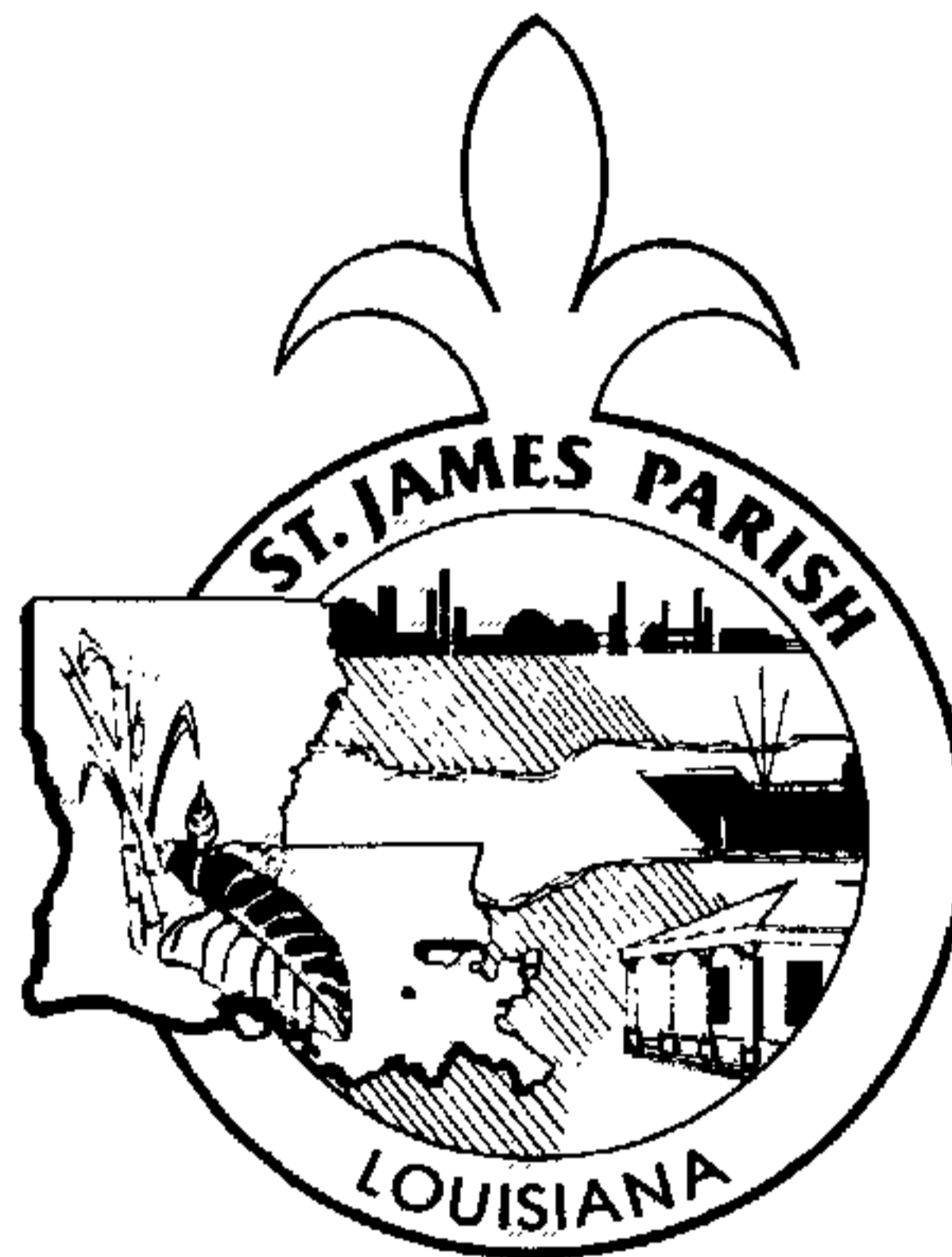


ST. JAMES PARISH COUNCIL
State of Louisiana

Financial Statements
As of and 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.

Prepared by:
Department of Finance

Release Date 7-7-04

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INTRODUCTORY SECTION



Parish of St. James

Office of the President

P.O. Box 106
Convent, Louisiana 70723-0106
(225) 562-2300 (225) 265-3156
TDD: (225) 562-8500

Dale J. Hymel, Jr.
Parish President

June 4, 2004

Office of the Legislative Auditor
Attn: Ms. Suzanne Elliot
1600 Riverside North
P. O. Box 94397
Baton Rouge, LA 70804-0397

Dear Ms. Elliot:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the St. James Parish Council as of and for the fiscal year ended December 31, 2003. The report includes all funds under the control and oversight of the Parish Council. The following component units within the parish have been included within the accompanying report:

St. James Youth Center	St. James Parish Clerk of Court
St. James Parish Gas & Water Distribution System	St. James Parish Hospital

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely yours,

A. J. Laiche
Director of Finance

Enclosures

Jody P. Chenier
Director of
Operations

A.J. Laiche
Director of
Finance

Dianne G. Brathwalte
Director of
Human Resources

Gerald J. Falgoust
Director of
Emergency Preparedness

FINANCIAL SECTION



Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Municipal Cities of the United States
www.pncpa.com

To the President and Members
St. James Parish Council
Convent, Louisiana

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the St. James Parish Council, State of Louisiana, as of and for the year December 31, 2003, which collectively comprise the St. James Parish Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of St. James Parish Council, State of Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, St. James Parish Hospital and St. James Parish Clerk of Court. The financial statements of St. James Parish Hospital reflect total assets of \$9,830,617 as of March 31, 2003 and total revenues of \$7,850,652 for the year ended March 31, 2003. The financial statements of St. James Parish Clerk of Court reflect total assets of \$354,649 as of June 30, 2003 and total revenues of \$685,102 for the year ended June 30, 2003. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the St. James Parish Council, State of Louisiana, as of December 31, 2003 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note II, the St. James Parish Council has implemented a new reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments*, and also changed its method of accounting for the capitalization of capital assets, as of December 31, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2004, on our consideration of St. James Parish Council, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 14 and 65 through 69, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. James Parish Council's basic financial statements taken as a whole. The introductory section, combining nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of St. James Parish Council, State of Louisiana. 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.

Postlethwaite & McManis

Metairie, Louisiana
June 4, 2004



Management Discussion and Analysis

As management of the St. James Parish Council we offer readers of the Parish Council's financial statements this narrative overview and analysis of the financial activities of the Parish Council's government for the fiscal year ended December 31, 2003.

Financial Highlights

- ◆ The Parish Council's assets exceeded its liabilities at December 31, 2003, by \$66,978,501 (net assets). Of this amount, \$4,138,063 (unrestricted net assets) may be used to meet the Parish Council's ongoing obligations to its citizens and creditors.
- ◆ The Parish Council's total net assets decreased \$1,624,926 over the previous year with \$1,280,537 of the decrease resulting from governmental activities and \$344,389 resulting from business-type activities.
- ◆ At December 31, 2003, the Parish Council's governmental fund statements reported combined ending fund balances of \$18,393,832, a decrease of \$2,577,599 from the previous year. Of this amount, \$16,005,765 remains in the various fund types of the Parish Council as unreserved.
- ◆ The General Fund, the Parish Council's primary operating fund, reported an unreserved fund balance of \$3,582,634 and a decrease in total fund balance from the last fiscal year of \$867,050.
- ◆ Total bonded debt and capital leases decreased from the prior year by \$633,691. During the fiscal year, the Parish Council issued new bonded debt (certificates of indebtedness) in the amount of \$500,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the St. James Parish Council's basic financial statements. The Parish Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. There is additional supplementary information following the financial statements that may be of interest to the reader.

Government-wide financial statements

Government-wide financial statements are designed to provide the reader with a broad overview of the Parish Council's financial position, in a manner similar to a private-sector business. They include a **Statement of Net Assets** and a **Statement of Activities**. These statements appear on pages 15 to 18 of this report.

The **Statement of Net Assets** presents the Parish Council's assets less its liabilities at year end. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may serve as a useful indicator of whether the financial position of the Parish Council is improving or deteriorating.

The **Statement of Activities** presents information showing how the Parish Council's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, accounts payable and earned but unused vacation leave.)

Both statements attempt to distinguish functions of the Parish Council that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, highways and streets, public transportation, health and welfare, culture and recreation, and economic development and assistance expenditures. Business-type activities include gas and water distribution and juvenile detention.

The government-wide financial statements include not only the St. James Parish Council itself (the *primary government*), but also separate legal governmental entities (*component units*) to which the Parish Council may be obligated to provide financial assistance. Component units are presented as separate columns in fund financial statements. The component unit agencies issue separate, independently audited financial statements. Financial statements for each of the individual component units may be obtained at the component unit's administrative offices.

The government-wide financial statements can be found on pages 19 to 32 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Parish Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Parish Council's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Parish Council's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Parish Council maintains 38 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Road & Bridge Maintenance Fund, Public Safety Fund, and Parishwide Road Improvement Fund, all of which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements as supplementary information.

The basic governmental fund financial statements can be found on pages 19 to 24 of this report.

Proprietary funds. The Parish Council maintains and presents two types of proprietary funds: enterprise and internal service, which can be found on pages 25 to 32 of this report.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Parish Council has two enterprise funds, the St. James Parish Gas and Water Distribution System Fund, which accounts for expenses to distribute natural gas and water, and the St. James Youth Center Fund, which accounts for the expenses for juvenile detention.

Internal service funds are an accounting tool used to accumulate and allocate costs internally among various functions. The Parish Council uses an internal service fund to account for its self-insured health insurance program. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The St. James Parish Gas and Water Distribution System Fund and the St. James Youth Center Fund are considered to be major funds of the Parish Council.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 to 64 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining fund statements and schedules can be found on pages 70 to 92 of this report.

Government-wide Financial Analysis

In accordance with accounting principles generally accepted in the United States, the Parish Council implemented the provisions of Governmental Accounting Standards Board Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments" for the year ended December 31, 2003. As a result, the accompanying basic financial statement consolidates all of the Parish Council's government financial activity into two columns, one for governmental activities and one for business activities. The major changes that are reflected in this consolidated presentation are:

- ◆ Depreciation for all capital assets including buildings, machinery and equipment, and land improvements has been included in expenses.
- ◆ All infrastructure assets have been included as capital assets and depreciated.
- ◆ The total liability for accrued benefits payable has been recorded in the statement of net assets.

Other reconciling differences between the government-wide financial statements and the fund financial statements are described on pages 21 and 24. We have restated the beginning balances at December 31, 2002, to reflect these changes. For the year of implementation, we have not, however, prepared comparative financial statements for the prior fiscal year. We are unable, therefore, to make comparisons on a government-wide basis between fiscal years. A comparative analysis will be made in future years when prior year information is available.

As noted earlier, net assets may serve over time as a useful indicator of the Parish Council's financial position. In the case of St. James Parish Council, governmental activities net assets exceeded liabilities by \$51,765,384 at December 31, 2003.

The following table reflects the condensed Statement of Net Assets for 2003:

St. James Parish Council
Condensed Statement of Net Assets
December 31, 2003

	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 21,853,450	\$ 2,467,455	\$ 24,320,905
Capital assets	40,564,283	14,483,198	55,047,481
Total assets	<u>62,417,733</u>	<u>16,950,653</u>	<u>79,368,386</u>
Long-term liabilities outstanding	8,488,824	703,713	9,192,537
Other liabilities	2,163,525	1,033,823	3,197,348
Total liabilities	<u>10,652,349</u>	<u>1,737,536</u>	<u>12,389,885</u>
Net assets:			
Invested in capital assets, net of related debt	39,074,783	13,362,147	46,321,930
Restricted	15,383,862	1,134,646	16,518,508
Unrestricted	(2,693,261)	716,324	4,138,063
Total assets	<u>\$ 51,765,384</u>	<u>\$ 15,213,117</u>	<u>\$ 66,978,501</u>

Approximately 75.5% (\$39,074,783) of the Parish Council's governmental net assets as of December 31, 2003, reflects the government's investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The Parish Council uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 29.7% (\$15,383,862) of the governmental net assets is subject to external restrictions on how these assets may be used, such as property tax approved by the electorate for specific purposes. The remaining governmental net assets (a negative \$2,693,261), referred to as unrestricted, represents what may be used to meet ongoing obligations of the Parish Council to citizens and creditors.

See the Notes To The Financial Statements, pages 50 and 51, for additional information.

Governmental activities

Governmental activities account for 77.3% of the Parish Council's net assets. One of the major components of general revenue collected by governmental activities is property taxes. In 2003, property taxes for the General Fund were assessed at a millage rate of 3.23 mills for general government operations and 3.92 mills for the administration of health and welfare programs, the same rates as the prior year. Taxes collected, however, decreased slightly due to a 0.8% decrease in taxable assessed valuation. Other taxes for governmental activities include In Lieu of Taxes (\$508,327), Sales and Use Taxes (\$3,434,657), Alcoholic Beverages (\$22,808), Franchise Fees (\$63,704), and other taxes (\$144,185).

