441

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

SUPPLEMENTARY INFORMATION RELATED TO
DISCRETELY PRESENTED COMPONENT UNITS

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	WATER & SEWER COMMISSION # 1 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION # 2 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION # 5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 6 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
ASSETS						
Current assets						
Cash and cash equivalents	\$927,874	\$388,612	\$411,603	\$328,020	\$1,678,411	\$3,734,520
Investments	111,068	1,067,532				1,178,600
Receivables (net of allowances for uncollectibles)	55,258	111,255	25,372	103,884	110,279	406,048
Other Receivables	804		267	82	4,024	5,177
Due from other governments	327,997					327,997
Prepaid expenses	29,722	62,410	8,922	33,353	24,265	158,672
Inventories	19,692	22,274				41,966
Total current assets	<u>1,472,415</u>	<u>1,652,083</u>	<u>446,164</u>	<u>465,339</u>	<u>1,816,979</u>	<u>5,852,980</u>
Noncurrent Assets						
Restricted Assets:						
Cash	51,940	63,862	54,364	121,547	172,610	464,323
Investments		777,189				777,189
Other				414		414
Unamortized debt issuance costs, net		24,615	8,528	34,639		67,782
Invest in Berwick Bayou Vista Commission		326,403				326,403
Capital Assets						
Land and Improvements	205,726	51,709	104,237	22,237	6,926	390,835
Buildings, net of accumulated depreciation	2,597,075	10,714		18,055		2,625,844
Improvements, other than buildings, net of accumulated depreciation	2,376,541	2,982,256	2,381,703	4,640,950	2,685,935	15,067,385
Equipment and furniture, net of accumulated depreciation	45,886	53,243	20,758	37,223	1,248,506	1,405,616
Construction in progress	451,906	78,664			291,517	822,087
Total noncurrent assets	<u>5,729,074</u>	<u>4,368,655</u>	<u>2,569,590</u>	<u>4,875,065</u>	<u>4,405,494</u>	<u>21,947,878</u>
Total assets	<u>\$7,201,489</u>	<u>\$6,020,738</u>	<u>\$3,015,754</u>	<u>\$5,340,404</u>	<u>\$6,222,473</u>	<u>\$27,800,858</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Current liabilities						
Accounts payable	\$137,616	\$23,830	\$22,858	\$8,402	\$25,863	\$218,569
Contracts payable		39,406				39,406
Retainage payable		37,851				37,851
Accrued liabilities	4,008		7,157	4,519	14,557	30,241
Accrued interest payable		5,442	3,982	20,790	7,393	37,607
Deferred revenue			969			969
Due to St. Mary Parish Council	16,552	25,228	7,968		12,005	61,753
Due to component units		13,217			17,606	30,823
Due to other governments		24,614			2,258	26,872
Payable from restricted assets	51,940	138,792	3,050	60,371	73,105	327,258
Current portion of long-term debt		40,000	9,129	120,000	107,871	277,000
Total current liabilities	<u>210,116</u>	<u>348,380</u>	<u>55,113</u>	<u>214,082</u>	<u>260,658</u>	<u>1,088,349</u>
Noncurrent liabilities						
Noncurrent portion of long-term debt		1,330,000	305,153	2,090,000	2,506,469	6,231,622
Total noncurrent liabilities	<u>-</u>	<u>1,330,000</u>	<u>305,153</u>	<u>2,090,000</u>	<u>2,506,469</u>	<u>6,231,622</u>
Total liabilities	<u>210,116</u>	<u>1,678,380</u>	<u>360,266</u>	<u>2,304,082</u>	<u>2,767,127</u>	<u>7,319,971</u>
Net Assets						
Invested in capital assets, net of related debt	5,677,134	1,806,586	2,188,434	2,628,465	1,618,544	13,919,163
Restricted for:						
Capital projects		667,236				667,236
Debt service		25,065	51,314		248,034	324,413
Other purposes	7,252	138,792				146,044
Unrestricted	1,306,987	1,704,679	415,740	407,857	1,588,768	5,424,031
Total net assets	<u>6,991,373</u>	<u>4,342,358</u>	<u>2,655,488</u>	<u>3,036,322</u>	<u>3,455,346</u>	<u>20,480,887</u>
Total liabilities and net assets	<u>\$7,201,489</u>	<u>\$6,020,738</u>	<u>\$3,015,754</u>	<u>\$5,340,404</u>	<u>\$6,222,473</u>	<u>\$27,800,858</u>

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	SEWERAGE DISTRICT # 5 OF THE PARISH OF ST. MARY	SEWERAGE DISTRICT # 7 OF THE PARISH OF ST. MARY	SEWERAGE DISTRICT # 8 OF THE PARISH OF ST. MARY	SEWERAGE DISTRICT # 9 OF THE PARISH OF ST. MARY	WARDS 5 & 8 JOINT SEWERAGE COMMISSION OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
ASSETS						
Current assets						
Cash and cash equivalents	\$137,151	\$2,038	\$712,553	\$76,950	\$482,265	\$1,410,957
Receivables (net of allowances for uncollectibles)	20,149	9,068	22,913	5,220		57,350
Other Receivables			5,464			5,464
Due from St. Mary Parish Council		100,422				100,422
Due from component units					37,437	37,437
Due from other governments					77,281	77,281
Prepaid expenses	7,366	9,167	1,488	6,504	25,216	49,741
Other Assets	65		210		2,402	2,677
Total current assets	164,731	120,695	742,628	88,674	624,601	1,741,329
Noncurrent Assets						
Restricted Assets:						
Cash	152,726	17,722	24,630	11,731		206,809
Investments	256,307					256,307
Unamortized debt issuance costs, net				11,288		11,288
Capital Assets						
Improvements, other than buildings, net of accumulated depreciation	1,864,326	1,609,095	1,881,460	2,990,434	743,303	9,088,618
Equipment and furniture, net of accumulated depreciation	57,987		60,510	1,578,494	202,576	1,899,567
Construction in progress	34,107	107,997		29,835		171,939
Total noncurrent assets	2,365,453	1,734,814	1,966,600	4,621,782	945,879	11,634,528
Total assets	\$2,530,184	\$1,855,509	\$2,709,228	\$4,710,456	\$1,570,480	\$13,375,857
LIABILITIES AND NET ASSETS						
Liabilities						
Current liabilities						
Accounts payable	\$8,782	\$160,397	\$991	\$11,606	\$56,256	\$238,032
Accrued liabilities			3,769		4,288	8,057
Accrued interest payable	5,579		1,706			7,285
Due to St. Mary Parish Council					15,820	15,820
Due to component units				580	24,005	24,585
Due to other governments					59,285	59,285
Payable from restricted assets	17,180		20,830			38,010
Current portion of long-term debt	295,000		172,000	11,514		478,514
Total current liabilities	326,541	160,397	199,296	23,700	159,654	869,588
Noncurrent liabilities						
Compensated absences	2,760					2,760
Noncurrent portion of long-term debt	490,000		184,000	1,069,595		1,743,595
Total noncurrent liabilities	492,760	-	184,000	1,069,595	-	1,746,355
Total liabilities	819,301	160,397	383,296	1,093,295	159,654	2,615,943
Net Assets						
Invested in capital assets, net of related debt	1,171,420	1,717,092	1,585,970	3,517,687	945,879	8,938,048
Restricted for:						
Capital projects	45,598					45,598
Debt service	363,435		162,909	11,731		538,075
Other purposes		10,684				10,684
Unrestricted	130,430	(32,664)	577,053	87,743	464,947	1,227,509
Total net assets	1,710,883	1,695,112	2,325,932	3,617,161	1,410,826	10,759,914
Total liabilities and net assets	\$2,530,184	\$1,855,509	\$2,709,228	\$4,710,456	\$1,570,480	\$13,375,857

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	CONSOLIDATED GRAVITY DRAINAGE DISTRICT # 1 OF THE PARISH OF ST. MARY	CONSOLIDATED GRAVITY DRAINAGE DISTRICT # 2 OF THE PARISH OF ST. MARY	GRAVITY DRAINAGE DISTRICT # 6 OF THE PARISH OF ST. MARY	WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY	DRAINAGE DISTRICT # 1 OF GRAVITY DRAINAGE DISTRICT # 2 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
ASSETS						
Current assets						
Cash and cash equivalents	\$497,612	\$2,178,385	\$12,518	\$4,978,665	\$79,612	\$7,746,792
Investments	46,649		393,152			439,801
Other Receivables	518			5,400		5,918
Due from St. Mary Parish Council		54,819	179,667	181		234,667
Due from other governments	3,756		24,208	928		28,892
Prepaid expenses		25,949	8,373			34,322
Other Assets					50	50
Total current assets	548,535	2,259,153	617,918	4,985,174	79,662	8,490,442
Capital Assets						
Land and Improvements		914,054	150,415			1,064,469
Buildings, net of accumulated depreciation	126,386	503,086	23,278			652,750
Improvements, other than buildings, net of accumulated depreciation		1,572,043	156,314	263,959		1,992,316
Equipment and furniture, net of accumulated depreciation	434,218	546,960	116,392	38,587	181,481	1,317,638
Infrastructure	16,801					16,801
Construction in progress		4,547,153	346,273	45,583	118,756	5,057,765
Total noncurrent assets	577,405	8,083,296	792,672	348,129	300,237	10,101,739
Total assets	\$1,125,940	\$10,342,449	\$1,410,590	\$5,333,303	\$379,899	\$18,592,181
LIABILITIES AND NET ASSETS						
Liabilities						
Current liabilities						
Accounts payable	\$45,062	\$7,630	\$9,097	\$6,654	\$2,515	\$70,958
Contracts payable		47,025	179,667			226,692
Retainage payable		197,339	19,963			217,302
Accrued liabilities				2,264	1,261	3,525
Accrued interest payable		18,285		80,125		98,410
Due to other governments				193		193
Current portion of long-term debt		200,000		35,000		235,000
Total current liabilities	45,062	470,279	208,727	124,236	3,776	852,080
Noncurrent liabilities						
Noncurrent portion of long-term debt		4,340,000		3,965,000		8,305,000
Total noncurrent liabilities	-	4,340,000	-	3,965,000	-	8,305,000
Total liabilities	45,062	4,810,279	208,727	4,089,236	3,776	9,157,080
Net Assets						
Invested in capital assets, net of related debt	577,404	3,543,296	792,672	371,474	312,621	5,597,467
Restricted for:						
Capital projects		863,399				863,399
Debt service		806,796		9,375		816,171
Other purposes	46,649					46,649
Unrestricted	456,825	318,679	409,191	863,218	63,502	2,111,415
Total net assets	1,080,878	5,532,170	1,201,863	1,244,067	376,123	9,435,101
Total liabilities and net assets	\$1,125,940	\$10,342,449	\$1,410,590	\$5,333,303	\$379,899	\$18,592,181