Other variances in governmental activities include:

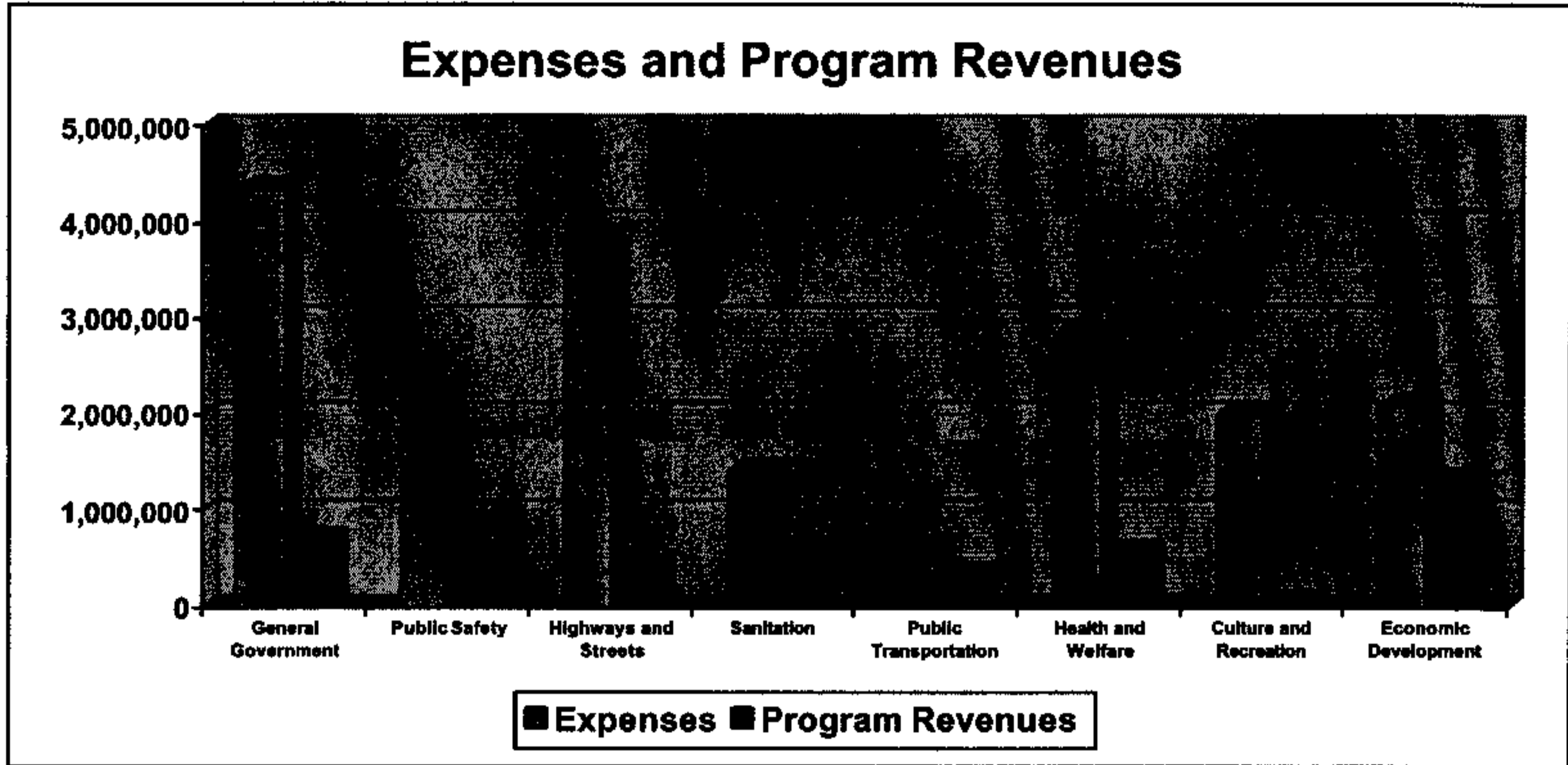
- ◆ Federal awards increased \$854,309. The majority of the increase is due to additional funding for hazard mitigation and disaster assistance (\$580,322) and coastal impact assistance (\$164,305).
- ◆ Sales and use tax collections decreased \$248,666, a 6.8% decrease, which continues a trend over the last two years. The reason for the decrease has been a reduction of maintenance and equipment expenditures at the local industrial plants.

- ◆ Expenses for additional firefighters' equipment and fire departments operations increased significantly.

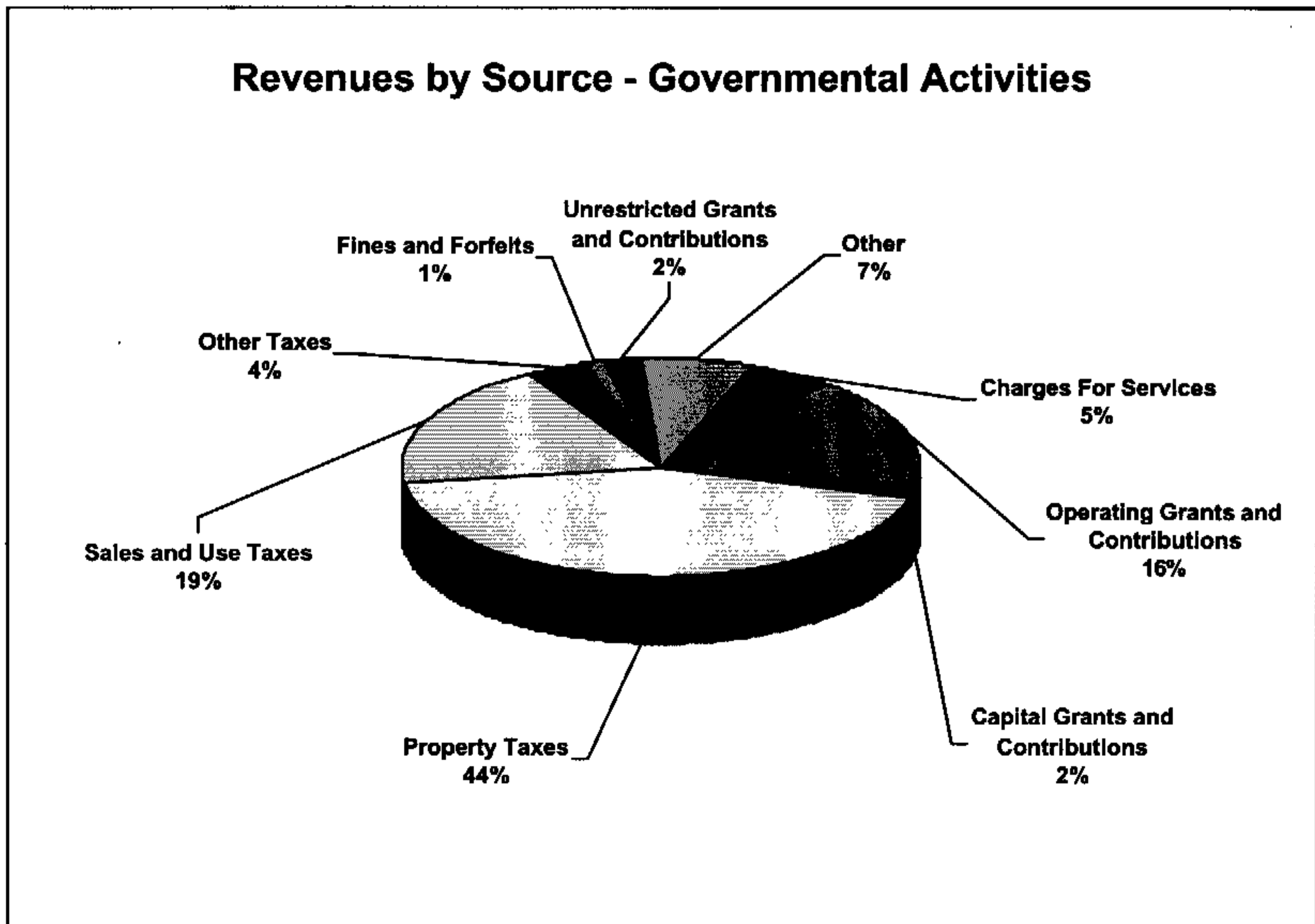
The following is a summary of activity for 2003:

	2003		Total
	Governmental Activities	Business-type Activities	
Revenues:			
Program revenues:			
Charges for services	\$ 1,105,125	\$ 4,376,160	\$ 5,481,285
Operating grants and contributions	3,060,308	90,935	3,151,243
Capital grants and contributions	374,854	-	374,854
General revenues:			
Property taxes	8,015,035	230,087	8,245,122
Sales and use taxes	3,434,657	-	3,434,657
Other taxes	739,024	-	739,024
Fines and forfeits	223,107	2,400	225,507
Intergovernmental	-	68,870	68,870
Unrestricted grants and contributions	454,889	-	454,889
Other general revenues	1,111,605	185,693	1,297,298
Total revenues	18,518,604	4,954,145	23,472,749
Expenses:			
General government	4,345,245	-	4,345,245
Public safety	2,278,661	-	2,278,661
Highways and streets	3,729,931	-	3,729,931
Sanitation	1,409,290	-	1,409,290
Public transportation	623,818	-	623,818
Health and welfare	2,843,143	-	2,843,143
Culture and recreation	2,007,078	-	2,007,078
Economic development and assistance	2,093,578	-	2,093,578
Interest on long-term debt	392,697	-	392,697
Gas and water	-	3,120,024	3,120,024
Youth detention	-	2,288,593	2,288,593
Total expenses	19,723,441	5,408,617	25,132,058
Decrease in net assets before transfers	(1,204,837)	(454,472)	(1,659,309)
Transfers	(75,700)	110,083	34,383
Decrease in net assets	(1,280,537)	(344,389)	(1,624,926)
Net Assets 01/01/2003	53,045,921	15,557,506	68,603,427
Net Assets 12/31/2003	\$ 51,765,384	\$ 15,213,117	\$ 66,978,501

The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self-supporting:



The following pie chart illustrates the composition of governmental activities revenue and its percentage in relation to total government revenues:



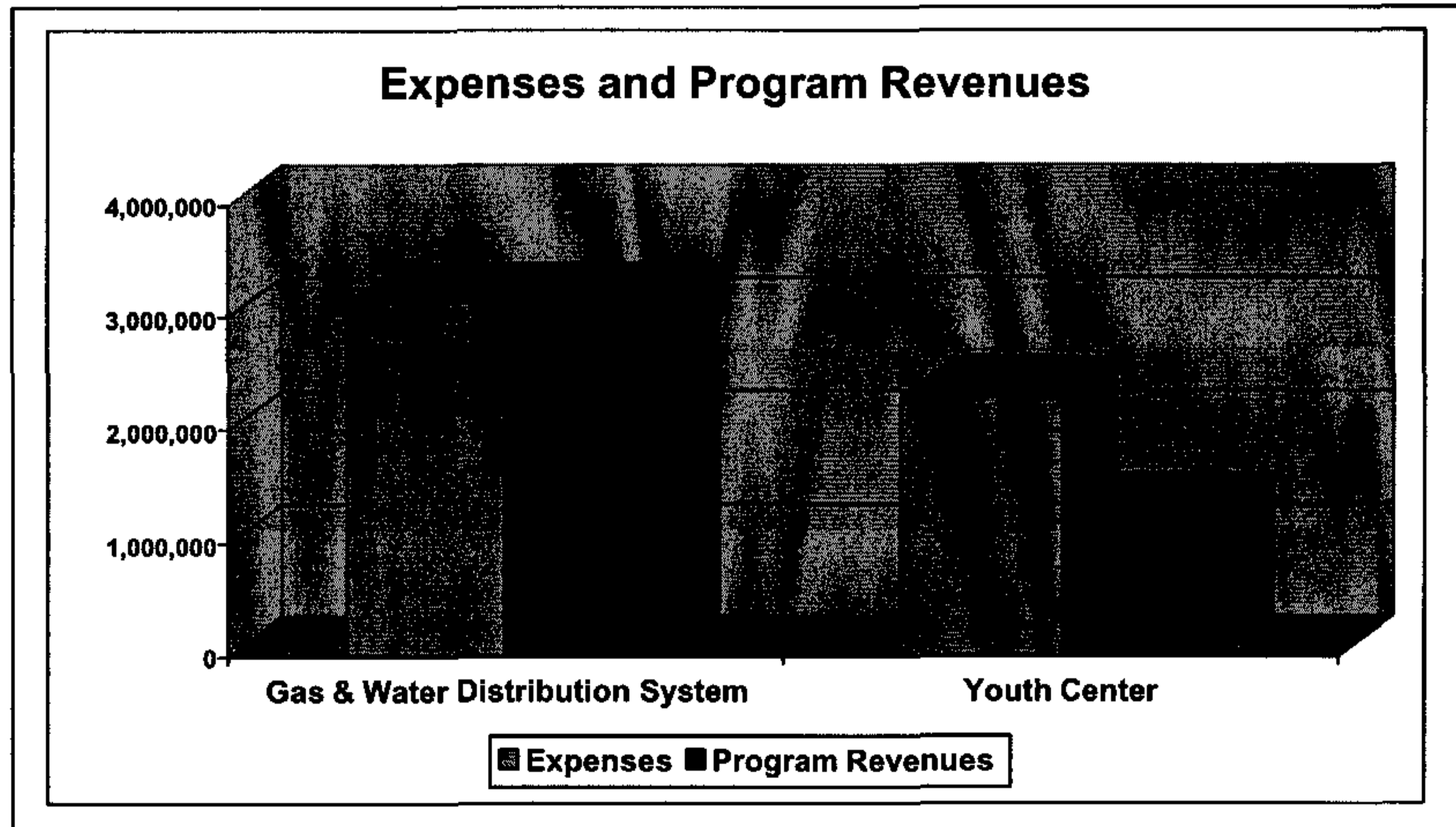
Business-type activities

The St. James Parish Council has two business-type activities: The St. James Parish Gas & Water Distribution System and the St. James Youth Center. The Gas and Water Distribution System's principal activities are the providing of gas and water services to the citizens and businesses of the parish. The St. James Parish Youth Center's principal activity is to provide juvenile detention.