ST. MARY PARISH COUNCIL

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DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	FIRE PROTECTION DISTRICT # 1 OF THE PARISH OF ST. MARY	FIRE PROTECTION DISTRICT # 2 OF THE PARISH OF ST. MARY	FIRE PROTECTION DISTRICT # 3 OF THE PARISH OF ST. MARY	FIRE PROTECTION DISTRICT # 11 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
ASSETS					
Current assets					
Cash and cash equivalents	\$997,045	\$3,049	\$203,951	\$3,190	\$1,207,235
Investments	281,239	144,895		126,731	552,865
Due from other governments	68,973	115,902			184,875
Prepaid expenses		980	15,326		16,306
Other Assets	33		1,489	1,682	3,204
Total current assets	1,347,290	264,826	220,766	131,603	1,964,485
Noncurrent Assets					
Restricted Assets:					
Cash			150,908		150,908
Capital Assets					
Land and Improvements	79,671	15,000			94,671
Buildings, net of accumulated depreciation	34,563	63,019		78,164	175,746
Equipment and furniture, net of accumulated depreciation	157,954	184,163	90,030	933,525	1,365,672
Construction in progress		433,407	6,875		440,282
Total noncurrent assets	272,188	695,589	247,813	1,011,689	2,227,279
Total assets	\$1,619,478	\$960,415	\$468,579	\$1,143,292	\$4,191,764
LIABILITIES AND NET ASSETS					
Liabilities					
Current liabilities					
Accounts payable		\$29,927	\$2,568	\$2,420	\$34,915
Accrued liabilities			1,572	1,513	3,085
Current portion of long-term debt		16,419			16,419
Total current liabilities	-	46,346	4,140	3,933	54,419
Noncurrent liabilities					
Noncurrent portion of long-term debt		74,468			74,468
Total noncurrent liabilities	-	74,468	-	-	74,468
Total liabilities	-	120,814	4,140	3,933	128,887
Net Assets					
Invested in capital assets, net of related debt	\$272,188	604,702	468,579	1,011,689	2,357,158
Restricted for:					
Capital projects			150,908		150,908
Unrestricted	1,347,290	234,899	(155,048)	127,670	1,554,811
Total net assets	1,619,478	839,601	464,439	1,139,359	4,062,877
Total liabilities and net assets	\$1,619,478	\$960,415	\$468,579	\$1,143,292	\$4,191,764

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	RECREATION DISTRICT # 1 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 2 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 3 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 4 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 5 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
ASSETS						
Current assets						
Cash and cash equivalents	\$207,185	\$1,049,688	\$15,552	\$88,545	\$2,189,601	\$3,550,571
Investments	922,169	318,267	23,001	327,995		1,591,432
Due from St. Mary Parish Council		37,907	29,524			67,431
Due from other governments	40,870			3,133		44,003
Prepaid expenses		10,978	21,082			32,060
Unamortized bond issue costs		23,646				23,646
Other Assets		60				60
Total current assets	1,170,224	1,440,546	89,159	419,673	2,189,601	5,309,203
Noncurrent Assets						
Restricted Assets:						
Cash			669,298			669,298
Investments			50,000			50,000
Capital Assets						
Land and Improvements	80,000	13,981	268,607	22,000	67,500	452,088
Buildings, net of accumulated depreciation	851,906	750,135	1,164,308	1,146,453		3,912,802
Improvements, other than buildings, net of accumulated depreciation			330,297			330,297
Equipment and furniture, net of accumulated depreciation	97,875	185,168	80,454	2,343		365,840
Construction in progress	234,146	322,678	52,258	75,527	7,085	691,694
Total noncurrent assets	1,263,927	1,271,962	2,615,222	1,246,323	74,585	6,472,019
Total assets	\$2,434,151	\$2,712,508	\$2,704,381	\$1,665,996	\$2,264,186	\$11,781,222
LIABILITIES AND NET ASSETS						
Liabilities						
Current liabilities						
Accounts payable	\$11,890	\$4,353	\$2,256	\$19,058	\$91	\$37,648
Contracts payable	100,982	134,062				235,044
Retainage payable	20,734					20,734
Accrued liabilities			2,016			2,016
Accrued interest payable	5,735	22,294	5,868	3,208	8,079	45,184
Deferred revenue			20,530	4,425		24,955
Current portion of long-term debt	160,000	330,000	110,000	95,000	65,000	760,000
Total current liabilities	299,341	490,709	140,670	121,691	73,170	1,125,581
Noncurrent liabilities						
Noncurrent portion of long-term debt	1,325,000	1,000,000	1,360,000	675,000	1,975,000	6,335,000
Total noncurrent liabilities	1,325,000	1,000,000	1,360,000	675,000	1,975,000	6,335,000
Total liabilities	1,624,341	1,490,709	1,500,670	796,691	2,048,170	7,460,581
Net Assets						
Invested in capital assets, net of related debt	481,082	(58,038)	973,666	516,021	74,585	1,987,316
Restricted for:						
Capital projects		637,445	2,833		65,308	705,586
Debt service	267,760	106,414	168,623	87,171	(5,338)	624,630
Unrestricted	60,968	535,978	58,589	266,113	81,461	1,003,109
Total net assets	809,810	1,221,799	1,203,711	869,305	216,016	4,320,641
Total liabilities and net assets	\$2,434,151	\$2,712,508	\$2,704,381	\$1,665,996	\$2,264,186	\$11,781,222

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	HOSPITAL SERVICE DISTRICT # 1 OF THE PARISH OF ST. MARY	HOSPITAL SERVICE DISTRICT # 2 OF THE PARISH OF ST. MARY	HOSPITAL SERVICE DISTRICT # 3 OF THE PARISH OF ST. MARY	FAIRVIEW TREATMENT CENTER	CLAIRE HOUSE	TOTAL (PAGE ONLY)
ASSETS						
Current assets						
Cash and cash equivalents		\$20,891	\$85,128	\$200	\$200	\$106,419
Investments		2,914,216				2,914,216
Receivables (net of allowances for uncollectibles)	\$3,383,191			226,254		3,609,445
Other Receivables	59,771	31,743	11,547			103,061
Due from St. Mary Parish Council				315,250	117,703	432,953
Due from other governments	994,620			158,677	38,478	1,191,775
Prepaid expenses	161,126	40,711	2,928			204,765
Inventories	490,548					490,548
Total current assets	5,089,256	3,007,561	99,603	700,381	156,381	9,053,182
Noncurrent Assets						
Restricted Assets:						
Cash	2,527	9,133				11,660
Investments		628,196	404,364			1,032,560
Taxes receivable	248,655					248,655
Other			9,756			9,756
Unamortized debt issuance costs, net	2,299					2,299
Capital Assets						
Land and Improvements	7,958		48,998			56,956
Buildings, net of accumulated depreciation	2,693,474		874,630			3,568,104
Improvements, other than buildings, net of accumulated depreciation	14,047		185,290			199,337
Equipment and furniture, net of accumulated depreciation	1,753,868		23,849	171,909	22,154	1,971,780
Total noncurrent assets	4,722,828	637,329	1,546,887	171,909	22,154	7,101,107
Total assets	\$9,812,084	\$3,644,890	\$1,646,490	\$872,290	\$178,535	\$16,154,289
LIABILITIES AND NET ASSETS						
Liabilities						
Current liabilities						
Accounts payable	\$1,748,180		\$8,791			\$1,756,971
Accrued liabilities	604,061		788			604,849
Due to St. Mary Parish Council	145,403					145,403
Payable from restricted assets	406,640					406,640
Indigent Care Payable		\$937,500				937,500
Certificates of indebtedness payable	1,200,000					1,200,000
Total current liabilities	4,104,284	937,500	9,579	-	-	5,051,363
Noncurrent liabilities						
Compensated absences				\$42,027	\$ 11,178	53,205
Indigent Care Payable		750,000				750,000
Total noncurrent liabilities	-	750,000	-	42,027	11,178	803,205
Total liabilities	4,104,284	1,687,500	9,579	42,027	11,178	5,854,568
Net Assets						
Invested in capital assets, net of related debt	4,262,707		1,132,797	171,909	22,154	5,589,567
Restricted for:						
Capital projects		637,329	414,120			1,051,449
Debt service	51,182					51,182
Unrestricted	1,393,911	1,320,061	89,994	658,354	145,203	3,607,523
Total net assets	5,707,800	1,957,390	1,636,911	830,263	167,357	10,299,721
Total liabilities and net assets	\$9,812,084	\$3,644,890	\$1,646,490	\$872,290	\$178,535	\$16,154,289

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	ST. MARY PARISH HOUSING PROGRAM	ST. MARY PARISH LIBRARY	ST. MARY PARISH TOURIST COMMISSION	MOSQUITO CONTROL DISTRICT # 1 OF THE PARISH OF ST. MARY	COMMUNICATIONS DISTRICT - 911 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
ASSETS						
Current assets						
Cash and cash equivalents	\$96,829	\$603,797	\$117,763	\$66,027	\$135,246	\$1,019,662
Investments			673,394			673,394
Receivables (net of allowances for uncollectibles)				57,153		57,153
Other Receivables		1,010			84,853	85,863
Due from other governments		1,271,737	108,780			1,380,517
Prepaid expenses			1,102			1,102
Other Assets				27		27
Total current assets	96,829	1,876,544	901,039	123,207	220,099	3,217,718
Capital Assets						
Land and Improvements			85,467			85,467
Buildings, net of accumulated depreciation		1,447,214	212,392			1,659,606
Equipment and furniture, net of accumulated depreciation		334,707	13,692	2,245	11,921	362,565
Total noncurrent assets	-	1,781,921	311,551	2,245	11,921	2,107,638
Total assets	\$96,829	\$3,658,465	\$1,212,590	\$125,452	\$232,020	\$5,325,356
LIABILITIES AND NET ASSETS						
Liabilities						
Current liabilities						
Accounts payable	\$208	\$14,140	\$17,647	\$984	\$22,247	\$55,226
Accrued liabilities		54,329	3,094			57,423
Due to other governments	83,644	41,931				125,575
Total current liabilities	83,852	110,400	20,741	984	22,247	238,224
Total liabilities	83,852	110,400	20,741	984	22,247	238,224
Net Assets						
Invested in capital assets, net of related debt		1,781,921	311,551	2,245	11,921	2,107,638
Restricted for:						
Capital projects				3,000		3,000
Other purposes	12,977		737,742			750,719
Unrestricted		1,766,144	142,556	119,223	197,852	2,225,775
Total net assets	12,977	3,548,065	1,191,849	124,468	209,773	5,087,132
Total liabilities and net assets	\$96,829	\$3,658,465	\$1,212,590	\$125,452	\$232,020	\$5,325,356

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Net Assets Information - All Discretely Presented Component Units
 December 31, 2003

	ST. MARY PARISH ASSESSOR	ST. MARY PARISH CLERK OF COURT	TOTAL (PAGE ONLY)	TOTAL (DISCRETELY PRESENTED ENTITIES)
ASSETS				
Current assets				
Cash and cash equivalents	\$93,186	\$679,352	\$772,538	\$19,548,694
Investments	52,382	152,775	205,157	7,555,465
Receivables (net of allowances for uncollectibles)		46,041	46,041	4,176,037
Other Receivables	1,524	1,601	3,125	208,608
Due from St. Mary Parish Council		720	720	836,193
Due from component units				37,437
Due from other governments	757,212	151,461	908,673	4,144,013
Prepaid expenses	4,108		4,108	501,076
Inventories				532,514
Unamortized Bond Issue Costs				23,646
Other Assets				6,018
Total current assets	908,412	1,031,950	1,940,362	37,569,701
Noncurrent Assets				
Restricted Assets:				
Cash				1,502,998
Investments				2,116,056
Taxes receivable				248,655
Other				10,170
Unamortized debt issuance costs, net				81,369
Invest in Berwick Bayou Vista Commission				326,403
Capital Assets				
Land and Improvements				2,144,486
Buildings, net of accumulated depreciation				12,594,852
Improvements, other than buildings, net of accumulated depreciation				26,677,953
Equipment and furniture, net of accumulated depreciation	35,586	366,410	401,996	9,090,674
Infrastructure				16,801
Construction in progress				7,183,767
Total noncurrent assets	35,586	366,410	401,996	61,994,184
Total Assets	\$943,998	\$1,398,360	\$2,342,358	\$99,563,885
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities				
Accounts payable	\$18,773	\$9,813	\$28,586	\$2,440,905
Contracts payable				501,142
Retainage payable				275,887
Accrued liabilities				709,196
Accrued interest payable				188,486
Deferred revenue	813,761	100,196	913,957	939,881
Due to St. Mary Parish Council				222,976
Due to component units				55,408
Due to other governments				211,925
Payable from restricted assets				771,908
Indigent Care Payable				937,500
Certificates of indebtedness payable				1,200,000
Current portion of long-term debt	12,164		12,164	1,779,097
Total current liabilities	844,698	110,009	954,707	10,234,311
Noncurrent liabilities				
Compensated absences				55,965
Noncurrent portion of long-term debt	4,657		4,657	22,694,342
Indigent Care Payable				750,000
Total noncurrent liabilities	4,657		4,657	23,500,307
Total liabilities	849,355	110,009	959,364	33,734,618
Net Assets				
Invested in capital assets, net of related debt	18,765	366,410	385,175	40,881,532
Restricted for:				
Capital projects				3,487,176
Debt service				2,354,471
Other purposes				954,096
Unrestricted	75,878	921,941	997,819	18,151,992
Total net assets	94,643	1,288,351	1,382,994	65,829,267
Total liabilities and net assets	\$943,998	\$1,398,360	\$2,342,358	\$99,563,885

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
 Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	WATER&SEWER COMMISSION # 1 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION # 2 OF THE PARISH OF ST. MARY	WATER & SEWER COMMISSION # 5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 5 OF THE PARISH OF ST. MARY	WATERWORKS DISTRICT # 6 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
Expenses						
Water & sewer	\$ 1,114,814	\$ 930,559	\$ 432,413	\$ 954,305	\$ 1,086,707	\$ 4,518,798
Long-term debt expense		1,296	16,270	130,343	166,157	314,066
Total program expenses	1,114,814	931,855	448,683	1,084,648	1,252,864	4,832,864
Program revenues						
Charges for services						
Water & sewer	581,170	699,146	200,058	504,481	773,696	2,758,551
Total charges for services	581,170	699,146	200,058	504,481	773,696	2,758,551
Operating grants and contributions						
Water & sewer	124,097				15,761	139,858
Total operating grants and contributions	124,097	-	-	-	15,761	139,858
Capital grants and contributions						
Water & sewer			20,000			20,000
Total capital grants and contributions	-	-	20,000	-	-	20,000
Net program expenses	409,547	232,709	228,625	580,167	463,407	1,914,455
General revenues						
Taxes:						
Ad valorem taxes levied for general purposes	284,749	456,781	174,124	255,505	459,791	1,630,950
Ad valorem taxes levied for debt service				218,532		218,532
State shared revenue				8,631	18,352	26,983
Investment earnings & interest	17,168	50,499	9,897	5,513	27,436	110,513
Transfer to Agency Fund		(178,000)				(178,000)
Payment from St. Mary Parish Council	25,000					25,000
Payment from Local Government		25,000				25,000
Miscellaneous				1,049		1,049
Total general revenues and transfers	326,917	354,280	184,021	489,230	505,579	1,860,027
Change in net assets	(82,630)	121,571	(44,604)	(90,937)	42,172	(54,428)
Net assets - beginning of year	7,074,003	4,220,787	2,700,092	3,127,259	3,413,174	20,535,315
Net assets - end of year	\$ 6,991,373	\$ 4,342,358	\$ 2,655,488	\$ 3,036,322	\$ 3,455,346	\$ 20,480,887

DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	SEWERAGE DISTRICT # 5 OF THE PARISH OF ST. MARY	SEWERAGE DISTRICT # 7 OF THE PARISH OF ST. MARY	SEWERAGE DISTRICT # 8 OF THE PARISH OF ST. MARY	SEWERAGE DISTRICT # 9 OF THE PARISH OF ST. MARY	WARDS 5 & 8 JOINT SEWERAGE COMMISSION OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
<u>Expenses</u>						
Water & sewer	\$470,558	\$258,764	\$335,833	\$281,775	\$524,657	\$1,871,587
Long-term debt expense			24,208	48,792		73,000
Total program expenses	<u>470,558</u>	<u>258,764</u>	<u>360,041</u>	<u>330,567</u>	<u>524,657</u>	<u>1,944,587</u>
<u>Program revenues</u>						
Charges for services						
Water & sewer	192,106	91,356	134,023	275,467	507,736	1,200,688
Total charges for services	<u>192,106</u>	<u>91,356</u>	<u>134,023</u>	<u>275,467</u>	<u>507,736</u>	<u>1,200,688</u>
Operating grants and contributions						
Water & sewer		14,003		44,851		58,854
Total operating grants and contributions	<u>-</u>	<u>14,003</u>	<u>-</u>	<u>44,851</u>	<u>-</u>	<u>58,854</u>
Capital grants and contributions						
Water & sewer		182,383				182,383
Total capital grants and contributions	<u>-</u>	<u>182,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,383</u>
Net program expenses (revenues)	<u>278,452</u>	<u>(28,978)</u>	<u>226,018</u>	<u>10,249</u>	<u>16,921</u>	<u>502,662</u>
<u>General revenues</u>						
Taxes:						
Ad valorem taxes levied for general purposes	319,379		331,171			650,550
Investment earnings & interest	8,324	251	11,072	105	5,184	24,936
Payment from St. Mary Parish Council	51,032	70,692			13,723	135,447
Miscellaneous	4,392	4,128	3,532	1,106		13,158
Total general revenues and transfers	<u>383,127</u>	<u>75,071</u>	<u>345,775</u>	<u>1,211</u>	<u>18,907</u>	<u>824,091</u>
Change in net assets	104,675	104,049	119,757	(9,038)	1,986	321,429
Net assets - beginning of year	1,606,208	1,591,063	2,206,175	3,626,199	1,408,840	10,438,485
Net assets - end of year	<u>\$1,710,883</u>	<u>\$1,695,112</u>	<u>\$2,325,932</u>	<u>\$3,617,161</u>	<u>\$1,410,826</u>	<u>\$10,759,914</u>

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	CONSOLIDATED GRAVITY DRAINAGE DISTRICT # 1 OF THE PARISH OF ST. MARY	CONSOLIDATED GRAVITY DRAINAGE DISTRICT # 2 OF THE PARISH OF ST. MARY	GRAVITY DRAINAGE DISTRICT # 6 OF THE PARISH OF ST. MARY	WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY	SUB-GRAVITY DRAINAGE DISTRICT # 1 OF GRAVITY DRAINAGE DISTRICT # 2 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
<u>Expenses</u>						
General government				\$266,786	\$107,506	\$374,292
Drainage	\$1,014,306	\$763,880	\$159,512	163,535	89,403	2,190,636
Total program expenses	1,014,306	763,880	159,512	430,321	196,909	2,564,928
<u>Program revenues</u>						
Charges for services						
Drainage				9,365		9,365
Total charges for services	-	-	-	9,365	-	9,365
Operating grants and contributions						
Drainage	70,641	29,077	13,669	28,671		142,058
Total operating grants and contributions	70,641	29,077	13,669	28,671	-	142,058
Net program expenses	943,665	734,803	145,843	392,285	196,909	2,413,505
<u>General revenues</u>						
Taxes:						
Ad valorem taxes levied for general purposes	834,467	868,692	176,169	277,534	124,471	2,281,333
State shared revenue	60,795			33,357	12,071	106,223
Investment earnings & interest	6,928	43,564	5,095	31,088		86,675
Payment from St. Mary Parish Council	3,333	594,032	199,667			797,032
Payment from Local Government	3,333					3,333
Miscellaneous				15,920	2,230	18,150
Total general revenues and transfers	908,856	1,506,288	380,931	357,899	138,772	3,292,746
Change in net assets	(34,809)	771,485	235,088	(34,386)	(58,137)	879,241
Net assets - beginning of year	1,115,687	4,760,685	966,775	1,278,453	434,260	8,555,860
Net assets - end of year	\$1,080,878	\$5,532,170	\$1,201,863	\$1,244,067	\$376,123	\$9,435,101