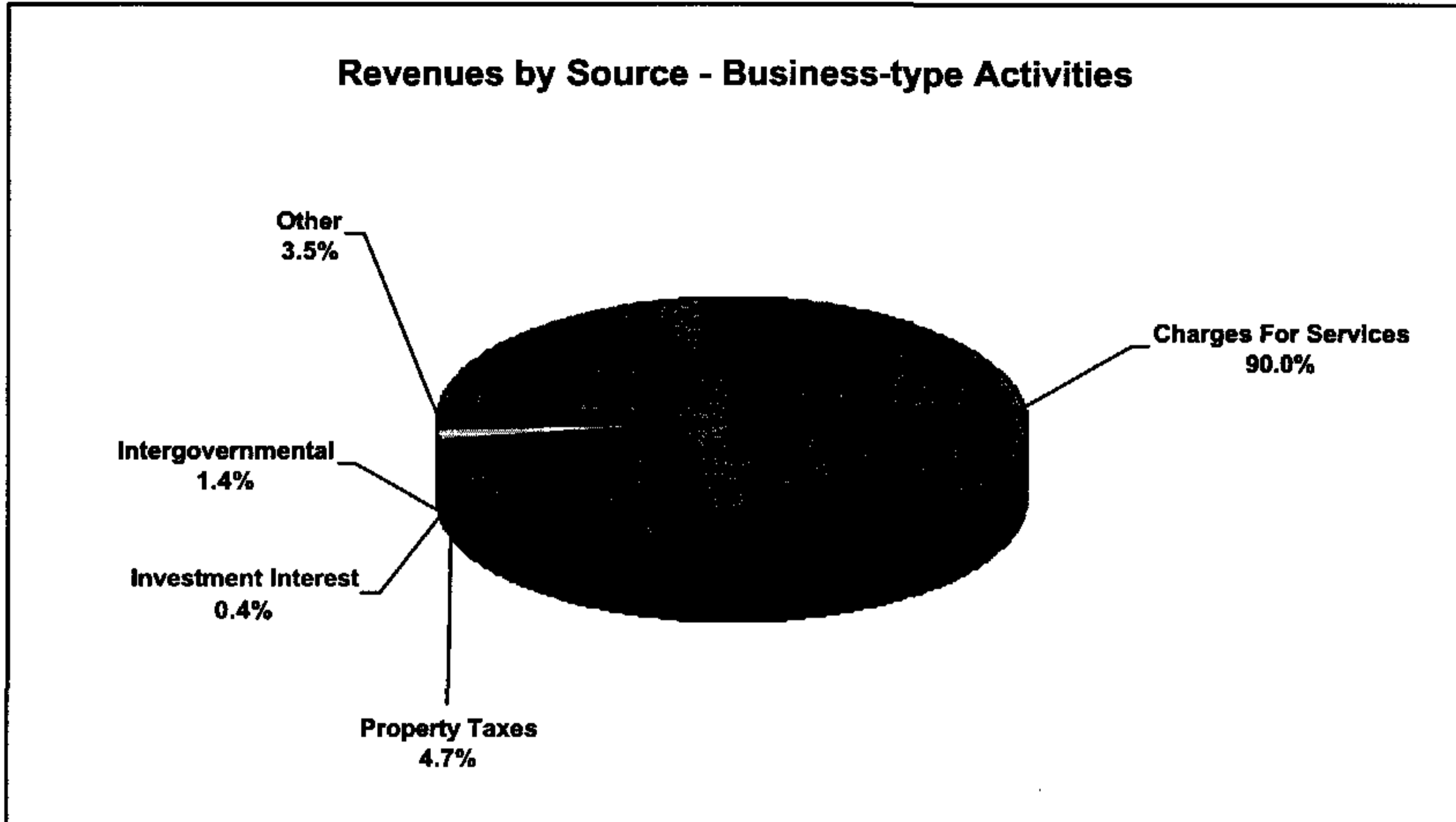
The St. James Parish Gas and Water Distribution System's net assets increased \$354,338 in fiscal year 2003, which is an increase from \$9,229,713 for fiscal year 2002. The most significant change in net asset position is from amounts invested in the water distribution system, which is a net increase of \$854,347. The major addition is the new two million gallon per day clarifier constructed at the east bank water plant.

The St. James Youth Center's net assets decreased \$698,727 in fiscal year 2003, as compared to a \$748,892 decrease in fiscal year 2002. The major components of the decrease are: a decrease in investments of \$198,691 and a decrease in receivables of \$79,742. The Youth Center continues to experience declining revenues due to a drop in the juvenile inmate population. The average daily census for 2003 was 41 youths per day compared to over 60 youths per day three years ago. Cost reductions have been implemented by reducing the staff through attrition and reducing overtime. The staff continues to actively pursue additional clients and is working to increase the average daily census to 45 youths per day.

The following graph is a comparison of program revenues and program expenses for the two business type activities.



The following pie chart illustrates the composition of business-type activities revenue and its percentage in relation to total business-type revenues:



Financial Analysis of the Parish Council's Funds

As noted earlier, the Parish Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Parish Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined ending fund balance for all governmental funds at December 31, 2003, was \$18,393,832. Of this amount, \$16,005,765 was included in unreserved fund balance with the remainder of \$2,388,067 reserved for debt service and advances to other funds. The combined ending fund balance at the end of the year decreased \$2,577,599 from \$20,971,431 at the end of the prior year. The reduction in total fund balances is primarily attributable to spending on capital construction projects in 2003.

The General Fund is the chief operating fund of the Parish Council and is considered a major fund under criteria set forth by GASB Statement Number 34. At the end of the current fiscal year, the General Fund's unreserved fund balance was \$3,582,634. Compared with the unreserved fund balance of \$4,449,684 at the end of 2002, fund balance declined \$867,050 in 2003. The decrease in fund balance was a result of operating transfers to other funds for major capital construction, mainly the new Lutcher Senior Center.

The Parish Council has three other governmental funds that are considered major funds. Those funds include the Road and Bridge Maintenance Fund, the Public Safety Fund, and the Parishwide Road Improvement Fund. A brief discussion of these funds follows:

Road and Bridge Maintenance Fund: This fund is used to account for the construction and maintenance of the Parish Council's roads and bridges. It also provides funding to the Parishwide Road Improvement Fund when the Parish Council conducts major road improvement/maintenance programs. The unreserved fund balance decreased \$662,788 from \$2,316,037 at the end of 2002 to \$1,653,249. The decrease in fund balance resulted from transfers to the Parishwide Road Improvement Fund.

Public Safety Fund: This fund accounts for the operating and capital expenditures of the Parish's six volunteer fire departments. In addition, a portion of its revenues is used to fund health services for the Parish's residents. The unreserved fund balance at the end of 2003 was \$2,021,656, a decrease of \$263,663 from an unreserved balance of \$2,285,319 at the end of 2002. The decrease is a result of an increase in expenditures for fire fighting equipment and the construction of a new fire station in the Union/Convent area.

Parishwide Road Improvement Fund: This fund is used to account for major road improvement/maintenance programs. As mentioned earlier, funding is provided by transfers from the Road and Bridge Maintenance Fund. The unreserved fund balance was \$0- at the end of the fiscal year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$26,700 and can be briefly summarized as follows:

- ◆ General government increases in the amount of \$57,600 primarily due to the addition of the Graphic Information System (GIS) operations.
- ◆ Public safety increases of \$49,600 attributable to higher prisoner care costs.
- ◆ Health and welfare decreases in the amount of \$84,100 due to lower than anticipated administration salaries, and a reduction in appropriations for the Wheels To Work Program.
- ◆ Capital expenditures decreased \$47,100 due to management cost reductions.
- ◆ Total budgeted revenues increased a modest \$41,400.
- ◆ Operating transfers out increased \$388,500, mainly due to increased transfers needed to fund construction of the Lutcher Senior Center.

Capital Asset and Debt Administration

Capital assets. The Parish Council's investment in capital assets for its governmental and business-type activities as of December 31, 2003, amounts to \$55,047,481 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, roads, and drainage systems. The total increase in investment in capital assets for the current fiscal year was \$1,277,359, which includes a \$1,325,986 increase for governmental activities (3.4%) and a \$48,627 decrease for business-type activities (0.3%).

Major capital events during the current fiscal year were:

- ◆ Completion of the Central Canal Hazard Mitigation Project in the amount of \$450,232.
- ◆ Construction of the new elderly center in Lutcher amounted to \$773,242 (construction was not complete as of the end of the fiscal year).
- ◆ Capital expenditures of \$375,080 for additional transit buses.
- ◆ Completion of construction of the Vacherie Branch Library in the amount of \$1,254,412.

A summary of the Parish Council's capital assets (net of depreciation) follows:

St. James Parish Council
Capital Assets (Net of Depreciation)
December 31, 2003

	Governmental Activities	Business-type Activities	Total
Land	\$ 1,829,767	\$ -	\$ 1,829,767
Buildings	5,334,759	5,142,594	10,477,353
System improvements	-	9,123,955	9,123,955
Improvements other than buildings	419,450	-	419,450
Machinery and equipment	3,674,323	199,767	3,874,090
Library collection	329,491	-	329,491
Infrastructure	26,221,023	-	26,221,023
Construction in progress	2,755,470	16,882	2,772,352
Total	\$ 40,564,283	\$ 14,483,198	\$ 55,047,481

Long-term debt

At the end of the current fiscal year, the Parish Council had total debt outstanding of \$9,495,836. Of this amount, \$6,955,000 is general obligation bonds secured by property taxes. The outstanding debt also includes \$219,000 of public improvement bonds secured by excess sales and use tax revenue, \$620,000 of certificates of indebtedness secured by excess general revenue, and \$764,074 of revenue bonds secured by excess revenue of the St. James Parish Gas and Water Distribution System. A summary of the Parish Council's outstanding long-term debt follows:

St. James Parish Council
Outstanding Debt
December 31, 2003

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 6,955,000	\$ -	\$ 6,955,000
Public improvement bonds	219,000	-	219,000
Certificates of indebtedness	620,000	-	620,000
Capital leases	205,897	-	205,897
Revenue bonds (less amount deferred)	-	764,074	764,074
Compensated absences	488,927	242,938	731,865
Total	\$ 8,488,824	\$ 1,007,012	\$ 9,495,836

Additional information on the Parish Council's long-term debt can be found on pages 55 to 59 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budget and Rates

At the time of the presentation of the fiscal year 2004 budget, sales and use tax collections were projected to moderately increase 2.4%. Collections through April 2004, however, are 14.5% less than collections for the same period in 2003. As stated earlier, the decline in sales and use tax collections is primarily due to a reduction of maintenance and equipment expenditures at the local industrial plants. This trend is expected to continue for the remainder of the year.

On January 1, 2004, the Parish Council issued \$6,450,000 of general obligation refunding bonds for the purpose of refunding \$5,640,000 of outstanding General Obligation Bonds, Series 1993, maturing April 1, 2005 to April 1, 2013, inclusive, and \$575,000 of outstanding General Obligation Refunding Bonds, Series 1994, maturing March 1, 2005 to March 1, 2008, inclusive. The interest rate on the new bonds is 3.0 percent and the maturity date is April 1, 2013. The Parish Council completed the advance refunding to reduce its total debt service payments over the next ten years by \$333,989.

Requests for Information

This financial report is designed to provide a general overview of the finances of St. James Parish Council for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, P.O. Box 106, Convent, Louisiana, 70723.

St. James Parish Council
 Convent, Louisiana
 Statement of Net Assets
 December 31, 2003

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,078,318	\$ 560,983	\$ 7,639,301
Investments	3,392,565	2,795	3,395,360
Receivables (net of allowance for uncollectibles)	10,679,807	710,479	11,390,286
Internal balances	459,839	(463,403)	(3,564)
Inventories	43,860	132,937	176,797
Prepaid items	199,061	106,636	305,697
Restricted assets			
Cash and cash equivalents	-	819,408	819,408
Investments	-	591,553	591,553
Agreements for funded depreciation	-	-	-
Capital assets (net of accumulated depreciation)	40,564,283	14,483,198	55,047,481
Other assets, net	-	6,067	6,067
Total assets	<u>62,417,733</u>	<u>16,950,653</u>	<u>79,368,386</u>
LIABILITIES			
Accounts payable and other current liabilities	2,053,764	395,034	2,448,798
Deferred revenue	16,875	-	16,875
Accrued expenses	92,886	61,771	154,657
Liabilities payable from restricted assets	-	577,018	577,018
Long-term liabilities:			
Due within one year	1,307,505	217,672	1,525,177
Due in more than one year	7,181,319	486,041	7,667,360
Total liabilities	<u>10,652,349</u>	<u>1,737,536</u>	<u>12,389,885</u>
NET ASSETS			
Invested in capital assets, net of related debt	39,074,783	13,362,147	46,321,930
Restricted for			
Debt service and capital improvements	1,866,590	1,134,646	3,001,236
Public safety	3,919,445	-	3,919,445
Highways and streets	3,041,199	-	3,041,199
Sanitation	2,086,566	-	2,086,566
Other purposes	4,470,062	-	4,470,062
Unrestricted	(2,693,261)	716,324	4,138,063
Total net assets	<u>\$ 51,765,384</u>	<u>\$ 15,213,117</u>	<u>\$ 66,978,501</u>

The notes to the financial statements are an integral part of this statement.

Statement A

Total Component Units	
St. James Parish Clerk of Court	St. James Parish Hospital
\$ 330,076	\$ 1,023,454
-	-
21,131	1,315,445
-	-
-	149,093
-	58,728
-	-
-	-
-	3,899,974
3,442	3,383,923
-	-
<u>354,649</u>	<u>9,830,617</u>
4,639	353,285
-	344
-	142,512
-	-
-	241,535
62,271	449,946
<u>66,910</u>	<u>1,187,622</u>
3,442	2,854,374
-	-
-	-
-	-
-	-
-	-
284,297	5,788,621
<u>\$ 287,739</u>	<u>\$ 8,642,995</u>

St. James Parish Council
 Convent, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2003

Functions:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,345,245	\$ 318,318	\$ 338,808	\$ 31,812
Public safety	2,278,661	113,227	460,889	-
Highways and streets	3,729,931	-	310,800	132,493
Sanitation	1,409,290	572,653	5,720	-
Public transportation	623,818	73,093	176,827	95,906
Health and welfare	2,843,143	-	459,752	98,000
Culture and recreation	2,007,078	27,834	3,600	16,643
Economic development and assistance	2,093,578	-	1,303,912	-
Interest on long-term debt	392,697	-	-	-
Total governmental activities	<u>19,723,441</u>	<u>1,105,125</u>	<u>3,060,308</u>	<u>374,854</u>
Business-type activities:				
Gas and water	3,120,024	3,127,848	-	-
Youth detention	2,288,593	1,248,312	90,935	-
Total business-type activities	<u>5,408,617</u>	<u>4,376,160</u>	<u>90,935</u>	<u>-</u>
Total primary government	<u>\$ 25,132,058</u>	<u>\$ 5,481,285</u>	<u>\$ 3,151,243</u>	<u>\$ 374,854</u>
Component Units:				
St. James Clerk of Court	657,353	677,792	-	-
St. James Parish Hospital	7,180,731	5,862,283	-	-
Total component units	<u>\$ 7,838,084</u>	<u>\$ 6,540,075</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues
Taxes
Property taxes
In lieu of taxes
Sales and use taxes
Alcoholic beverages
Franchise fees
Other
Fines and forfeits
Intergovernmental
Unrestricted grants and contributions
Interest on investments
Other
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Statement B