ST. MARY PARISH COUNCIL

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DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	FIRE PROTECTION DISTRICT # 1 OF THE PARISH OF ST. MARY	FIRE PROTECTION DISTRICT # 2 OF THE PARISH OF ST. MARY	FIRE PROTECTION DISTRICT # 3 OF THE PARISH OF ST. MARY	FIRE PROTECTION DISTRICT # 11 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
<u>Expenses</u>					
General government	\$25,384				\$25,384
Fire Protection	32,242	\$94,929	\$134,957	\$152,899	415,027
Long-term debt expense		5,422			5,422
Total program expenses	<u>57,626</u>	<u>100,351</u>	<u>134,957</u>	<u>152,899</u>	<u>445,833</u>
<u>Program revenues</u>					
Capital grants and contributions					
Fire Protection		280,467			280,467
Total capital grants and contributions	<u>-</u>	<u>280,467</u>	<u>-</u>	<u>-</u>	<u>280,467</u>
Net program expenses (revenues)	<u>57,626</u>	<u>(180,116)</u>	<u>134,957</u>	<u>152,899</u>	<u>165,366</u>
<u>General revenues</u>					
Taxes:					
Ad valorem taxes levied					
for general purposes	75,724	145,857	177,420	176,078	575,079
Investment earnings & interest	14,231	2,503	3,836	2,386	22,956
Payment from St. Mary Parish Council	15,826			81,664	97,490
Miscellaneous			5,682		5,682
Total general revenues and transfers	<u>105,781</u>	<u>148,360</u>	<u>186,938</u>	<u>260,128</u>	<u>701,207</u>
Change in net assets	48,155	328,476	51,981	107,229	535,841
Net assets - beginning of year	<u>1,571,323</u>	<u>511,125</u>	<u>412,458</u>	<u>1,032,130</u>	<u>3,527,036</u>
Net assets - end of year	<u>\$1,619,478</u>	<u>\$839,601</u>	<u>\$464,439</u>	<u>\$1,139,359</u>	<u>\$4,062,877</u>

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	RECREATION DISTRICT # 1 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 2 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 3 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 4 OF THE PARISH OF ST. MARY	RECREATION DISTRICT # 5 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
<u>Expenses</u>						
Recreation	\$351,145	\$328,649	\$323,731	\$227,605	\$11,030	\$1,242,160
Long-term debt expense	58,321			40,970	112,325	211,616
Total program expenses	<u>409,466</u>	<u>328,649</u>	<u>323,731</u>	<u>268,575</u>	<u>123,355</u>	<u>1,453,776</u>
<u>Program revenues</u>						
Charges for services						
Recreation	18,592	11,982	35,954	40,248		106,776
Total charges for services	<u>18,592</u>	<u>11,982</u>	<u>35,954</u>	<u>40,248</u>	-	<u>106,776</u>
Operating grants and contributions						
Recreation					500	500
Total operating grants and contributions	-	-	-	-	<u>500</u>	<u>500</u>
Capital grants and contributions						
Recreation			6,741			6,741
Total capital grants and contributions	-	-	<u>6,741</u>	-	-	<u>6,741</u>
Net program expenses	<u>390,874</u>	<u>316,667</u>	<u>281,036</u>	<u>228,327</u>	<u>122,855</u>	<u>1,339,759</u>
<u>General revenues</u>						
Taxes:						
Sales and use	225,090	54,837				279,927
Ad valorem taxes levied for general purposes	192,429	437,329	239,274	225,445	319,209	1,413,686
Investment earnings & interest	7,593	16,134	8,585		18,144	50,456
Payment from St. Mary Parish Council			135,026	99,668		234,694
Payment from Local Government				24,556		24,556
Miscellaneous		2,083	200	68,057		70,340
Total general revenues and transfers	<u>425,112</u>	<u>510,383</u>	<u>383,085</u>	<u>417,726</u>	<u>337,353</u>	<u>2,073,659</u>
Change in net assets	34,238	193,716	102,049	189,399	214,498	733,900
Net assets - beginning of year	775,572	1,028,083	1,101,662	679,906	1,518	3,586,741
Net assets - end of year	<u>\$809,810</u>	<u>\$1,221,799</u>	<u>\$1,203,711</u>	<u>\$869,305</u>	<u>\$216,016</u>	<u>\$4,320,641</u>

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	HOSPITAL SERVICE DISTRICT # 1 OF THE PARISH OF ST. MARY	HOSPITAL SERVICE DISTRICT # 2 OF THE PARISH OF ST. MARY	HOSPITAL SERVICE DISTRICT # 3 OF THE PARISH OF ST. MARY	FAIRVIEW TREATMENT CENTER	CLAIRE HOUSE	TOTAL (PAGE ONLY)
<u>Expenses</u>						
General government		\$ 86,911				\$ 86,911
Medical care	\$ 12,099,920	10,226	\$ 287,412	\$ 2,640,697	\$ 681,017	\$ 15,719,272
Total program expenses	12,099,920	97,137	287,412	2,640,697	681,017	15,806,183
<u>Program revenues</u>						
Charges for services						
Medical care	10,695,808		235,000	171,732		11,102,540
Total charges for services	10,695,808	-	235,000	171,732	-	11,102,540
Operating grants and contributions						
Medical care				2,545,645	777,810	3,323,455
Total operating grants and contributions	-	-	-	2,545,645	777,810	3,323,455
Net program expenses (revenues)	1,404,112	97,137	52,412	(76,680)	(96,793)	1,380,188
<u>General revenues</u>						
Taxes:						
Sales and use						
Ad valorem taxes levied for general purposes	1,440,708	5				1,440,713
Ad valorem taxes levied for debt service	342,910					342,910
Investment earnings & interest		146,858	15,389			162,247
Miscellaneous	33,422	93,983				127,405
Total general revenues and transfers	1,817,040	240,846	15,389	-	-	2,073,275
Change in net assets	412,928	143,709	(37,023)	76,680	96,793	693,087
Net assets - beginning of year	5,294,872	1,813,681	1,673,934	753,583	70,564	9,606,634
Net assets - end of year	\$ 5,707,800	\$ 1,957,390	\$ 1,636,911	\$ 830,263	\$ 167,357	\$ 10,299,721

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	ST. MARY PARISH HOUSING PROGRAM	ST. MARY PARISH LIBRARY	ST. MARY PARISH TOURIST COMMISSION	MOSQUITO CONTROL DISTRICT # 1 OF THE PARISH OF ST. MARY	COMMUNICATIONS DISTRICT - 911 OF THE PARISH OF ST. MARY	TOTAL (PAGE ONLY)
Expenses						
General government				\$4,403		\$4,403
Health and welfare				48,838		48,838
Library		\$1,376,131				1,376,131
Tourism			\$365,022			365,022
Housing Program	\$406,234					406,234
Public safety					\$425,796	425,796
Total program expenses	406,234	1,376,131	365,022	53,241	425,796	2,626,424
Program revenues						
Charges for services						
Library		5,514				5,514
Public safety					475,693	475,693
Total charges for services	-	5,514	-	-	475,693	481,207
Operating grants and contributions						
Library		24,461				24,461
Housing Program	391,472					391,472
Public safety					1,946	1,946
Total operating grants and contributions	391,472	24,461	-	-	1,946	417,879
Net program expenses	14,762	1,346,156	365,022	53,241	(51,843)	1,727,338
General revenues						
Taxes:						
Ad valorem taxes levied for general purposes		1,274,607		62,336		1,336,943
State shared revenue		53,965				53,965
Investment earnings & interest	1,265	14,050	7,506	975		23,796
Hotel Motel Tax			263,570			263,570
State Grants			302,948			302,948
Payment from St. Mary Parish Council		27,000				27,000
Miscellaneous		11,937				11,937
Total general revenues and transfers	1,265	1,381,559	574,024	63,311	-	2,020,159
Change in net assets	(13,497)	35,403	209,002	10,070	51,843	292,821
Net assets - beginning of year	26,474	3,512,662	982,847	114,398	157,930	4,794,311
Net assets - end of year	\$12,977	\$3,548,065	\$1,191,849	\$124,468	\$209,773	\$5,087,132

ST. MARY PARISH COUNCIL

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DISCRETELY PRESENTED COMPONENT UNITS
Combining Schedule of Statements of Activities - All Discretely Presented Component Units

For the Year Ended December 31, 2003

	ST. MARY PARISH ASSESSOR	ST. MARY PARISH CLERK OF COURT	TOTAL (PAGE ONLY)	TOTAL DISCRETELY PRESENTED COMPONENT UNITS
<u>Expenses</u>				
General government	\$882,519	\$1,331,948	\$2,214,467	\$2,705,457
Water & sewer				6,390,385
Drainage				2,190,636
Fire Protection				415,027
Recreation				1,242,160
Health and welfare				48,838
Medical care				15,719,272
Library				1,376,131
Tourism				365,022
Housing Program				406,234
Public safety				425,796
Long-term debt expense	2,914		2,914	607,018
Total program expenses	885,433	1,331,948	2,217,381	31,891,976
<u>Program revenues</u>				
Charges for services				
General government	17,903	1,298,044	1,315,947	1,315,947
Water & sewer				3,959,239
Drainage				9,365
Recreation				106,776
Medical care				11,102,540
Library				5,514
Public safety				475,693
Total charges for services	17,903	1,298,044	1,315,947	16,975,074
Operating grants and contributions				
Water & sewer				198,712
Drainage				142,058
Recreation				500
Medical care				3,323,455
Library				24,461
Housing Program				391,472
Public safety				1,946
Total operating grants and contributions	-	-	-	4,082,604
Capital grants and contributions				
Water & sewer				202,383
Fire Protection				280,467
Recreation				6,741
Total capital grants and contributions	-	-	-	489,591
Net program expenses	867,530	33,904	901,434	10,344,707
<u>General revenues</u>				
Taxes:				
Sales and use				279,927
Ad valorem taxes levied for general purposes	783,244		783,244	10,112,498
Ad valorem taxes levied for debt service				561,442
Hotel Motel Tax				263,570
Occupational Licenses		5,726	5,726	5,726
State shared revenue	55,814		55,814	242,985
Investment earnings & interest	5,814	17,222	23,036	504,615
Transfer to Agency Fund				(178,000)
State Grants				302,948
Payment from St. Mary Parish Council				1,316,663
Payment from Local Government				52,889
Miscellaneous		8,610	8,610	256,331
Total general revenues and transfers	844,872	31,558	876,430	13,721,594
Change in net assets	(22,658)	(2,346)	(25,004)	3,376,887
Net assets - beginning of year	117,301	1,290,697	1,407,998	62,452,380
Net assets - end of year	\$94,643	\$1,288,351	\$1,382,994	\$65,829,267

ST. MARY PARISH COUNCIL

DISCRETELY PRESENTED COMPONENT UNITS

Combining Statements of Fiduciary Net Assets - All Discretely Presented Component Units
December 31, 2003

	St. Mary Parish Sales and Use Tax Dept.	St. Mary Parish Clerk of Court	Sewer District District No. 7 of the Parish of St. Mary	Total Discretely Presented Component Units
Assets				
Cash	\$ 9,475	\$ 23,599,955	\$ 8,752	\$ 23,618,182
Investments	1,751,686	229,262		1,980,948
Receivables	2,097,919	117,687	199,397	2,415,003
Investments - restricted	60,653			60,653
Prepaid expenses	1,500	-	-	1,500
	<u>\$ 3,921,233</u>	<u>\$ 23,946,904</u>	<u>\$ 208,149</u>	<u>\$ 28,076,286</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 215		\$ 48	\$ 263
Amounts due to taxing units	3,855,689			3,855,689
Retained taxes collected	65,329			65,329
Unsettled deposits		\$ 400,299		400,299
Due to litigants		23,546,605		23,546,605
Due to special assessment note holders	-	-	208,101	208,101
	<u>\$ 3,921,233</u>	<u>\$ 23,946,904</u>	<u>\$ 208,149</u>	<u>\$ 28,076,286</u>

GENERAL SUPPLEMENTARY INFORMATION

ST. MARY PARISH COUNCIL
Compensation Paid Council Members and Parish President
For the Year Ended December 31, 2003

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

Kenneth Alfred	\$5,400
Steve Bierhorst	5,400
William Cefalu, Parish President	12,000
Joe Davis, Jr.	5,400
Michael Domingue	5,400
Keith Leonard	5,400
Paul Naquin, Jr.	9,618
Murphy Pontiff	5,400
Merlin Price, Jr.	5,400
Calvin Savoy	5,400
Frank Peter Soprano	10,182
Charles A. Walters	<u>9,560</u>
	<u>\$84,560</u>

SUPPLEMENTARY INFORMATION REQUIRED BY OMB CIRCULAR A-133.

AUDITS OF STATES, LOCAL GOVERNMENTS, AND

NON-PROFIT ORGANIZATIONS

ST. MARY PARISH COUNCIL
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
<u>PRIMARY GOVERNMENT ONLY</u>			
<u>U.S. Department of Transportation</u>			
Federal Aviation Administration			
Passed through Louisiana Department of Transportation and Development			
Airport Improvement Program	20.106	\$103,246	\$103,246
Federal Highway Administration			
Passed through Louisiana Department of Transportation and Development			
Highway Planning and Construction	20.205	659,526	659,526
Total U.S. Department of Transportation		<u>762,772</u>	<u>762,772</u>
<u>U.S. Department of the Interior</u>			
Bureau of Land Management			
Payments in Lieu of Taxes	15.226	3,703	3,703
Passed through Louisiana Department of Wildlife and Fisheries			
Sport Fish Restoration			
North Bend Boat Launch	15.605	241,500	241,500
Jesse Fontenot Memorial Boat Landing	15.605	111,750	111,750
Total U.S. Department of the Interior		<u>356,953</u>	<u>356,953</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Planning and Development			
Passed through Louisiana Department of Social Services Office of Community Services			
Emergency Shelter Grants	14.231	10,427	10,427
Total U.S. Department of Housing and Urban Development		<u>10,427</u>	<u>10,427</u>
<u>Federal Emergency Management Agency</u>			
Passed through the Louisiana Department of Military Affairs-Office of Emergency Preparedness			
Civil Defense-State and Local Emergency Management Assistance			
Public Assistance Grants	83.503	36,305	36,305
	83.544	477,605	477,605
Total Federal Emergency Management Agency		<u>513,910</u>	<u>513,910</u>
<u>U.S. Department of Justice</u>			
Bureau of Justice Assistance Drug Court Discretionary Grant			
	16.585	124,066	124,066
Passed through the St. Mary Parish Sheriff's Office			
Local Law Enforcement Block Grant	16.592	32,191	32,191
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Juvenile Accountability Incentive Block Grant	16.523	61,081	61,081
Total U.S. Department of Justice		<u>217,338</u>	<u>217,338</u>

The accompanying notes are an integral part of this schedule.

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE (Component Unit Receiving Award)	FEDERAL CFDA NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
<u>U.S. Department of Agriculture</u>			
Rural Utilities Service			
Community Facilities Loan and Grants	10.766		1,109,134
Total U.S. Department of Agriculture			1,109,134
Total Primary Government Federal Financial Assistance		\$1,861,400	\$2,970,534
<u>COMPONENTS UNITS ONLY</u>			
<u>Federal Emergency Management Agency</u>			
Passed through the Louisiana Department of Military Affairs-Office of Emergency Preparedness			
Public Assistance Grants (Water & Sewer Commission No. 1)	83.544	\$14,597	\$14,597
Public Assistance Grants (Waterworks District No.6)	83.544	6,916	6,916
Public Assistance Grants (Sewerage District No. 7)	83.544	1,408	1,408
Public Assistance Grants (Consolidated Gravity Drainage District No. 1)	83.544	62,614	62,614
Public Assistance Grants (Consolidated Gravity Drainage District No. 2)	83.544	29,077	29,077
Public Assistance Grants (Consolidated Gravity Drainage District No. 6)	83.544	13,669	13,669
Public Assistance Grants (Recreation District No. 3)	83.544	6,741	6,741
Public Assistance Grants (St. Mary Communications District)	83.544	1,946	
Total Federal Emergency Management Agency		136,968	135,022
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Office of Rural Development Water and Waste Disposal Systems for Rural Communities			
Waterworks District No. 6	10.760	7,959	7,959
Sewerage District No. 9	10.760	44,851	44,851
Total U.S. Department of Agriculture		52,810	52,810
<u>U.S. Department of Health and Human Services</u>			
Passed through Louisiana Supreme Court Temporary Assistance for Needy Families (Fairview Treatment Center)			
Temporary Assistance for Needy Families (Claire House)	93.558	439,065	439,065
Temporary Assistance for Needy Families (Claire House)	93.558	777,810	681,017
Passed through Public Health Service Louisiana Department of Health and Hospitals Office of Human Services, Division of Alcohol and Drug Abuse			
Substance Abuse Prevention and Treatment Block Grant (Fairview Treatment Center)	93.959	1,588,055	1,588,055
Total U.S. Department of Health and Human Services		2,804,930	2,708,137

The accompanying notes are an integral part of this schedule.

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE (Component Unit Receiving Award)	FEDERAL CFDA NUMBER	REVENUE RECOGNIZED	EXPENDITURES INCURRED
<u>U.S. Department of Housing and Urban Development</u>			
Housing-Federal Housing Commissions Section 8 Housing Choice Vouchers (St. Mary Parish Housing Program)	14.871	391,472	406,234
Total U.S. Department of Housing and Urban Development		<u>391,472</u>	<u>406,234</u>
Total Component Units Federal Financial Assistance		<u>3,386,180</u>	<u>3,302,203</u>
Total Primary Government and Component units Federal Financial Assistance		<u>\$5,247,580</u>	<u>\$6,272,737</u>

The accompanying notes are an integral part of this schedule.

ST. MARY PARISH COUNCIL

Notes to Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2003

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Council's federal award programs presented for governmental funds accounting in accordance with generally accepted accounting principles, except for Community Facilities Loans and Grants, which is detailed in Note 4.

Note 2 - AIRPORT IMPROVEMENT PROGRAM

During the year, the Council expended funds from the Airport Improvement Program for the following projects:

Parallel Taxi way	\$61,429
Lighting Rehabilitation	18,428
Apron Rehabilitation	<u>23,389</u>
	<u>\$103,246</u>

Note 3 - PUBLIC ASSISTANCE GRANTS

The following is a detail of revenues from the Federal Emergency Management Agency (FEMA) detailed by fund:

Funds Related to Hurricane Lili:	
General Fund	\$119,354
<u>Special Revenue Funds</u>	
Road Construction & Maintenance Fund	32,613
Joe C Russo Boat Landing Fund	14,372
Jesse Fontenot Memorial Boat Landing Fund	25,939
Quintana Boat Landing Fund	59,496
Hurricane Lili Fund	<u>225,831</u>
	<u>\$477,605</u>

Note 4 - COMMUNITY FACILITIES LOANS AND GRANTS

Community Facilities Loans and Grants is a loan to the Council. Proceeds from the loan received during the current year are presented as revenue in the Schedule of Expenditures of Federal Awards. The Federal government is at risk for the entire amount of the loan until it is repaid and the Council is subject to certain compliance requirements related to the loan until it is repaid. Therefore the balance of the loan outstanding at year end is reported as expenditures.

Proceeds received and reported in 1999	\$ 50,000
Proceeds received and reported in 2000	834,337
Proceeds received and reported in 2001	306,663
Principal paid in 2001	(37,511)
Principal paid in 2002	(19,866)
Principal paid in 2003	(<u>24,489</u>)
Amount outstanding at December 31, 2003	<u>\$1,109,134</u>

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE



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

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

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Road Construction & Maintenance Fund, and Sanitation Fund of the St. Mary Parish Council, as of and for the year ended December 31, 2003, which collectively comprises the St. Mary Parish Council's basic financial statements and have issued our report thereon dated August 31, 2004. We did not audit the financial statements of twenty-nine of the forty discretely presented component units, which represent 86 percent and 88 percent, respectively, of the total assets and total revenues of the discretely presented component units of the St. Mary Parish Council. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for the St. Mary Parish Council, was based solely on reports of 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.