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
\$ (3,656,307)	\$ -	\$ (3,656,307)	\$ -	\$ -
(1,704,545)	-	(1,704,545)	-	-
(3,286,638)	-	(3,286,638)	-	-
(830,917)	-	(830,917)	-	-
(277,992)	-	(277,992)	-	-
(2,285,391)	-	(2,285,391)	-	-
(1,959,001)	-	(1,959,001)	-	-
(789,666)	-	(789,666)	-	-
(392,697)	-	(392,697)	-	-
<u>(15,183,154)</u>	<u>-</u>	<u>(15,183,154)</u>	<u>-</u>	<u>-</u>
-	7,824	7,824	-	-
-	(949,346)	(949,346)	-	-
-	(941,522)	(941,522)	-	-
<u>(15,183,154)</u>	<u>(941,522)</u>	<u>(16,124,676)</u>	<u>-</u>	<u>-</u>
-	-	-	20,439	-
-	-	-	-	(1,318,448)
-	-	-	<u>20,439</u>	<u>(1,318,448)</u>
8,015,035	230,087	8,245,122	-	1,119,526
508,327	-	508,327	-	-
3,434,657	-	3,434,657	-	-
22,808	-	22,808	-	-
63,704	-	63,704	-	-
144,185	-	144,185	-	-
223,107	2,400	225,507	-	-
-	68,870	68,870	-	-
454,889	-	454,889	-	47,572
144,480	18,638	163,118	7,310	159,608
967,125	167,055	1,134,180	-	661,663
(75,700)	110,083	34,383	-	-
<u>13,902,617</u>	<u>597,133</u>	<u>14,499,750</u>	<u>7,310</u>	<u>1,988,369</u>
(1,280,537)	(344,389)	(1,624,926)	27,749	669,921
<u>53,045,921</u>	<u>15,557,506</u>	<u>68,603,427</u>	<u>259,990</u>	<u>7,973,074</u>
<u>\$ 51,765,384</u>	<u>\$ 15,213,117</u>	<u>\$ 66,978,501</u>	<u>\$ 287,739</u>	<u>\$ 8,642,995</u>

St. James Parish Council
 Convent, Louisiana
 Governmental Funds
 Balance Sheet
 December 31, 2003

	<u>General</u>	<u>Road and Bridge Maintenance</u>	<u>Public Safety</u>
Assets			
Cash and cash equivalents	\$ 1,152,382	\$ 677,374	\$ 383,274
Investments	187,217	141,215	528,033
Receivables (net of allowances for uncollectibles)	2,618,806	1,220,086	895,545
Interfund receivable	18,411	-	50,000
Prepaid items	-	-	-
Advances to other funds	-	-	281,977
Inventory	43,860	-	-
Total assets	<u>\$ 4,020,676</u>	<u>\$ 2,038,675</u>	<u>\$ 2,138,829</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ 337,106	\$ 63,376	\$ 117,173
Payroll deductions and withholdings payable	65,936	18,201	-
Deferred revenues	-	-	-
Due to other funds	35,000	303,849	-
Total liabilities	<u>438,042</u>	<u>385,426</u>	<u>117,173</u>
Fund balance:			
Reserved for:			
Advances	-	-	331,977
Debt service	-	-	-
Unreserved, reported in:			
General fund	3,582,634	-	-
Special revenue funds	-	1,653,249	1,689,679
Capital project funds	-	-	-
Total fund balances	<u>3,582,634</u>	<u>1,653,249</u>	<u>2,021,656</u>
Total liabilities and fund balances	<u>\$ 4,020,676</u>	<u>\$ 2,038,675</u>	<u>\$ 2,138,829</u>

The notes to the financial statements are an integral part of this statement.

Statement C

<u>Parishwide Road Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Component Unit St. James Parish Clerk of Court</u>
\$ 822	\$ 4,330,490	\$ 6,544,342	\$ 330,076
-	2,255,009	3,111,474	-
-	5,213,308	9,947,745	21,131
303,849	239,561	611,821	-
-	16,679	16,679	-
-	-	281,977	-
-	-	43,860	-
<u>\$ 304,671</u>	<u>\$ 12,055,047</u>	<u>\$ 20,557,898</u>	<u>\$ 351,207</u>
\$ 304,671	\$ 696,652	\$ 1,518,978	\$ 4,639
-	110,117	194,254	-
-	16,875	16,875	-
-	95,110	433,959	-
<u>304,671</u>	<u>918,754</u>	<u>2,164,066</u>	<u>4,639</u>
-	-	331,977	-
-	2,056,090	2,056,090	-
-	-	3,582,634	346,568
-	8,655,929	11,998,857	-
-	424,274	424,274	-
-	11,136,293	18,393,832	346,568
<u>\$ 304,671</u>	<u>\$ 12,055,047</u>	<u>\$ 20,557,898</u>	<u>\$ 351,207</u>

St. James Parish Council
 Convent, Louisiana
 Reconciliation of the Balance Sheet of
 Governmental Funds to the Statement of Net Assets
 December 31, 2003

	Governmental Funds	Component Unit St. James Parish Clerk of Court
Total fund balances per financial statements	\$ 18,393,832	\$ 346,568
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the statement of net assets.	40,564,283	3,442
Certain long-term assets are not reported in the fund financial statements because they are not available to pay current-period expenditures, but they are reported as assets in the statement of net assets.	910,855	-
Long-term liabilities are not reported as fund liabilities because they are not due and payable in the current period, but they are presented as liabilities in the statement of net assets. Balances at December 31, 2003 are as follows:		
Accrued interest	(92,886)	-
Bonds payable	(7,174,000)	-
Certificates of indebtedness	(620,000)	-
Capital leases	(205,897)	-
Compensated absences	(488,927)	(62,271)
Assets and liabilities of the Internal Service Fund related to governmental programs are not reported in the governmental fund financial statements because they are presented on a different accounting basis, but they are presented as assets and liabilities in the statement of net assets.	<u>478,124</u>	<u>-</u>
Net assets of governmental activities	<u>\$ 51,765,384</u>	<u>\$ 287,739</u>

The notes to the financial statements are an integral part of this statement.

Statement D

St. James Parish Council
 Convent, Louisiana
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 December 31, 2003

	General	Road and Bridge Maintenance	Public Safety
Revenues:			
Taxes:			
Property	\$ 1,645,348	\$ 1,150,561	\$ 906,674
Voluntary payments in lieu of taxes	508,327	-	-
Sales and use	1,241,465	-	-
Alcoholic beverages (beer)	22,808	-	-
Licenses and permits	375,311	-	-
Intergovernmental:			
Federal	357,057	148,541	-
State	463,028	298,399	-
Local	100,111	2,016	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest	31,989	16,663	12,629
In-kind contributions	3,568	-	-
Other	118,644	1,101	-
Total revenues	<u>4,867,656</u>	<u>1,617,281</u>	<u>919,303</u>
Expenditures:			
Current:			
General government	2,505,658	-	-
Public safety	511,914	-	402,041
Highways and streets	-	1,078,222	-
Sanitation	-	-	-
Public transportation	-	-	-
Health and welfare	1,026,700	-	-
Culture and recreation	-	-	-
Economic development and assistance	329,051	-	-
In-kind expenses	3,568	-	-
Debt service			
Principal	-	-	63,701
Interest and fiscal charges	-	-	15,269
Capital outlay	8,200	149,698	444,372
Total expenditures	<u>4,385,091</u>	<u>1,227,920</u>	<u>925,383</u>
Excess (deficiency) of revenues over (under) expenditures	482,565	389,361	(6,080)
Other financing sources (uses):			
Operating transfers in	4,624	-	20,000
Debt proceeds	-	-	-
Operating transfers out	(1,354,239)	(1,052,149)	(277,583)
Total other financing sources (uses)	<u>(1,349,615)</u>	<u>(1,052,149)</u>	<u>(257,583)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(867,050)	(662,788)	(263,663)
Fund balance, beginning of year	4,449,684	2,316,037	2,285,319
Fund balance, end of year	<u>\$ 3,582,634</u>	<u>\$ 1,653,249</u>	<u>\$ 2,021,656</u>

The notes to the financial statements are an integral part of this statement.

Statement E

<u>Parishwide Road Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Component Unit St. James Parish Clerk of Court</u>
\$ -	\$ 4,630,349	\$ 8,332,932	\$ -
-	-	508,327	-
-	2,193,192	3,434,657	-
-	-	22,808	-
-	-	375,311	3,105
-	2,394,894	2,900,492	-
-	270,971	1,032,398	-
-	93,010	195,137	-
-	223,107	223,107	-
-	673,580	673,580	674,687
20	83,179	144,480	7,310
-	423,715	427,283	-
20,108	419,424	559,277	-
<u>20,128</u>	<u>11,405,421</u>	<u>18,829,789</u>	<u>685,102</u>
-	1,559,364	4,065,022	649,813
-	997,521	1,911,476	-
878,088	247,450	2,203,760	-
-	1,379,450	1,379,450	-
-	528,202	528,202	-
-	1,806,892	2,833,592	-
-	1,621,908	1,621,908	-
-	1,318,961	1,648,012	-
-	423,715	427,283	-
-	788,000	851,701	-
-	387,027	402,296	-
-	3,356,716	3,958,986	-
<u>878,088</u>	<u>14,415,206</u>	<u>21,831,688</u>	<u>649,813</u>
(857,960)	(3,009,785)	(3,001,899)	35,289
960,420	3,344,145	4,329,189	-
-	500,000	500,000	-
(103,000)	(1,617,918)	(4,404,889)	-
<u>857,420</u>	<u>2,226,227</u>	<u>424,300</u>	<u>-</u>
(540)	(783,558)	(2,577,599)	35,289
540	11,919,851	20,971,431	311,279
<u>\$ -</u>	<u>\$ 11,136,293</u>	<u>\$ 18,393,832</u>	<u>\$ 346,568</u>

St. James Parish Council
Convent, Louisiana
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2003

	<u>Governmental Funds</u>	<u>Component Unit St. James Parish Clerk of Court</u>
Net change in total fund balances per fund financial statements	\$ (2,577,599)	\$ 35,289
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but they are presented as assets in the statement of net assets and depreciated over their estimated economic lives. This is the amount by which current capital outlays of \$3,958,986 (\$0 for the Clerk of Court) exceeded depreciation of \$2,582,999 (\$1,754 for the Clerk of Court).	1,375,987	(1,754)
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.	(311,185)	-
The proceeds from the issuance of bonds provide current financial resources and are reported in the fund financial statements, but they are presented as liabilities in the statement of net assets.	(500,000)	-
Repayment of principal on long-term debt consume resources of governmental funds but do not impact net assets.	851,701	-
Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources but expenses, including interest and compensated absences, are recognized in the statement of activities when they are incurred.	(69,439)	(5,786)
Gains and losses are not presented in the fund financial statements because they do not provide or use current financial resources, but they are presented in the statement of activities.	<u>(50,002)</u>	<u>-</u>
Change in net assets of governmental activities	<u>\$ (1,280,537)</u>	<u>\$ 27,749</u>

The notes to the financial statements are an integral part of this statement.

Statement F

St. James Parish Council
 Convent, Louisiana
 Proprietary Funds
 Statement of Net Assets
 December 31, 2003

	Enterprise Funds		
	St. James Parish Gas & Water Distribution System	St. James Youth Center	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 335,408	\$ 225,575	\$ 560,983
Investments	-	2,795	2,795
Receivables (net of allowances for uncollectibles)	337,555	372,924	710,479
Due from other funds	-	600	600
Inventories	128,176	4,761	132,937
Prepaid insurance	101,029	5,607	106,636
Total current assets	<u>902,168</u>	<u>612,262</u>	<u>1,514,430</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	819,408	-	819,408
Certificates of deposit	250,000	-	250,000
Investments	341,553	-	341,553
Agreement for funded depreciation	-	-	-
Total restricted assets	<u>1,410,961</u>	<u>-</u>	<u>1,410,961</u>
Capital assets, net	9,283,331	5,199,867	14,483,198
Other assets, net	6,067	-	6,067
Total noncurrent assets	<u>10,700,359</u>	<u>5,199,867</u>	<u>15,900,226</u>
Total assets	<u>11,602,527</u>	<u>5,812,129</u>	<u>17,414,656</u>
Liabilities			
Current liabilities (payable from current assets):			
Accounts payable	304,674	90,360	395,034
Liability for claims	-	-	-
Due to other funds	157,026	-	157,026
Deferred revenue	-	-	-
Current maturities of long-term debt	-	-	-
Compensated absences	150,235	92,703	242,938
Accrued expenses	61,771	-	61,771
Total current liabilities (payable from current assets)	<u>673,706</u>	<u>183,063</u>	<u>856,769</u>
Current liabilities (payable from restricted assets)	577,018	-	577,018
Noncurrent liabilities:			
Notes payable	-	-	-
Advances to other funds	306,977	-	306,977
Revenue bonds	460,775	-	460,775
Total noncurrent liabilities	<u>767,752</u>	<u>-</u>	<u>767,752</u>
Total liabilities	<u>2,018,476</u>	<u>183,063</u>	<u>2,201,539</u>
Net assets			
Invested in capital assets, net of related debt	8,162,280	5,199,867	13,362,147
Restricted for debt service and capital improvements	1,134,646	-	1,134,646
Unrestricted	287,125	429,199	716,324
Total net assets	<u>\$ 9,584,051</u>	<u>\$ 5,629,066</u>	<u>\$ 15,213,117</u>

The notes to the financial statements are an integral part of this statement

Statement G

Internal Service Fund	Component Unit
	St. James Parish Hospital
\$ 533,976	\$ 1,023,454
281,091	-
3,588	1,315,445
-	-
-	149,093
-	58,728
<u>818,655</u>	<u>2,546,720</u>
-	-
-	-
-	-
-	3,899,974
-	<u>3,899,974</u>
-	3,383,923
-	-
-	7,283,897
<u>818,655</u>	<u>9,830,617</u>
532	353,285
340,000	-
-	-
-	344
-	79,603
-	161,932
-	142,512
<u>340,532</u>	<u>737,676</u>
-	-
-	449,946
-	-
-	-
-	449,946
<u>340,532</u>	<u>1,187,622</u>
-	2,854,374
-	-
478,123	5,788,621
<u>\$ 478,123</u>	<u>\$ 8,642,995</u>

St. James Parish Council
 Convent, Louisiana
 Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the year ended December 31, 2003

	Enterprise Funds		
	St. James Parish Gas & Water Distribution System	St. James Youth Center	Total
Operating revenues:			
Charges for sales and services	\$ 3,127,848	\$ 1,248,312	\$ 4,376,160
Other	162,274	4,221	166,495
Total operating revenues	<u>3,290,122</u>	<u>1,252,533</u>	<u>4,542,655</u>
Operating expenses:			
Cost of sales and services	1,301,311	180,999	1,482,310
Payrolls	724,177	1,110,703	1,834,880
General and administrative	665,601	782,589	1,448,190
Depreciation and amortization	373,508	214,302	587,810
Total operating expenses	<u>3,064,597</u>	<u>2,288,593</u>	<u>5,353,190</u>
Operating income (loss)	225,525	(1,036,060)	(810,535)
Nonoperating revenues (expenses):			
Property taxes	-	230,087	230,087
Interest income	15,287	3,351	18,638
Interest expense	(55,427)	-	(55,427)
Grants	68,870	90,935	159,805
Court fines	-	2,400	2,400
Other	-	560	560
Total nonoperating revenues (expenses)	<u>28,730</u>	<u>327,333</u>	<u>356,063</u>
Income (loss) before transfers	254,255	(708,727)	(454,472)
Operating transfers in	<u>100,083</u>	<u>10,000</u>	<u>110,083</u>
Change in net assets	354,338	(698,727)	(344,389)
Net assets, beginning	<u>9,229,713</u>	<u>6,327,793</u>	<u>15,557,506</u>
Net assets, ending	<u>\$ 9,584,051</u>	<u>\$ 5,629,066</u>	<u>\$ 15,213,117</u>

The notes to the financial statements are an integral part of this statement.