Compliance

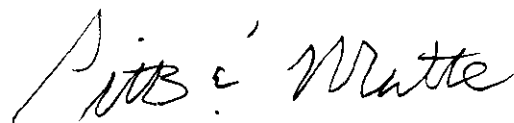
As part of obtaining reasonable assurance about whether the St. Mary Parish Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the tests of other auditors, disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 2003-1, 2003-2, 2003-3, 2003-4, 2003-5, 2003-8, 2003-9, 2003-10, and 2003-11.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Mary Parish Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of *expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.* However, we noted, and the reports of other auditors noted, certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. Mary Parish Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-6, 2003-7, 2003-12, 2003-13, and 2003-14.

A material weakness is a condition in which the design or operation of one or more of the *internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.* Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses. However, we believe all of the reportable conditions noted above are material weaknesses.

This report is intended for the information of management, the finance committee of the St. Mary Parish Council, federal awarding agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2004



a corporation of
certified public accountants

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

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

Compliance

We have audited the compliance of the St. Mary Parish Council with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003. The Council and three of its discretely presented component units receive major federal financial assistance programs as shown in the summary of audit results section of the accompanying schedule of findings and questioned costs. We did not audit the compliance of two of these discretely presented component units. The compliance of these two discretely presented component units was audited by other auditors whose reports have been furnished to us and our opinion, insofar, as it relates to those component units' compliance is based on the reports of those other auditors. The St. Mary 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. Mary Parish Council's and component units' management. Our responsibility is to express an opinion on the St. Mary Parish Council's compliance based on our audit and the reports of other auditors.

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 St. Mary Parish Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination on the St. Mary Parish Council's compliance with those requirements.

As described in item 2003-15 in the accompanying schedule of findings and questioned costs the St. Mary Parish Council, did not comply with requirements regarding bond covenants that are applicable to its Community Facilities Loans and Grants. Compliance with such requirements is necessary, in our opinion, for the St. Mary Parish Council, to comply with requirements applicable to that program.

Also, as described in item 2003-16 in the accompanying schedule of findings and questioned costs, St. Mary Parish Housing Program did not comply with requirements regarding cash management that are applicable to Section 8 Housing Choice Vouchers Program. Compliance with this requirement is necessary, in our opinion, for the St. Mary Parish Housing Program, to comply with requirements applicable to that program.

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance described in the preceding paragraphs, the St. Mary 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. The results of our auditing procedures also disclosed one other instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2003-17.

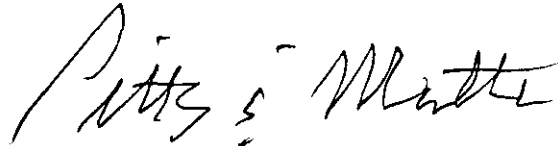
Internal Control Over Compliance

The management of the St. Mary Parish Council and the component units are responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the St. Mary Parish Council's internal control over compliance with requirements that could have 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.

We noted two matters involving the internal control over compliance and its operation related to a major federal program that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the St. Mary Parish Council's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. These reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-16 and 2003-17.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions described above, items 2003-16 and 2003-17 to be material weaknesses.

This report is intended for the information of management, the finance committee of the St. Mary Parish Council, federal awarding agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is a public record and may be distributed by the Legislative Auditor.

A handwritten signature in cursive script, appearing to read "Pitts & Matte".

CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2004

ST. MARY PARISH COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the St. Mary Parish Council.
2. Five reportable conditions are disclosed during the audit of the basic financial statements to be reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. All of these conditions are considered to be material weaknesses.
3. Nine instances of noncompliance material to the basic financial statements of the St. Mary Parish Council were disclosed during the audit.
4. *Two reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. Both of these conditions are considered to be material weaknesses.*
5. The auditors' report on compliance for the major federal award programs for the St. Mary Parish Council expresses a qualified opinion and three findings of noncompliance are reported.
6. Three findings of noncompliance relative to the major federal award programs for the St. Mary Parish Council, two findings of internal control relative to the major federal award programs for the St. Mary Parish Council are being reported in Part C of this Schedule.
7. The programs tested as major programs include:
 - Primary Government
 - Public Assistance Grants (CFDA No. 83.544)
 - Community Facilities Loans and Grants (CFDA No. 10.766)
 - Highway Planning and Construction (CFDA No. 20.205)
 - Sport Fish Restoration (CFDA No. 15.605)

 - Component Units
 - Section 8 Housing Choice Vouchers (CFDA No. 14.871)-St. Mary Parish Housing Program
 - Temporary Assistance for Needy Families (CFDA No. 93.558) - Claire House and Fairview Treatment Center
 - Substance Abuse Prevention and Treatment Block Grant (CFDA No. 93.959)- Fairview Treatment Center
8. The threshold for distinguishing types A and B programs was \$300,000.
9. St. Mary Parish Council was not determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

ITEMS RELATED TO PRIMARY GOVERNMENT

NONCOMPLIANCE

ITEM NO. 2003-1 Budget Monitoring

Auditors' Comments

Condition: During the course of the audit for the year ended December 31, 2003 it was noted that several of the Parish's individual funds needed budget amendments that were not made.

Criteria: The St. Mary Parish budget ordinance requires that budgets be amended when certain conditions exist. These conditions are explained in detail below.

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

Cause: Although the cause of the above condition was not fully determined the following appears to have a significant effect. Although the Parish makes accruals for payables and receivables at year end, adjustments are not made in the interim period. When significant differences exist between payables and receivables from year to year, the amount of funds that appear to be available or costs that appear to have been incurred can be distorted. Failure to recognize the effect of these differences can lead to variances between budgeted and actual activity.

Recommendation: The Council should develop an ongoing budget monitoring program. The significance of accruals for major revenues and expenditures should be considered periodically during the year.

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

Auditors' Detailed Comments

According to the budget ordinance, the Administration shall notify the Council within thirty days of an actual account fluctuation from budget of five percent, up or down, in revenues or expenditures. Notification was not made and the following budgets were not amended although the following actual revenues exceeded budgeted revenues by five percent or more:

<u>Funds</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Special Revenue Funds				
Jesse Fontenot Memorial Boat Landing Fund	\$155,391	\$127,407	\$27,985	22.%
Marcel Boat Landing Fund	10,055	8,600	1,455	16.9%

Notification was not made and the following budgets were not amended although actual revenues were more than five percent below budgeted revenues:

<u>Funds</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Special Revenue Fund				
Wards 1,2,3,4,7&10 Sales Tax Fund	\$327,524	\$355,881	\$28,357	8%
Hurricane Lili Fund	61,766	77,646	15,880	20.5%

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

<u>Funds</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Special Revenue Funds				
Road Construction & Maintenance Fund	\$3,113,701	\$3,376,043	\$262,342	7.8%
Wards 5 & 8 Sales Tax Fund	377,214	405,109	27,895	6.9%
Wards 1,2,3,4,7&10 Sales Tax Fund	495,807	560,436	64,629	11.5%
Hurricane Lili Fund	215,255	286,572	71,317	24.9%
Jesse Fontenot Memorial Boat Landing Fund	95,170	103,977	8,807	8.5%
Quintana Boat Landing Fund	2,815	25,842	23,027	89.1%

Management's Response: All funds are reviewed and monitored monthly. The Parish Council will be provided with a monthly financial report reflecting deviations in revenues and expenditures of all budgets. In addition, budgets will be adjusted monthly within functions and will be further adjusted with budget amendments to achieve the 5% deviation requirement compliance. Accruals of revenues and expenditures will be reviewed and adjusted during the year. Management will continue to monitor all budgets closely in order to remain within the 5% deviation requirement.

ITEM NO. 2003-2 FUND DEFICITS

Auditors' Comments

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

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

Effect: Violation of state statute.

Cause: For the Special Revenue Fund and Capital Projects Funds, the Council expended amounts in excess of fund balance, revenues, and other financing sources.

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

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

<u>Fund</u>	<u>Deficit Amount</u>
<u>Special Revenue Fund</u>	
Re-entry Drug Court Fund	\$(10,234)
<u>Capital Projects Funds</u>	
Amelia & Vicinity Fund	(1,033,819)
Wards 5 & 8 Fund	(1,525,787)
Spine Road Construction Fund	(7,780)

Management's Response: The fund deficit in the Special Revenue Fund (Re-entry Drug Court Fund) and the Spine Road Construction Fund will be funded in 2004 from other revenue sources. The Capital Project Fund deficits related to the Sewer Project areas will be resolved in 2004 when the bonds are paid off by consolidating certain existing capital project funds into one fund.

ITEM NO. 2003-3 NONCOMPLIANCE WITH BOND COVENANTS RELATED TO JAIL FACILITY

Auditors' Comments

Condition: We noted during the audit that the Council did not comply with the loan covenant related to "Accounting for System Revenues".

Criteria: The loan agreements for the \$1,196,000 Revenue Bonds Series B, 1999 state that the Council shall maintain books and records of all transactions relating to the jail facilities, and present annual audited financial statements on those operations along with other information related to the jail operations.

Effect: Failure to comply with these provisions could be considered a breach of covenants with the bond agreements, and the lender could require compliance with these requirements or place the Council in default.

Cause: The Council does not maintain all the books and records of transactions relating to the jail operations. The Sheriff of St. Mary Parish actually operates the jail, and a significant portion of jail operations are included with the operations of the Sheriff's department.

Recommendation: The Council should have the information audited and reported along with the other financial information required by the lender.

Management's Response: Management is planning to refinance these bonds in 2004.

ITEM 2003-4 BUDGETS

Auditors' Comments

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

Re-entry Drug Court
OJP Juvenile Drug Court
Local Law Enforcement Block Grant #2
Juvenile Incentive Block Grant

Criteria: State law requires budgets for all Special Revenue Funds.

Effect: Failure to adopt an annual budget for a special revenue fund is a violation of state law.