<u>Internal Service Fund</u>	<u>Component Unit St. James Parish Hospital</u>
\$ 1,908,980	\$ 5,862,283
1,316	661,663
<u>1,910,296</u>	<u>6,523,946</u>
1,517,092	1,649,800
-	2,738,412
439,097	2,424,751
-	362,442
<u>1,956,189</u>	<u>7,175,405</u>
(45,893)	(651,459)
-	1,119,526
8,249	159,608
-	(2,639)
-	47,572
-	-
-	(2,687)
<u>8,249</u>	<u>1,321,380</u>
(37,644)	669,921
-	-
(37,644)	669,921
<u>515,767</u>	<u>7,973,074</u>
<u>\$ 478,123</u>	<u>\$ 8,642,995</u>

St. James Parish Council
 Convent, Louisiana
 Proprietary Funds
 Statement of Cash Flows
 For the year ended December 31, 2003

	Enterprise Funds		
	St. James Parish Gas & Water Distribution System	St. James Youth Center	Total
Cash flows from operating activities:			
Receipts from customers and users	\$3,254,753	\$ 1,337,985	\$4,592,738
Receipts from interfund services provided	31,025	-	31,025
Receipts from other operating activities	-	-	-
Payments to suppliers	(1,870,650)	(746,611)	(2,617,261)
Payments to employees	(724,177)	(1,145,923)	(1,870,100)
Payments for interfund services used	(92,448)	(1,140)	(93,588)
Net cash provided by (used in) operating activities	<u>598,503</u>	<u>(555,689)</u>	<u>42,814</u>
Cash flows from noncapital financing activities:			
Advances from other funds	106,619	-	106,619
Miscellaneous receipts	-	2,960	2,960
Subsidy from grants	68,870	90,935	159,805
Property taxes and revenue sharing monies received	-	224,376	224,376
Payments on advances from other funds	(50,000)	-	(50,000)
Transfer from St. James Parish Council	-	10,000	10,000
Net cash provided by noncapital financing activities	<u>125,489</u>	<u>328,271</u>	<u>453,760</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(515,742)	-	(515,742)
Principal paid on long-term debt	(295,000)	-	(295,000)
Long-term debt	(66,186)	-	(66,186)
Capital contributions	100,083	-	100,083
Long-term debt borrowings	-	-	-
Net cash used for capital and related financing activities	<u>(776,845)</u>	<u>-</u>	<u>(776,845)</u>
Cash flows from investing activities:			
Maturation of investments	291,273	198,691	489,964
Purchase of investments	(250,000)	-	(250,000)
Interest received	14,014	3,351	17,365
Net cash (used in) provided by investing activities	<u>55,287</u>	<u>202,042</u>	<u>257,329</u>
Net increase (decrease) in cash and cash equivalents	2,434	(25,376)	(22,942)
Cash and cash equivalents, beginning of year	1,152,382	250,951	1,403,333
Cash and cash equivalents, end of year	<u>\$1,154,816</u>	<u>\$ 225,575</u>	<u>\$1,380,391</u>

The notes to the financial statements are an integral part of this statement.

Statement I (continued)

	<u>Component Unit</u>
<u>Internal Service Fund</u>	<u>St. James Parish Hospital</u>
\$ 1,934,906	\$ 4,630,572
-	-
-	752,593
(1,890,657)	(2,730,384)
-	(3,215,332)
-	-
<u>44,249</u>	<u>(562,551)</u>
-	-
-	-
-	5,375
-	1,101,329
-	-
-	-
<u>-</u>	<u>1,106,704</u>
-	(1,227,819)
-	(19,641)
-	(2,639)
-	6,233
-	529,549
<u>-</u>	<u>(714,317)</u>
-	382,856
(157,337)	-
8,249	159,608
<u>(149,088)</u>	<u>542,464</u>
(104,839)	372,300
638,815	651,154
<u>\$ 533,976</u>	<u>\$ 1,023,454</u>

St. James Parish Council
 Convent, Louisiana
 Proprietary Funds
 Statement of Cash Flows
 For the year ended December 31, 2003

	Enterprise Funds		
	St. James Parish Gas & Water Distribution System	St. James Youth Center	Total
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 225,525	\$ (1,036,060)	\$ (810,535)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	373,508	214,302	587,810
Provision for uncollectible accounts	(1,340)	-	(1,340)
Loss on disposal of capital assets	961	53,461	54,422
Changes in assets and liabilities:			
Accounts receivable	(11,020)	85,453	74,433
Contractual settlements receivable	-	-	-
Due from St. James Parish Council	2,008	(600)	1,408
Inventory	26,146	(2,984)	23,162
Prepaid expenses	(20,086)	101,634	81,548
Accounts payable	46,297	22,502	68,799
Liability for claims	-	-	-
Due to St. James Parish Council	(92,448)	(540)	(92,988)
Compensated absences	19,576	6,954	26,530
Accrued expenses	9,455	189	9,644
Customers' deposits	19,921	-	19,921
Net cash provided by operating activities	<u>\$ 598,503</u>	<u>\$ (555,689)</u>	<u>\$ 42,814</u>
Cash and cash equivalents for cash flow statement include:			
Cash and cash equivalents	\$ 335,408	\$ 225,575	\$ 560,983
Restricted assets:			
Cash and cash equivalents	819,408	-	819,408
Total cash and cash equivalents	<u>\$1,154,816</u>	<u>\$ 225,575</u>	<u>\$1,380,391</u>

The notes to the financial statements are an integral part of this statement.

Statement I (concluded)

Internal Service Fund	Component Unit
	St. James Parish Hospital
\$ (45,893)	\$ (651,459)
-	362,442
-	-
-	-
24,610	(47,954)
-	(458,189)
-	-
-	(9,649)
-	(1,847)
532	151,573
65,000	-
-	-
-	8,396
-	84,136
-	-
<u>\$ 44,249</u>	<u>\$ (562,551)</u>
\$ 533,976	\$ 1,023,454
-	-
<u>\$ 533,976</u>	<u>\$ 1,023,454</u>

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements

INTRODUCTION

The St. James Parish Council (Parish Council) is the governing authority for St. James Parish and is a political subdivision of the State of Louisiana. The Parish Council is governed by seven councilmen representing the various districts within the Parish. The councilmen serve four-year terms, which expire on January 12, 2004.

Louisiana Revised Statute 33:1236 gives the Parish Council various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of these are the power to make regulations for their own government, to regulate the construction and maintenance of roads, bridges, and drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the Parish. Funding to accomplish these tasks is provided by property taxes, sales taxes, service charges, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

To fulfill its responsibilities to the poor, disadvantaged, and unemployed in the Parish, the Parish Council may provide for specialized health service programs, emergency food and medical assistance, family planning assistance, recreation and service centers for the elderly, consumer education, agricultural assistance, and economic development activities. To provide funding for these activities, the Parish Council, in addition to local funding sources, performs the functions of a community action agency under the terms and provisions of the United States Economic Opportunity Act of 1964.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the St. James Parish Council have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the Parish, the Parish Council is the reporting entity. The financial reporting entity consists of (a) the primary government (Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. REPORTING ENTITY (Continued)

1. Appointing a voting majority of an organization's governing body and,
 - a. The ability of the Parish Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but which are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Component Unit	Fiscal Year End	Criteria Used	Type of Presentation
St. James Parish Gas and Water Distribution System	June 30	1,3	Blended
St. James Youth Center	December 31	1,3	Blended
St. James Parish Clerk of Court	June 30	2,3	Discrete
St. James Parish Hospital	March 31	1,3	Discrete

Complete financial statements for each of the individual component units may be obtained at the component unit's administrative offices, except for the St. James Youth Center, which does not issue separate financial statements.

The Parish Council's financial statements do not include the component units that are multi-parish component units. The multi-parish component units include:

Multi-Parish Component Unit	Fiscal Year End	Component Unit of
Ascension-St. James Airport & Transportation Authority	June 30	Ascension Parish
District Attorney of the Twenty-third Judicial District	December 31	Ascension Parish
Twenty-third Judicial District Indigent Defender Board	December 31	Ascension Parish

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. REPORTING ENTITY (Continued)

Considered in the determinations of component units of the reporting entity were the St. James Parish School Board, St. James Parish Assessor, St. James Parish Sheriff, and the various municipalities in the Parish. It was determined that these governmental entities are not component units of the St. James Parish Council reporting entity. All are governed by independently elected officials. The Parish Council oversight unit neither appoints governing Boards nor designates management. Furthermore, the Parish Council has no ability to significantly influence operations, nor does it have any accountability for fiscal matters of the entities. They are considered by the Parish Council to be separate autonomous governments and issue financial statements separate from those of the St. James Parish Council reporting entity.

The Parish Council is responsible for appointing the members of the board of the St. James Housing Authority. The Parish Council's accountability for the Housing Authority does not extend beyond making the appointments. It was determined that the St. James Housing Authority is a related organization to the Parish Council.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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*.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses net of uncollectible amounts are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter) are recognized in the year of levy. Sales and use tax revenues are considered measurable when the underlying transaction occurs and are recognized as revenue if collected soon enough to meet the availability criteria. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Parish Council reports the following major governmental funds:

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

The *Road and Bridge Maintenance fund* is the government's primary fund for the maintenance of existing roads and roadside areas. This fund is supported by property taxes, state revenue sharing, the State of Louisiana Parish Transportation Fund, and the Parish Royalty Fund.

The *Public Safety fund* accounts for the payments to the six volunteer fire departments and for the health services provided to the residents of the parish. This fund is supported by property taxes.

The *Parishwide Road Improvement fund* accounts for parishwide road improvements which include the construction of new roads and bridges. This fund is supported by transfers from the *Road and Bridge Maintenance fund*.

The Parish Council reports the following major proprietary funds:

The *St. James Parish Gas and Water Distribution System fund* accounts for the sale and distribution of gas and water to the residents of St. James Parish.

The *St. James Youth Center fund* accounts for the maintenance, operations and management of a juvenile center for children who enter the juvenile justice system.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Additionally, the Parish Council reports the following governmental fund types:

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

Debt service funds account for the accumulation of resources for the payment of principal and interest on long-term obligation debt of governmental funds.

Internal service fund accounts for the provision of group health and life insurance provided to the Parish Council's employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Parish Council has elected not to follow subsequent private-sector guidance for the primary government; however, the St. James Parish Hospital has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board, including those issued after November 30, 1989, that do not conflict nor contradict GASB pronouncements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Parish Council's water and gas function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Parish Council's enterprise funds and the Parish Council's internal service fund are charges to customers for sales and services. The St. James Parish Gas and Water Distribution System fund also recognizes as operating revenue the portion of tapping fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and the internal service fund 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.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include interest-bearing demand deposits and certificates of deposit with a maturity of three months or less from the date of acquisition. Under state law, the Parish Council may deposit funds within 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. Further, the Parish Council may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

2. Investments

State statutes authorize the Parish Council to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments are stated at market value.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities and any balances not eliminated due to timing differences are reported in the government-wide financial statements as "internal balances".

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

All trade and property tax receivables are shown net of allowance for uncollectibles.

Property taxes and the related state revenue sharing (which is based on population and homesteads in the Parish) are recorded in the year assessed. Property taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

4. Inventory and Prepaid Items

Inventory in the General Fund consists of expendable supplies held for consumption. The inventory is valued at cost (first-in, first-out method), and the cost is recorded as an expenditure at the time individual inventory items are requisitioned by the different departments.

Inventories in the St. James Parish Gas and Water Distribution System are stated at the lower of cost (weighted moving average) or market. Gas purchased in the system's lines and the water produced by the system are expensed when purchased or purified.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

4. Inventory and Prepaid Items (Continued)

Inventories of the St. James Youth Center consist of clothing and food supplies which are stated at the lower of cost (first-in, first-out method) or market and are recorded as expenses when consumed.

Inventories of the St. James Parish Hospital consist of medical supplies and are stated at the lower of cost (first-in, first-out method) or market and are recorded as expenses when consumed.

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

5. Restricted Assets

The St. James Parish Gas and Water Distribution System has restricted assets for debt retirement. The 1973 Series and 1997 Refunding Series Bond resolutions established the following restricted funds:

Sinking Fund (SF)

This fund was established to provide for the payments of bond principal and interest. Deposits to the fund of 1/6th of the next interest payment and 1/12th of the next principal payment are required monthly.

Reserve Fund (RF)

This fund was established for the payments of bond principal and interest if the Sinking Fund is not capable of meeting the payments. The bond ordinances require monthly deposits to the fund in an amount that will increase the total amount on deposit, within a period not exceeding five years, to a sum equal to the highest principal and interest requirements in any succeeding fiscal year on the 1973 Series and the 1997 Refunding Series revenue bonds.

Capital Additions and Contingencies Fund (CACF)

This fund was established to provide for extensions, additions, improvements, renewals and replacement of the gas and water distribution system. It may also be used for bond maturity payments and interest payments if the Sinking Fund and Reserve Fund are not capable of meeting the payments. The 1973 Series and the 1997 Refunding Series revenue bonds require 5% of the gross revenue of the St. James Parish Gas and Water Distribution System collected be deposited to the fund after the required deposits to the Sinking Fund and Reserve Fund have been made.

The St. James Parish Hospital has assets where use is limited for funded depreciation.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Parish as assets with an initial, individual cost of more than \$5,000 (equipment), \$25,000 (land or land improvements), \$50,000 (buildings) or \$250,000 (infrastructure), and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in 2003.

Property, plant, and equipment of the governmental funds, as well as the St. James Youth Center, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40 – 60
Building improvements	7 – 20
Infrastructure	25 – 40
Heavy equipment	10 – 20
Vehicles	5 – 8
Furniture/office equipment	5
Computer equipment	5

The St. James Parish Gas and Water Distribution System's plant, property, and equipment are stated at cost and are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Utility plant, distribution system and components	5 – 50
Transportation equipment	5 – 8
Office furniture, fixtures and equipment	3 – 15

The St. James Parish Clerk of Court's capital assets, which include property, plant and equipment, are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets.

The St. James Parish Hospital's property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Office furniture, fixtures, and equipment	3 – 20
Buildings and improvements	10 – 40

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

7. Compensated Absences

Parish Council employees earn from 12 to 18 days of both annual and sick leave each year, depending upon length of service. Sick leave may be accumulated without limitation; however, annual leave may not be carried forward from one year to the next unless approved by the Parish President. Upon retirement, unused accumulated sick leave from 15 to 60 days depending on length of service, is paid to the employee at the employee's current rate of pay. Any unused annual leave is paid to the employee upon retirement or termination.

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

The St. James Parish Clerk of Court's employees earn vacation and sick leave each year as follows:

Vacation

Employees with 1-12 years earn 12 days per year.
Employees with 13-22 years earn 17 days per year.
Employees with more than 22 years earn 22 days per year.

Sick leave

Employees with 1-3 years earn 12 days per year.
Employees with 3-10 years earn 18 days per year.
Employees with more than 10 years earn 24 days per year.

Vacation leave must be used in the year earned. Upon resignation or retirement, employees may, at the discretion of the Clerk, be paid for unused sick leave at the employee's current rate of pay. Sick leave may be accumulated to a maximum of 60 days and carried over to succeeding years.

St. James Parish Hospital's employees earn vacation days and sick days at varying rates depending on years of service. Employees may accumulate vacation days and be paid if they leave before they exhaust this accumulation. Employees may accumulate sick leave but are not paid for accumulated sick leave.

8. Long-term Obligations

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

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

8. Long-term Obligations (Continued)

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.

9. Fund Equity

Reserves of Fund Equity

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

Net Assets

In the government-wide financial statements net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the Parish Council's policy to use restricted resources first, then unrestricted resources as they are needed.

The Parish Council issued general obligation debt to finance the construction of the youth detention center facility. The debt (\$6,115,000 as of December 31, 2003) is being repaid by St. James Parish's general fund instead of the St. James Youth Center (enterprise fund). On the Statement of Net Assets, the governmental activities report the debt, and the business-type activities report the capital asset. The debt is not considered "capital related" debt for net assets relating to governmental activities. However, for the total primary government the debt is considered to be related to capital assets. Consequently, total primary government unrestricted net assets and net assets invested in capital assets, net of related debt, are not the same as the combining of the net asset components of the governmental activities and the business-type activities of the primary government.

<u>Net Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Reconciling Debt</u>	<u>Total</u>
Investment in capital assets, net of related debt	\$39,074,783	\$13,362,147	\$(6,115,000)	\$46,321,930
Unrestricted	(2,693,261)	716,324	6,115,000	4,138,063

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

10. Sales and Use Tax

On April 4, 1981, the voters of St. James Parish approved a one percent sales and use tax, which is collected by the St. James Parish School Board, and then remitted to the Parish Council. The proceeds of the tax, after paying reasonable and necessary costs and expenses of collecting and administering the tax, are dedicated as follows:

1. One-fourth is to provide care and assistance to the elderly of the Parish and provide health services to Parish residents, including the acquisition, operation, and maintenance of necessary vehicles;
2. One-fourth is to provide solid waste management and disposal including the acquisition of land, plants, buildings, machinery, and necessary equipment;
3. One-fourth is to pay the cost of providing recreational facilities, including the acquisition of land, buildings, machinery, and equipment; and
4. One-fourth is to pay the general operation and maintenance costs of the Parish, to acquire capital improvements for the Parish, and to service bonds from time to time for the purpose of making capital improvements for the purposes listed above.

11. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

II. CHANGE IN ACCOUNTING PRINCIPLES AND FINANCIAL STATEMENT PRESENTATION

Beginning January 1, 2003, the Parish Council implemented GASB Statement No. 34, *Basic Financial Statement-and Management's Discussion and Analysis-for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Parish Council's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. Nonmajor funds are presented in total in one column in the fund financial statements.

In addition, the Parish Council changed its capitalization and depreciation of capital assets policy effective January 1, 2003 in order to be consistent with the recommended guidelines by the State of Louisiana for capitalization of the capital assets. The effect of this change on operations for the current year was impracticable to determine.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

II. CHANGE IN ACCOUNTING PRINCIPLES AND FINANCIAL STATEMENT PRESENTATION
 (Continued)

The effect of these changes caused the opening fund balance at January 1, 2003, to be restated in terms of Net Assets as follows:

Total Fund Balances – Governmental Funds at January 1, 2003		\$20,971,431
Long-term assets at January 1, 2003:		
Add: Accounts receivable	1,039,658	
Add: Other assets	129,709	1,169,367
Capital assets at January 1, 2003:		
Add: Cost of capital assets added at January 1, 2003	81,728,569	
Less: Cost of capital assets deleted at January 1, 2003	(1,737,665)	
Less: Accumulated depreciation at January 1, 2003	(40,752,606)	39,238,298
Long-term liabilities at January 1, 2003:		
Compensated absences at January 1, 2003	(497,344)	
Bond debt and capital leases at January 1, 2003	(8,351,598)	(8,848,942)
Internal Service fund balance at January 1, 2003		515,767
Net assets at January 1, 2003		\$53,045,921

Discretely Presented Component Unit – St. James Parish Clerk of Court

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2002, to be restated in terms of Net Assets as follows:

Total Fund Balances - Governmental Funds at June 30, 2002		\$311,279
Add: Cost of capital assets at June 30, 2002	59,536	
Less: Accumulated depreciation at June 30, 2002	(54,340)	5,196
Long-term liabilities at June 30, 2002:		
Compensated absences payable		(56,485)
Net assets at June 30, 2002		\$259,990

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The proposed budget for the year ended December 31, 2003, was completed and made available for public inspection at the Parish Council Office on November 6, 2002. A public hearing was held on December 4, 2002, for suggestions and comments from taxpayers. The proposed budget was formally adopted by the Parish Council on December 4, 2002. The 2003 budget, which included proposed expenditures and the means of financing them for the general, special revenue, debt service and capital projects funds, was published in the official journal twenty-one (21) days prior to the public hearing.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

All appropriations lapse at year-end, and any encumbrances outstanding at year-end are included in the next year's budget with funds appropriated in that year to finance them. The budget is prepared on a modified accrual basis. Formal budgetary accounts are integrated into the accounting system during the year as a management control device.

The Parish Council exercises budgetary control at the functional level. Within functions, the Director of Finance has the authority to make amendments as necessary. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, a budget amendment to reflect such changes is adopted by the Parish Council in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2003, expenditures exceeded appropriations in the following individual funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	<u>\$5,999,800</u>	<u>\$6,167,367</u>	<u>\$ 167,567</u>
Special Revenue Funds:			
Solid Waste Disposal	1,401,800	1,438,000	36,200
Gramercy Recreation District	117,900	120,914	3,014
Library	1,880,503	1,882,053	1,550
Consolidated Road Lighting District #3A	213,700	218,089	4,389
Elderly & Emergency Medical Services	2,045,200	2,047,653	2,453
Public Safety	1,180,520	1,202,966	22,446
C-2 Home Delivered Meals	49,800	53,851	4,051
C-1 Congregate Meals	37,400	40,267	2,867
Senior Center	15,700	17,604	1,904
Cash-in-Lieu of Commodities	38,800	50,171	11,371
Weatherization	17,900	18,008	108
Community Services Block Grant	91,200	107,397	16,197
Energy Assistance	44,800	47,056	2,256
Senior Citizens Activities	48,300	50,727	2,427
Head Start Program	1,636,250	1,727,659	91,409
Head Start Activity	14,500	15,017	517
Housing Development	1,400	1,997	597
Total Special Revenue Funds	<u>8,835,673</u>	<u>9,039,429</u>	<u>203,756</u>
Debt Service Funds:			
Consolidated General Obligation Bonds	<u>1,092,500</u>	<u>1,098,726</u>	<u>6,226</u>
Capital Projects Funds:			
Library Construction	<u>1,233,000</u>	<u>1,254,412</u>	<u>21,412</u>
Internal Service Fund:			
Group Hospitalization Claims Clearing	<u>1,879,300</u>	<u>1,956,189</u>	<u>76,889</u>
Total	<u>\$19,040,273</u>	<u>\$19,516,123</u>	<u>\$475,850</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS (Continued)

In the future, the individual fund budgets will be amended whenever actual expenditures plus projected expenditures for the remainder of the year exceed budgeted amounts.

C. LEVIED TAXES

The following is a summary of levied property taxes for the year 2003:

	<u>Millage Rate</u>
Parishwide taxes:	
General Fund	3.23
Library	3.00
Department of Human Resources	3.92
Courthouse Jail and Public Buildings Maintenance	5.00
Road and Bridge Maintenance	5.00
Parishwide Drainage	3.00
Public Safety	3.94
Enhanced 911 System Maintenance	1.25
Consolidated General Obligation Bonds	5.25
St. James Youth Center	1.00
Special district taxes:	
Consolidated Road Lighting District #3A	1.25
Gramercy Recreation District	4.61
Fire Protection District #2	.74
District V Recreation	1.00
Discrete component unit:	
St. James Parish Hospital	4.75

The following are the principal taxpayers of the Parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Motiva Enterprises, LLC	Oil	\$ 49,203,903	18.55%
Chevron U.S.A. Inc.	Chemical	27,162,884	10.24%
Occidental Chemical Corporation	Chemical	13,967,695	5.27%
Kaiser Aluminum & Chemical Company	Chemical	11,738,726	4.43%
IMC-Phosphate Company (Agrico)	Chemical	11,454,323	4.32%
IMC-Phosphate Company (Freeport)	Chemical	10,688,192	4.03%
LoCap, Inc.	Public Service	7,582,810	2.86%
Entergy Louisiana, Inc.	Public Service	7,139,320	2.69%
Capline System	Public Service	6,630,300	2.50%
Zen-Noh Grain Corporation	Grain	6,576,376	2.48%
Total		<u>\$152,144,529</u>	<u>57.37%</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

At December 31, 2003, the Parish Council has deposits and certificates of deposit (book balances) as follows:

	<u>Primary Government</u>	<u>St. James Parish Hospital</u>	<u>St. James Parish Clerk of Court</u>
Cash	\$1,373,943	\$1,023,454	\$ 450,952
Certificates of deposit less than 90 days	<u>6,265,358</u>	<u>-</u>	<u>-</u>
	7,639,301	1,023,454	450,952
Restricted Assets			
Cash	819,408	-	-
Certificates of deposit greater than 90 days	250,000	-	-
Certificates of deposit greater than 90 days	<u>-</u>	<u>-</u>	<u>779,390</u>
	<u>\$8,708,709</u>	<u>\$1,023,454</u>	<u>\$1,230,342</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2003, the primary government has \$8,849,307 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$8,349,307 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). At June 30, 2003, the St. James Parish Clerk of Court has \$1,286,356 in deposits (collected bank balances). These deposits are secured from risk by \$400,000 of federal deposit insurance and \$886,356 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Included in the \$1,286,356 of St. James Parish Clerk of Court's deposits are \$900,266 of fiduciary funds due to litigants and others which are not required to be reported by St. James Parish Council in the basic financial statements. At March 31, 2003, the St. James Parish Hospital has \$1,075,457 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$775,457 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Parish Council that the fiscal agent has failed to pay deposited funds upon demand.

The Parish Council has investment securities in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP as of December 31, 2003, is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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

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

Investments in LAMP at December 31, 2003, are as follows:

	<u>General Fund</u>	<u>Road and Bridge Maintenance</u>	<u>Public Safety</u>	<u>Other Nonmajor Funds</u>	<u>St. James Parish Gas and Water Distribution System</u>	<u>St. James Youth Center</u>	<u>Total Primary Government</u>
Investment securities	\$187,217	\$141,215	\$528,033	\$2,536,100	\$ -	\$2,795	\$3,395,360
Restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,553</u>	<u>-</u>	<u>341,553</u>
	<u>\$187,217</u>	<u>\$141,215</u>	<u>\$528,033</u>	<u>\$2,536,100</u>	<u>\$341,533</u>	<u>\$2,795</u>	<u>\$3,736,913</u>

St. James Parish Hospital has investments in securities whose use is limited under agreements with third party payors for funded depreciation. The summary of these investments as of March 31, 2003, is as follows:

Certificate of deposit maturing in June 2004 with interest rate of 1.4%	\$ 395,606
Certificate of deposit maturing in March 2004 with interest rate of 1.29%	523,266
US Government Securities - Agencies	
FHLB - \$1,090,000 face value - 4.50% - 8.13% coupons, maturing 05/14/03-02/10/15, callable.	1,091,374
FFCB - \$103,450 face value - 6.84% maturing March 2012 and January 2010, callable.	104,719
FHLMC - \$1,249,874 face value - 5% - 8% coupons, maturing 4/16/04 - 12/12/16, callable.	1,252,038
Cash Management Account - Paine Webber Government Securities Fund	510,295
Accrued interest	<u>22,676</u>
	<u>\$3,899,974</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

The Hospital's certificates of deposit in excess of insured deposit limits were collateralized by U.S. Government securities and other Agency obligations. U.S. Government securities are carried at fair value with accrued interest.