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

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

Management's Response: Budgets were not adopted for these Special Revenue Funds which were funded with State and Federal Grants because the grant periods differ significantly from the Parish's calendar year. Budgets will be adopted in 2004 in order to comply with state law.

ITEM 2003-5 TIMELINESS OF AUDIT

Auditors' Comments

Condition: Each year the St. Mary Parish Council issues a primary government audited financial statement. This statement meets the requirement of state law. This statement was issued within the applicable deadlines. For 2003, the Council also is issuing a reporting entity "parish-wide" audited financial statement. This report covers both the Council and its' approximately forty component entities. This report was not completed with the deadline set by state law.

Criteria: Louisiana revised statues require the St. Mary Parish Council have its audit complete within six months of year end.

Effect: Violation of state statue.

Cause: There was insufficient time to complete the audit after the receipt of the component units' audit reports. Most of the component units have a September year end and their audit reports are completed and submitted by the end of March. The St. Mary Parish Council and some of the component units have December year ends. The St. Mary Parish Council's report is generally delivered in May; however, some of the other component units reports are not delivered until the end of June.

Recommendation: The Council needs to have all of the component units' audit reports completed by the end of April, including those with December year ends.

Management's Response: Management of the Council will request that all component units complete and furnish their audited financial statements to the Council no later than April 30.

INTERNAL CONTROL

Material Weaknesses

ITEM NO. 2003- 6 FUNDS DEPOSITED INTO WRONG ACCOUNT

Auditors' Comments

Condition: The Council contracts with an outside party to administer its community development block grant funds. During the year, a grantor erroneously electronically transferred a state grant in the amount of \$50,000. not related to the community development block grant. into the community development block grant account. This was not discovered until the audit was performed.

Criteria: The Council, through the contracted third party administrator, is responsible for maintaining books and records to properly record transactions of the program.

Effect: Management was unaware that these grant funds were available.

Cause: Because of the small number of transactions in the program, revenues and expenditures are not recorded monthly. Bank reconciliations are not prepared on a monthly basis.

Recommendation: We recommend that bank reconciliations be prepared on a monthly basis and submitted to management of the Council for review.

Management's Response: Management has required that bank reconciliations be completed and filed with Finance Department by the 25th of the month following the statement period. Management will closely monitor this requirement and review the monthly statements to ensure compliance and alleviate future problems.

ITEM NO. 2003- 7 UNISSUED CHECK

Auditors' Comments

Condition: It was noted during the audit that the Council purchased a cashier's check in the amount of \$137,710 that was never issued. However, on the books of the Council cash was reduced and an expenditure was recorded.

Criteria: The Council is responsible for maintaining records that accurately reflect the actual transactions of the Council.

Effect: The effect of holding a cashier's check is that cash is understated and expenditures are overstated by the amount of the check. In addition, funds are available for expenditures of which the Council is not aware.

Cause: Management negotiated to purchase a parcel of land; however, prior to finalizing the sale, the landowner decided not to complete the sale. Subsequently, management held the cashier's check.

Recommendation: Management should not hold a cashier's check longer than is necessary to complete a transaction. Once it is determined that a transaction will not materialize, any funds should be redeposited into the Council's account and the corresponding accounting records should be corrected.

Management's Response: Management will monitor the status of any cashier checks issued to ensure proper disposition.

ITEMS RELATED TO COMPONENT UNITS

NONCOMPLIANCE

ITEM NO. 2003-8 BUDGET VARIANCES GREATER THAN FIVE PERCENT

Auditors' Comments

Condition: During the course of the audit it was noted that, budget variances in excess of 5% were incurred for the following components: Sewerage District No. 5, Sewerage District No. 7, Fire Protection District #2, and Recreation District No. 3.

Criteria: State law requires that when certain budget variances occur that the budget be amended.

Effect: Failure to monitor budgets on an ongoing basis results in management not having accurate information to manage the finances of the district.

Recommendation: We recommend that management periodically monitor their budgeted revenues and expenditures to actual revenue and expenditures to ensure this does not occur.

Management's Response: In the future, actual and projected revenues and expenditures will be monitored more closely to insure that the District's budget will be appropriately amended in a timely fashion.

ITEM NO. 2003-9 SINKING FUND, RESERVE FUND, AND CONTINGENCY FUND TRANSFERS NOT DONE TIMELY

Auditors' Comments

Condition: Sewerage District No. 9 did not make their sinking fund, reserve fund, and contingency fund transfers on or before the twentieth of the month.

Criteria: Debt agreements require payments to be made at specified times.

Effect: The district is not in compliance with agreed upon debt agreements.

Recommendation: The District should transfer sinking fund, reserve fund, and contingency fund payments on or before the twentieth of the month.

Management's Response: Sinking fund, reserve fund, and contingency fund transfers will be made timely.

ITEM NO. 2003-10 MONTHLY BOND PAYMENTS

Auditors' Comments

Condition and Criteria: Sewerage District No. 9 did not pay its monthly installments for their bond debt in a timely matter in accordance with the agreement.

Effect: The District is not in compliance with agreed upon debt agreements.

Recommendation: The District should set up a schedule to insure that the notes are paid in a timely manner.

Management's Response: The District will insure that in the future they make the monthly installments in a timely manner.

ITEM NO. 2003-11 BUDGET NOT ADOPTED IN TIME

Auditor's Comments

Condition: During the course of the audit for the year ended September 30, 2003, it was noted that Recreation District No. 5 did not have the 2003 budget submitted or adopted prior to the end of fiscal year 2002.

Criteria: Louisiana statues require that a proposed subsequent year budget be adopted no later than fifteen days prior to the end of current fiscal year.

Effect: If a budget is not adopted in a timely manner then the administrator does not have financial guidance to carry out the plans of the Board of Directors for the upcoming year.

Cause: The District did not hire an accountant until after the 2003 fiscal year began. The accountant prepares the budget to be submitted and adopted; therefore, because the accountant was not hired until after the 2003 fiscal year began, a budget was not adopted until later in the 2003 fiscal year.

Recommendation: In the future, the budget for the upcoming fiscal year should be submitted and adopted at least fifteen days prior to the beginning of the fiscal year.

Management's Response: In the future, we will adopt a budget in a timely manner as required by state law.

ITEM NO. 2003-12

SEGREGATION OF DUTIES

Auditor's Comments:

Condition: While performing audit tests and inquiring about internal control, it was discovered that there is very little segregation of duties within nineteen of the Component Units.

Criteria: Ordinarily, the accounting duties performed in an organization are segregated to reduce possible errors or irregularities that could occur in the accounting records and not be detected.

Effect: Lack of segregation of duties results in either a reportable condition or a material weakness in internal accounting controls.

Cause: The Component Units have limited personnel.

The above comment is considered to be a material weakness for all the following component units:

Water & Sewer Commission No. 1
Water & Sewer Commission No. 2
Water & Sewer Commission No. 5
Waterworks District No. 6
Sewerage District No. 5
Sewerage District No. 8
Sewerage District No. 9
Wards 5 & 8 Joint Sewerage Commission
Consolidated Gravity Drainage District No. 1
Consolidated Gravity Drainage District No. 2
Consolidated Gravity Drainage District No. 6
Wax Lake East Drainage District
Sub-Gravity Drainage District No. 1 of Gravity Drainage District No. 2
Fire Protection District No. 3
Recreation District No. 3
Recreation District No. 4
St. Mary Parish Library
St. Mary Parish Tourist Commission
St. Mary Parish Communication District

Management's Response:

We have reviewed this situation and have decided that the additional controls derived by employing an additional person in our bookkeeping area is outweighed by the additional personnel costs.

ITEM 2003-13 Federal Draw Downs

Type of Finding: Material Weakness

Condition: In the Section 8 Housing Program of the St. Mary Parish Housing Program, management drew down substantially more federal funds than were utilized within the near future.

Criteria: Cash management compliance requirements state that federal funds should be drawn down so as to minimize the lapse of time between receipt of federal funds and disbursement.

Effect: Noncompliance with federal cash management requirements.

Cause: Management does not monitor the cash balance closely enough to accurately anticipate future cash needs.

Recommendation: Management should improve the system used to budget its near cash flow needs and schedule draw downs to avoid lapses of time between receipt and disbursement of funds while taking into account current cash balances.

Management's Response: Management will compare current housing assistance payments to the existing budget on a quarterly basis and make amendments where necessary, in a timely manner. Fluctuations in tenant income and program participation as well as terminations for fraud and drug related or criminal activity make it difficult to monitor the housing assistance required, however, management will make a more diligent effort to eliminate this deficiency.

ITEM 2003-14 Accounting for Void Checks

Type of finding: Material Weakness

Condition: In some cases the St. Mary Parish Housing Program's accounting records were not properly adjusted when checks were voided.

Criteria: Financial statements should properly reflect the financial position (proper cash balances) and operations (proper amount of expenditures and grant revenues earned) of the Agency.

Effect: Financial statements will be incorrect if adjustments are not properly made when checks are voided. This in turn can cause the program to received incorrect amount of grant monies.

Cause: Checks were written and entered into the accounting records; however, when the checks were voided, corresponding amounts were not removed from the accounting records. This was not discovered during the year because management failed to scrutinize and follow up on old outstanding checks on the monthly bank reconciliations.

Recommendation: Management should: investigate any checks that might be outstanding for more than thirty days on the monthly bank reconciliations, and make proper corrections to the accounting records as needed.

Management's Response: Management will more closely monitor outstanding checks and make proper corrections to the accounting records in a more timely manner.

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

Findings Related to Primary Government

U.S. Department of Agriculture
Community Facilities Loans and Grants
-CFDA No. 10.766

Questioned
Costs

Type of finding: Item of Noncompliance
(Material to the Program)

ITEM NO. 2003-15 - NONCOMPLIANCE WITH BOND COVENANTS
RELATED TO JAIL FACILITY

Auditors' Comments

Condition: We noted during the audit that the Council did not comply with the loan covenant related to "Accounting for System Revenues".

Criteria: The loan agreements for the \$1,196,000 Revenue Bonds Series B, 1999 state that the Council shall maintain books and records of all transactions relating to the jail facilities, and present annual audited financial statements on those operations along with other information related to the jail operations.

Effect: Failure to comply with these provisions could be considered a breach of covenants with the bond agreements, and the lender could require compliance with these requirements or place the Council in default.

NONE

Cause: The Council does not maintain all the books and records of transactions relating to the jail operations. The Sheriff of St. Mary Parish actually operates the jail, and a significant portion of jail operations are included with the operations of the Sheriff's department.

Recommendation: The Council should have the information audited and reported along with the other financial information required by the lender.

Management's Response: Management is planning to refinance these bonds in 2004.

Findings Related to Component Units

U.S. Department of Housing and Urban Development
Section 8 Housing Choice Vouchers
CFDA No. 14.871

Project No. LA220VO
Year Ending September 30, 2003

ITEM NO. 2003-16 NONCOMPLIANCE WITH FEDERAL CASH MANAGEMENT REQUIREMENTS

Questioned
Costs

Type of finding: Item of Noncompliance (Material to the Program) and Material Weakness

Condition and Criteria: During the year the St. Mary Parish Housing Program's management drew down substantially more federal funds than were utilized in the near future. Federal cash management requirements call for a minimum lapse of time between receipt and disbursement of federal funds.

Effect: Noncompliance with federal cash management Requirements.

Cause: Management does not monitor the cash balance closely enough to accurately anticipate future cash needs.

Recommendation: Management should improve the system used to budget its near cash flow needs and schedule draw downs to avoid lapses of time between receipt and disbursement of funds.

No monetary effect because interest earned on excess funds drawn down is already included in the amount due to the grantor.

Management's Response: Management will compare current housing assistance payments to the existing budget on a quarterly basis and make amendments where necessary, in a timely manner. Fluctuations in tenant income and program participation as well as terminations for fraud and drug related or criminal activity make it difficult to monitor the housing assistance required, however, management will make a more diligent effort to eliminate this deficiency.

U.S. Department of Housing and Urban Development
Section 8 Housing Choice Vouchers
CFDA No. 14.871

Project No. LA220VO
Year Ending September 30, 2003

ITEM NO. 2003-17 VOIDED CHECK

Type of finding: Item of Noncompliance(Not Material To the Program) and Material Weakness

Questioned
Costs
Excess Claims
(Underclaims)

Condition: During the course of the St. Mary Parish Housing Program's audit, we accounted for all of the checks written during the year. There were 738 checks totaling \$415,034 written. We noted that there were 46 checks that were voided. Of these 46 voided checks, we noted five checks totaling \$3,765 that had been voided and replaced by other checks during the year; however, the financial statements were not corrected to show the proper increase in cash and the decrease in expenditures due to the checks being voided. (i.e. These expenditures were recorded twice.)

\$3,765

We noted one check that when it was voided; cash was properly increased. but the adjustment for the reduction in expenditure was erroneously made to housing assistance payments rather than to accounting fees. This adjustment would reduce the year end settlement (the amount owed by the Program back to the grantor) by \$6,075.

(6,075)

Net underclaim of grant funds

\$(2,310)

Criteria: The financial statements should only reflect actual expenditures made. If corrections (voids) are made to original source documents (checks), these corrections should also be made in the Program's general ledger and financial statements.

Effect: Failure to properly adjust the disbursement records for these voided checks caused cash to be understated and expenditures to be misstated for the year. In addition, this misstates the amount of grant funds earned for the period.

Cause: Checks were written and entered into the accounting records; however, when the checks were voided, corresponding amounts were not removed from the accounting records. This was not discovered during the year because management failed to scrutinize and follow up on old outstanding checks on the monthly bank reconciliations.

Recommendation: Management should: investigate any checks that might be outstanding for more than thirty days on the monthly bank reconciliations and, make proper corrections to the financial records as needed.

Management's Response: Management will more closely monitor outstanding checks and make proper corrections to the accounting records in a more timely manner.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE
ACTION PREPARED BY MANAGEMENT OF ST. MARY PARISH COUNCIL

ITEMS RELATED TO PRIMARY GOVERNMENT

Items of Noncompliance

Item No. 2002-1 Budget Monitoring

Condition: During the course of the audit for the year ended December 31, 2002, it was noted that several of the Parish's individual funds needed budget amendments that were not made.

Corrective Action: Although there have been improvements, there are still some funds that required budget amendments.

Item No. 2002-2 Fund Deficits

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

Corrective Action: This item has been partially corrected. The Hurricane Lili Special Revenue Fund and Enterprise Funds deficits have been eliminated in 2003. The Capital Projects Funds concerning the Sewer Project Areas will not be resolved until the bonds are paid in 2004, and consolidation of certain existing capital project funds into one fund.

Item Nos. 2002-3 and 2002-9 Noncompliance With Bond Covenants Related to Jail Facility

Condition: It was noted during the audit that the Council did not comply with the loan covenant related to "Accounting for System Revenues" in the loan agreements for the \$2.8 million Revenue Bonds Series A, 1999, and the \$1,196,000 Revenue Bonds Series B, 1999.

Corrective Action: This item has not been corrected.

Item No. 2002-4 - Timeliness of Audit

Condition: Each year the St. Mary Parish Council issues a primary government audited financial statement. This statement meets the requirement of state law. This statement was issued within the applicable deadlines. For 2002, the Council also is issuing a reporting entity "parish-wide" audited financial statement. This report covers both the Council and its' approximately forty component entities. This report was not completed with the deadline set by state law.

Corrective Action: This condition remains unresolved.

Internal Control

Item No. 2002-10 Payment Deposited in Wrong Account

Condition: It was noted that the Council's third party community development block grant administrator erroneously deposited a Council check into its company checking account.

Corrective Action: This particular item has been corrected. However, there continues to be problems with this account. A similar comment was made in the current year, but preventive measures have been implemented in 2004.

ITEMS RELATED TO COMPONENT UNITS

Item No. 2002-5 Failure to Meet Requirements of Louisiana Legislature Act 1029

Condition: During the course of the audit, it was noted that the St. Mary Parish Communications District did not enter into a cooperative endeavor agreement with each wireless service provider as required by the Louisiana Legislative enacted Act 1029.

Corrective Action: This finding has been resolved. The District has obtained signed cooperative endeavor agreements with each wireless service provider operating within St. Mary Parish and is collecting the appropriate user fee from these service providers.

Item No. 2002-6 Minutes of Board Meetings Were Not Published

Condition: During the course of the audit, it was noted that the Sewerage District No. 8 and the St. Mary Parish Library did not comply with Louisiana Revised Statutes regarding the publication of the minutes of meetings held.

Corrective Action: The finding has been resolved for both components.

Item No. 2002-7 Federal Draw Downs

Condition: In the Section 8 Housing Program of the St. Mary Parish Housing Program, management drew down substantially more federal funds than were utilized in the near future.

Corrective Action: This was not corrected during the year.

Item No. 2002-8 Segregation of Duties

Condition: During the course of the audit for the year ended 2002, it was discovered that there is very little segregation of duties within twenty of the Component Units

Corrective Action: Recreation District No. 2 resolved this, but this condition remains unresolved for the rest of the component units.

Findings and Questioned Costs-Major Federal Award Programs

Item No. 2002-11 Noncompliance with Federal Cash Management

Condition: In the Section 8 Housing Program, management drew down substantially more federal funds than were utilized in the near future.

Corrective Action: This was not corrected during the year

Item No. 2002-12 Noncompliance with Bond Covenants

Condition: Sewerage District No. 9 did not fund the reserve as required by the USDA bond covenants.

Corrective Action: This finding has been resolved.

Item No. 2002-13 Monthly Bond Payments

Condition: Sewerage District No. 9 did not pay its monthly installments for their bond payable in a timely manner.

Corrective Action: This finding is unresolved.

CORRECTIVE ACTION PLAN PREPARED BY MANAGEMENT

ITEM NO. 2003-1 BUDGET MONITORING

CORRECTIVE ACTION: All funds are reviewed and monitored monthly. The Parish Council will be provided with a monthly financial report reflecting deviations in revenues and expenditures of all budgets. In addition, budgets will be adjusted monthly within functions and will further adjusted with budget amendments to achieve the 5% deviation requirement compliance. Accruals of revenues and expenditures will be reviewed and adjusted during the year. Management will continue to monitor all budgets closely in order to remain within 5% deviation requirement.

ITEM NO. 2003-2 FUND DEFICITS

CORRECTIVE ACTION: The fund deficit in the Special Revenue Fund (Re-Entry Drug Court Fund) and the Spine Road Construction Fund will be funded in 2004 from other revenue sources. The Capital Project Fund Deficits related to the Sewer Project areas will be resolved in 2004 when the bonds are paid off by consolidating certain existing capital project funds into one fund.

ITEM NO. 2003-3 NONCOMPLIANCE WITH BOND CONVENANTS RELATED TO JAIL FACILITY

CORRECTIVE ACTION: Management is planning to refinance these bonds in 2004.

ITEM NO. 2003-4 BUDGETS

CORRECTIVE ACTION: Budgets were not adopted for these Special Revenue Funds which were funded with State and Federal Grants because the grant periods differ significantly from the Parish's Calendar Year. Budgets will be adopted in 2004 in order to comply with state law.

ITEM NO. 2003-5 TIMELINESS OF AUDIT

CORRECTIVE ACTION: Management of the Council will request that all component units complete and furnish their audited financial statements to the Council no later than April 30.

INTERNAL CONTROL

Material Weaknesses

ITEM NO. 2003-6 FUNDS DEPOSITED INTO WRONG ACCOUNT

CORRECTIVE ACTION: Management has required that bank reconciliations be completed and filed with Finance Department by the 25th of the month following the statement period. Management will closely monitor this requirement and review the monthly statements to ensure compliance and alleviate future problems.

ITEM NO. 2003-7 UNISSUED CHECK

CORRECTIVE ACTION: Management will monitor the status of any cashier checks issued to ensure proper disposition.

Items No.s 2003-8, 2003-9, 2003-10, 2003-11, 2003-12, 2003-13, 2003-14, 2003-16, and 2003-17

Corrective Action: The items relate to our component units and have been answered by their management.

Findings Related to Primary Government

Item No. 2003-15 NONCOMPLIANCE WITH BOND CONVENANTS RELATED TO JAIL FACILITY

CORRECTIVE ACTION: Management is planning to refinance these bonds in 2004.