B. RECEIVABLES

Receivables as of year end for the primary government's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Road and Bridge Maintenance</u>	<u>Public Safety</u>	<u>Other Nonmajor Funds</u>	<u>St. James Parish Gas and Water Distribution System</u>	<u>St. James Youth Center</u>	<u>Total</u>
Taxes							
Property	\$2,133,497	\$1,136,485	\$ 895,545	\$4,572,525	-	\$227,297	\$8,965,349
Sales	264,062	-	-	382,343	-	-	646,405
Other government agencies							
Federal	5,156	-	-	71,529	-	-	76,685
State	102,437	70,506	-	19,732	-	-	192,675
Accounts	-	-	-	102,028	365,177	140,205	607,410
Interest	-	-	-	-	1,322	-	1,322
Other	<u>113,654</u>	<u>13,095</u>	<u>-</u>	<u>68,739</u>	<u>-</u>	<u>5,422</u>	<u>200,910</u>
Gross Receivables	2,618,806	1,220,086	895,545	5,216,896	366,499	372,924	10,690,756
Less: allowance for uncollectibles	-	-	-	-	<u>(28,944)</u>	<u>-</u>	<u>(28,944)</u>
Net total receivables	<u>\$2,618,806</u>	<u>\$1,220,086</u>	<u>\$895,545</u>	<u>\$5,216,896</u>	<u>\$337,555</u>	<u>\$ 372,924</u>	<u>\$10,661,812</u>

Receivables for the component units at their respective year ends are as follows:

	<u>St. James Parish Hospital</u>	<u>St. James Clerk of Court</u>
Taxes	\$ 279,160	\$ -
Contractual settlements	131,483	-
Other government agencies	-	4,710
Accounts	1,558,566	15,121
Interest	-	1,300
Other	<u>103,960</u>	<u>-</u>
Gross receivables	2,073,169	21,131
Less: allowance for uncollectibles	<u>(757,724)</u>	<u>-</u>
Net total receivables	<u>\$1,315,445</u>	<u>\$21,131</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

C. CAPITAL ASSETS

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

Primary Government

	Beginning Balance <u>(as restated)</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,829,767	\$ -	\$ -	\$ 1,829,767
Construction in progress	<u>862,697</u>	<u>2,559,250</u>	<u>(666,477)</u>	<u>2,755,470</u>
Total capital assets, not being depreciated	<u>2,692,464</u>	<u>2,559,250</u>	<u>(666,477)</u>	<u>4,585,237</u>
Capital assets, being depreciated:				
Buildings	9,012,099	71,076	-	9,083,175
Improvements other than buildings	1,183,391	5,000	-	1,188,391
Machinery and equipment	8,427,275	1,486,938	(607,434)	9,306,779
Library collection	1,382,620	52,967	(36,682)	1,398,905
Infrastructure	<u>55,991,289</u>	<u>450,232</u>	<u>-</u>	<u>56,441,521</u>
Total capital assets being depreciated	75,996,674	2,066,213	(644,116)	77,418,771
Less accumulated depreciation for:				
Buildings	(3,538,981)	(209,435)	-	(3,748,416)
Improvements other than buildings	(727,892)	(41,049)	-	(768,941)
Machinery and equipment	(5,558,217)	(631,672)	557,433	(5,632,456)
Library collection	(829,572)	(276,524)	36,682	(1,069,414)
Infrastructure	<u>(28,796,179)</u>	<u>(1,424,319)</u>	<u>-</u>	<u>(30,220,498)</u>
Total accumulated depreciation	(39,450,841)	(2,582,999)	594,115	(41,439,725)
Total capital assets, being depreciated, net	<u>36,545,833</u>	<u>(516,786)</u>	<u>(50,001)</u>	<u>35,979,046</u>
Governmental activities capital assets, net	<u>\$39,238,297</u>	<u>\$2,042,464</u>	<u>\$(716,478)</u>	<u>\$40,564,283</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	<u>\$ 437,392</u>	<u>\$ 303,737</u>	<u>\$(724,247)</u>	<u>\$ 16,882</u>
Capital assets, being depreciated:				
Buildings	8,587,968	-	-	8,587,968
Gas distribution system	1,982,057	9,470	(13,207)	1,978,320
Water distribution system	13,554,948	869,019	(14,672)	14,409,295
Office furniture, fixtures, and equipment	652,001	57,609	-	709,610
Transportation equipment	<u>298,253</u>	<u>23,140</u>	<u>(23,739)</u>	<u>297,654</u>
Total capital assets, being depreciated	25,075,227	959,238	(51,618)	25,982,847

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Beginning Balance <u>(as restated)</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Business-type activities (continued):				
Less accumulated depreciation for:				
Buildings	(3,256,665)	(188,709)	-	(3,445,374)
Gas distribution system	(1,240,420)	(39,601)	12,942	(1,267,079)
Water distribution system	(5,713,580)	(296,178)	13,177	(5,996,581)
Office furniture, fixtures, and equipment	(541,566)	(36,357)	-	(577,923)
Transportation equipment	<u>(228,563)</u>	<u>(24,750)</u>	<u>23,739</u>	<u>(229,574)</u>
Total accumulated depreciation	<u>(10,980,794)</u>	<u>(585,595)</u>	<u>49,858</u>	<u>(11,516,531)</u>
 Total capital assets, being depreciated, net	 <u>14,094,433</u>	 <u>373,643</u>	 <u>(1,760)</u>	 <u>14,466,316</u>
 Business-type activities capital assets, net	 <u>\$14,531,825</u>	 <u>\$677,380</u>	 <u>\$(726,007)</u>	 <u>\$14,483,198</u>

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

Governmental activities:		
General government		\$ 217,766
Public safety		261,290
Highway and streets, including depreciation of general infrastructure assets		1,583,642
Sanitation		29,270
Public transportation		83,152
Health and welfare		13,650
Culture and recreation		379,654
Economic development and assistance		<u>14,575</u>
Total depreciation expense-governmental activities		<u>\$2,582,999</u>
Business-type activities:		
Gas and water		\$ 371,293
Youth detention		<u>214,302</u>
Total depreciation expense-business-type activities		<u>\$ 585,595</u>

Construction Commitments

The government has an active construction project at December 31, 2003, for park lighting. At year end the Parish Council's commitment with the contractor is as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Parks and recreation lighting	<u>\$65,000</u>	<u>\$31,350</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

Discretely Presented Component Units

Activity for St. James Parish Hospital for the year ended March 31, 2003, was as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 52,159	\$ 147,314	\$ -	\$ 3,170	\$ 202,643
Construction in progress	<u>308,098</u>	<u>66,308</u>	<u>-</u>	<u>(374,406)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>360,257</u>	<u>213,622</u>	<u>-</u>	<u>(371,236)</u>	<u>202,643</u>
Capital assets, being depreciated:					
Building and improvements	3,286,734	75,927	-	371,236	3,733,897
Equipment	<u>4,167,227</u>	<u>936,512</u>	<u>(181,432)</u>	<u>-</u>	<u>4,922,307</u>
Total capital assets being depreciated	7,453,961	1,012,439	(181,432)	371,236	8,656,204
Less accumulated depreciation for:					
Buildings and improvements	(2,100,274)	(112,547)	-	-	(2,212,821)
Equipment	<u>(3,192,711)</u>	<u>(249,895)</u>	<u>180,503</u>	<u>-</u>	<u>(3,262,103)</u>
Total accumulated depreciation	<u>(5,292,985)</u>	<u>(362,442)</u>	<u>180,503</u>	<u>-</u>	<u>(5,474,924)</u>
Total capital assets, being depreciated, net	<u>2,160,976</u>	<u>649,997</u>	<u>(929)</u>	<u>371,236</u>	<u>3,181,280</u>
Business-type activities capital assets, net	<u>\$2,521,233</u>	<u>\$ 863,619</u>	<u>\$ (929)</u>	<u>\$ -</u>	<u>\$3,383,923</u>

Depreciation expense of \$362,442 was charged to operating expenses.

Activity for St. James Parish Clerk of Court for the year ended June 30, 2003, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital asset being depreciated:				
Equipment, furniture and fixtures	\$32,236	\$ -	\$ -	\$32,236
Automobile	<u>27,300</u>	<u>-</u>	<u>-</u>	<u>27,300</u>
Total capital assets being depreciated	59,536	-	-	59,536
Less: accumulated depreciation	<u>54,340</u>	<u>1,754</u>	<u>-</u>	<u>56,094</u>
Total capital assets being depreciated, net	<u>\$ 5,196</u>	<u>\$1,754</u>	<u>\$ -</u>	<u>\$ 3,442</u>

Depreciation expense of \$1,754 was charged to general government function.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Due to/from other funds:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General	\$ 18,411	\$ 35,000
Road and Bridge Maintenance	-	303,849
Public Safety	50,000	-
Parishwide Road Improvement	303,849	-
Nonmajor governmental funds	<u>239,561</u>	<u>95,110</u>
	<u>611,821</u>	<u>433,959</u>
Proprietary Funds:		
St. James Parish Gas and Water Distribution System	-	157,026
St. James Youth Center	<u>600</u>	<u>-</u>
	<u>600</u>	<u>157,026</u>
Differences due to different year ends	<u>-</u>	<u>21,436</u>
	<u>\$612,421</u>	<u>\$612,421</u>

Due to/from other funds are the result of transfers between funds or collections made on behalf of one fund for another which are expected to be paid within one year.

Advances to/from other funds:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
Public Safety	<u>\$281,977</u>	<u>\$ -</u>
Proprietary Funds:		
St. James Parish Gas and Water Distribution System	<u>-</u>	<u>306,977</u>
Differences due to different year ends	<u>-</u>	<u>(25,000)</u>
	<u>\$281,977</u>	<u>\$281,977</u>

The Public Safety Special Revenue fund advanced funds to the St. James Parish Gas and Water Distribution System to construct a 2,000,000 gallon a day clarifier. These funds are repayable on an installment basis through 2010.

Interfund transfers:

	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental Funds:		
General	\$1,354,239	\$ 4,624
Road and Bridge Maintenance	1,052,149	-
Public Safety	277,583	20,000
Parishwide Road Improvement	103,000	960,420
Nonmajor governmental funds	<u>1,617,918</u>	<u>3,344,145</u>
	<u>4,404,889</u>	<u>4,329,189</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

	<u>Transfers Out</u>	<u>Transfers In</u>
Proprietary Funds:		
St. James Parish Gas and Water Distribution System	-	100,083
St. James Youth Center	-	10,000
	<u>-</u>	<u>110,083</u>
Differences due to different year end	-	(34,383)
	<u>\$4,404,889</u>	<u>\$4,404,889</u>

Interfund transfers are made on a regular basis to supplement other funds sources and to provide internal financing for capital outlay such as library construction and road construction.

E. LEASES

Operating Leases

The Parish Council has several operating leases as of December 31, 2003. The minimum annual commitments under non-cancelable operating leases and/or agreements are as follows:

<u>Year Ending</u>	<u>Land</u>
2004	\$ 1,982
2005	1,982
2006	1,982
2007	1,982
2008	1,982
2009-2013	<u>9,910</u>
Total	<u>\$19,820</u>

The St. James Parish Hospital entered into a cooperative endeavor agreement with Louisiana Health Care Group to provide home health services as St. James Home Care. As part of this agreement the Hospital leased certain premises to St. James Home Care. Total revenue recognized and subsequently received by the Hospital under the cooperative endeavor agreement amounted to \$217,597 for the year ended March 31, 2003. Total rent received by the Hospital under this rental arrangement amounted to \$3,000 for the year ended March 31, 2003. All these amounts are reflected in other operating revenues.

The St. James Parish Hospital entered into a lease agreement with St. James Psychiatric Hospital, Inc. to lease certain premises within the Hospital on June 18, 2001. The primary term of the lease was for a one year period ending June 17, 2002, with an option to renew for five additional one-year terms. The Hospital received \$197,940 in rents related to this agreement for the year ended March 31, 2003. This amount is reflected in other operating revenues.

Capital Leases

The Parish Council has entered into certain lease agreements for fire fighting equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. LEASES (Continued)

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$678,910
Less: Accumulated depreciation	<u>(234,337)</u>
Total	<u>\$444,573</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003, were as follows:

	Governmental Activities
<u>Year Ending</u>	
2004	\$ 78,971
2005	51,215
2006	51,215
2007	<u>51,215</u>
Total minimum lease payments	232,616
Less: amount representing interest	<u>(26,719)</u>
Present value of minimum lease payments	<u>\$205,897</u>

F. LONG-TERM LIABILITIES

General Obligation and Public Improvement Bonds

The Parish Council issues general obligation and public improvement bonds to provide funds for the acquisition and construction of major capital facilities. These bonds have been issued for governmental activities. The original amount of general obligation and public improvement bonds issued in prior years was \$12,216,000. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation and public improvement bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.35 – 5.2%	<u>\$7,174,000</u>

Annual debt service requirements to maturity for general obligation and public improvement bonds are as follows:

	<u>Governmental Activities</u>	
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 778,000	\$ 331,741
2005	827,000	295,278
2006	661,000	260,675
2007	695,000	228,222
2008	738,000	193,188
2009-2013	<u>3,475,000</u>	<u>453,625</u>
	<u>\$7,174,000</u>	<u>\$1,762,729</u>

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Certificates of Indebtedness

The Parish Council also issues certificates of indebtedness to provide funds for the purpose of purchasing capital assets. In prior years the original amount of certificates of indebtedness was \$275,000. The interest rate of the prior issuance of certificates of indebtedness is 5.25% on \$235,000 and 0% on \$40,000. The outstanding balance on the prior issue of certificates of indebtedness at December 31, 2003, is \$120,000. During the year ended December 31, 2003, certificates of indebtedness totaling \$500,000 (\$425,000 at an interest rate of 2.49% and \$75,000 at a 0% interest rate) were issued to purchase capital assets.

Annual debt service requirements to maturity for certificates of indebtedness are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$155,000	\$ 13,682
2005	157,000	8,935
2006	100,000	5,490
2007	103,000	4,432
2008	<u>105,000</u>	<u>1,121</u>
	<u>\$620,000</u>	<u>\$33,660</u>

Revenue Bonds

St. James Parish Gas and Water Distribution System (Distribution System) issued bonds where the Distribution System pledged income derived from the acquired or constructed assets to pay debt service. The original amount of revenue bonds issued in prior years totaled \$3,900,000. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Gas and water distribution	6.0 – 7.5%	<u>\$800,000</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2004	\$315,000	\$46,537
2005	105,000	32,438
2006	115,000	24,187
2007	125,000	15,188
2008	<u>140,000</u>	<u>5,250</u>
	<u>\$800,000</u>	<u>\$123,600</u>

Legal Debt Margin-General Obligation Bonds

Governing Authority: Parish of St. James

Property taxes:

Assessed valuation, 2003 tax rolls \$265,227,628

Debt limit: 10% of assessed valuation (for any one purpose) \$ 26,522,763

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Legal Debt Margin-General Obligation Bonds (continued):

At December 31, 2003, the Parish Council has no outstanding bonds that exceed the legal debt limit.

Defeased Bonds

In fiscal year ending June 30, 1998, the Distribution System defeased \$835,263 of the 1989 Series Refunding Bonds by placing the proceeds of new bonds with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the System's financial statements. As of June 30, 2003, the outstanding principal balance of the defeased revenue bonds is \$575,763.

Changes in long-term liabilities

Long-term liability activity 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>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$7,650,000	\$ -	\$(695,000)	\$6,955,000	\$ 740,000
Public improvement bonds	<u>257,000</u>	-	<u>(38,000)</u>	<u>219,000</u>	<u>38,000</u>
Total bonds payable	7,907,000	-	(733,000)	7,174,000	778,000
Certificates of indebtedness	175,000	500,000	(55,000)	620,000	155,000
Capital leases	269,598	-	(63,701)	205,897	67,620
Compensated absences	<u>497,344</u>	-	<u>(8,417)</u>	<u>488,927</u>	<u>306,885</u>
Governmental activity long-term liabilities	<u>\$8,848,942</u>	<u>\$500,000</u>	<u>\$(860,118)</u>	<u>\$8,488,824</u>	<u>\$1,307,505</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$1,095,000	\$ -	\$(295,000)	\$ 800,000	\$ 315,000
Less deferred amount on refunding	<u>(48,936)</u>	-	<u>13,010</u>	<u>(35,926)</u>	<u>(11,701)</u>
Total bonds payable	1,046,064	-	(281,990)	764,074	303,299
Compensated absences	<u>216,408</u>	<u>26,530</u>	-	<u>242,938</u>	<u>217,672</u>
Business-type activity long-term liabilities	<u>\$1,262,472</u>	<u>\$ 26,530</u>	<u>\$(281,990)</u>	<u>\$1,007,012</u>	<u>\$ 520,971</u>

The government-wide statement of net assets includes \$303,299 of the long-term liabilities due within one year for business-type activities in "liabilities payable from restricted assets." The remaining amount of \$217,672 is displayed as "noncurrent liabilities, due within one year" on that statement.

Compensated absences are generally liquidated by the fund from which the employee's salary is paid immediately prior to the date of retirement or termination.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Discretely Presented Component Unit – St. James Parish Hospital

Long-term liability activity for St. James Parish Hospital for the year ended March 31, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Installment obligation incurred to purchase nuclear equipment requiring monthly payments including interest of \$2,565 through September 2002	\$15,099	\$ -	\$(15,099)	\$ -	\$ -
Installment obligation incurred to purchase mammogram equipment requiring monthly payments including interest of \$1,152 through August 2002	4,542	-	(4,542)	-	-
Installment obligation incurred to purchase CT equipment requiring monthly payments, including interest at 4.85%, of \$9,957 through May 2008	-	529,549	-	529,549	79,603
	<u>\$19,641</u>	<u>\$529,549</u>	<u>\$(19,641)</u>	<u>\$529,549</u>	<u>\$79,603</u>

The following table reflects the maturity schedule of these obligations.

<u>FYE March 31</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 79,603	\$19,966
2005	99,864	19,622
2006	104,813	14,670
2007	110,011	9,472
2008	115,467	4,016
2009	19,791	120
	<u>\$529,549</u>	<u>\$67,866</u>

Discretely Presented Component Unit-St. James Parish Clerk of Court

Long-term debt for the Clerk of Court consists of compensated absences payable. The following is a summary of the long-term debt transactions during the year:

Long-term debt payable at June 30, 2002	\$56,485
Additions	5,786
Reductions	-
Long-term debt payable at June 30, 2003	<u>\$62,271</u>

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Discretely Presented Component Unit-St. James Parish Clerk of Court (Continued):

The increase in long-term debt represents accumulated sick leave that is fully vested as approved by the St. James Clerk of Court for the year ended June 30, 2003.

Conduit Debt

The Industrial District of St. James Parish has issued Pollution Control Revenue Bonds or Industrial Revenue Bonds. Obligations of the industrial districts are payable solely from the income and revenues derived from the industrial districts. These bonds do not constitute a debt or pledge of the full faith and credit of the Parish and accordingly have not been reported in the accompanying financial statements.

As of December 31, 2003, there were six series of Pollution Control Revenue Bonds or Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the series issued after January 1, 1996, could not be determined; however, the original issue amounts totaled \$299.4 million.

G. RESTRICTED ASSETS

Restricted assets for debt retirement and customer deposits of \$268,993 of the St. James Parish Gas and Water Distribution System fund as of June 30, 2003, (the component unit's fiscal year end) consist of the following:

Money market accounts	\$ 819,408
Certificates of deposit	250,000
LAMP	<u>341,553</u>
Total	<u>\$1,410,961</u>

St. James Parish Hospital has assets whose use is limited under agreements with third party payors for funded depreciation in the amount of \$3,899,974. (See note IV A)

V. OTHER INFORMATION

A. RISK MANAGEMENT

The Parish Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Parish Council carries commercial insurance including: general and auto liability, errors and omissions, professional liability, law enforcement liability, workers compensation, and various property policies.

The Parish Council is exposed to various risks of loss related to employee health and medical claims for the employees of the Parish Council. The Parish Council established a Group Hospitalization Claims Clearing Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under the program, the Group Hospitalization Claims Clearing Fund provides coverage for up to a maximum of \$65,000 for each employee's health claims. The Parish Council purchases insurance for claims in excess of coverage provided by the Fund. Settlements have not exceeded coverage for each of the past three fiscal years.

ST. JAMES PARISH COUNCIL
 Convent, Louisiana
 Notes to the Financial Statements (Continued)

V. OTHER INFORMATION (Continued)

A. RISK MANAGEMENT (Continued)

All funds of the Parish Council participate in the program and make payments to the Group Hospitalization Claims Clearing Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. That reserve was \$478,123 at December 31, 2003, and is reported as a designation in the net assets of the Group Hospitalization Claims Clearing Fund. The claims liability of \$340,000 reported in the Fund at December 31, 2003, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Changes in the Fund's claims liabilities during the past two years are as follows:

	Year Ended <u>12/31/03</u>	Year Ended <u>12/31/02</u>
Unpaid claims, beginning of year	\$ 275,000	\$ 235,000
Incurred claims	1,582,092	1,785,559
Claim payments	<u>(1,517,092)</u>	<u>(1,745,559)</u>
Unpaid claims, end of year	<u>\$ 340,000</u>	<u>\$ 275,000</u>

The St. James Parish Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Hospital is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self insurance of (1) hospital professional liability and comprehensive general liability, and (2) statutory workers compensation. The Hospital carries commercial insurance for all other risks of loss. The trust funds for professional liability/comprehensive general liability and statutory workers compensation are pooling arrangements whereby there is a sharing of risks among the participants of the trust funds. The Hospital reports its premiums as insurance expenditures and expenses these premiums over the pro rata periods involved.

The St. James Parish Clerk of Court is exposed to risks of loss in the area of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

V. OTHER INFORMATION (Continued)

B. SUBSEQUENT EVENTS

On January 1, 2004, the Parish Council issued \$6,450,000 of general obligation refunding bonds for the purpose of refunding \$5,640,000 of the Parish Council's outstanding General Obligation Bonds, Series 1993, maturing April 1, 2005 to April 1, 2013, inclusive, and \$575,000 of the Parish Council's outstanding General Obligation Refunding Bonds, Series 1994, maturing March 1, 2005 to March 1, 2008, inclusive. The interest rate on the bonds is 3.0 percent and the maturity date is April 1, 2013.

C. CONTINGENT LIABILITIES

The Parish Council is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Parish Council.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Parish Council expects such amounts, if any, to be immaterial.

D. POSTEMPLOYMENT BENEFITS

The Parish Council does not provide health care benefits to employees who retired prior to July 1, 1982. Employees who retired after July 1, 1982, but prior to July 1, 1991, and their dependents are eligible for health care benefits. Employees who retire on or after July 1, 1991, and their dependents shall be eligible for health care benefits provided the following conditions are met:

1. a. The employee and his eligible dependents must have been continuously covered under the Parish Council's health plan for at least twelve (12) months prior to retirement, and
b. The employee has ten (10) years of creditable service and is eligible and receiving benefits under the Parochial Employees Retirement System of Louisiana (see note V E).
2. Elected officials and their eligible dependents are eligible for benefits, provided the elected official has twelve (12) years continuous service and is at least age fifty (50).

The Parish Council requires the retired employees to fund 47.5 percent of the cost of the premiums. Premium payments are required to be paid monthly by the retirees. For the year December 31, 2003, the Parish Council contributed \$154,909, and the retired employees contributed \$135,012 toward the premium. The Parish Council reserves the right to amend or reduce coverage. There are 39 employees currently eligible to receive health care benefits.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

V. OTHER INFORMATION (Continued)

E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Parochial Employees' Retirement System of Louisiana

Substantially all employees of the Parish Council are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Parish Council are members of Plan A. All full-time, permanent employees working at least 28 hours per week who are paid wholly or in part from Parish funds and all elected Parish officials are eligible to participate in the System. Per Louisiana Revised Statute 11:164, Parish councilmen elected on or after January 1, 1997, are not eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary, and the Parish Council is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each Parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan.

The contribution requirements of plan members and the Parish Council are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Parish Council's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001, were \$515,235, \$490,789, and \$467,212, respectively, equal to the required contributions for each year.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

V. OTHER INFORMATION (Continued)

E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Parochial Employees' Retirement System of Louisiana - Discretely Presented Component Unit (St. James Parish Hospital)

The Hospital is a member of the Parochial Employees' Retirement System of Louisiana – Plan B. All employees must participate in this plan. The Plan B fund is financed by employee contributions of 3% for 2003 and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. The Actuarial committee has determined that the employer contribution rate for 2003 to be 3.75% (5.25% for 2004). The actuarial cost method used for Plan B is the aggregate actuarial cost method with allocation based on earnings. The normal cost is interest adjusted for midyear payment. The ratio of assets to the pension obligation in Plan B was 108% at December 31, 2002. Total pension expense was \$67,891, \$55,999, and \$59,286 for the years ended March 31, 2003, 2002, and 2001, respectively. All amounts expensed have been funded to the plan.

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

Clerk of Court Retirement and Relief Fund - Discretely Presented Component Unit (Clerk of Court)

Plan Description. The St. James Parish Clerk of Court contributes to the Clerk of Court Retirement and Relief Fund (Retirement System), a cost-sharing, multiple-employer defined benefit pension plan administered by the Clerk of Court Retirement and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:1501 - 1540 to provide retirement, disability and survivor benefits to members throughout the State of Louisiana. The Clerk of Court Retirement and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy. The St. James Parish Clerk of Court contributes 18.25% of employees' annual covered payroll. The contribution requirements of plan members and the St. James Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The St. James Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2003, 2002, and 2001, were \$67,019, \$64,506, and \$60,151, respectively.

F. DEFERRED COMPENSATION PLAN

The Parish Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Parish Council employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency.

ST. JAMES PARISH COUNCIL
Convent, Louisiana
Notes to the Financial Statements (Continued)

V. OTHER INFORMATION (Continued)

F. DEFERRED COMPENSATION PLAN (Continued)

Effective January 3, 2000, all permanent, full-time employees of the Parish Council are eligible to participate in the voluntary matching deferred compensation program offered by the Parish Council. The program provides a yearly matching contribution, based on the employee's length of service. The maximum yearly matching contribution by the Parish Council is \$2,000 per employee. The Parish Council's contribution to the plan for the year ended December 31, 2003, amounted to \$136,589. The St. James Parish Gas and Water Distribution System's contribution to the plan amounted to \$21,089 for the year ended June 30, 2003.

Discretely Presented Component Unit - St. James Parish Clerk of Court

Plan Description. The St. James Parish Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all the Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$34,700 for the year ended June 30, 2003. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management, after consulting with legal counsel, that the Clerk of Court has no liability for losses under the plan.

REQUIRED SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

General Fund

The general fund is the principal fund of the Parish and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Road and Bridge Maintenance Fund

The Road and Bridge Maintenance Fund accounts for the maintenance of existing roads and bridges. Major means of financing is provided by property taxes, state revenue sharing, the State of Louisiana Parish Transportation Fund, and the Parish Royalty Fund. Use of these funds is restricted by Louisiana Revised Statute 43:753.

Public Safety Fund

The Public Safety Fund accounts for the payment of expenditures and capital outlays for the six volunteer fire departments and the cost of providing health services to the residents of the parish. Financing is provided by property taxes.

Parishwide Road Improvement Fund

The Parishwide Road Improvement Fund accounts for major parishwide road improvements, including the construction of new roads and bridges. Construction is on a continuing basis. Financing is provided by transfers from the Road and Bridge Maintenance Fund.

St. James Parish Council
 Convent, Louisiana
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the year ended December 31, 2003

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,694,100	\$ 1,659,800	\$ 1,645,348	\$ (14,452)
Voluntary payments in lieu of taxes	546,000	540,000	508,327	(31,673)
Sales and use	1,277,500	1,240,400	1,241,465	1,065
Alcoholic beverages (beer)	23,200	21,600	22,808	1,208
Licenses and permits	349,800	369,500	375,311	5,811
Intergovernmental:				
Federal	159,300	341,800	357,057	15,257
State	494,000	419,300	463,028	43,728
Local	80,600	97,700	100,111	2,411
Interest	58,000	36,200	31,989	(4,211)
In-kind contributions	-	-	3,568	3,568
Other	115,600	113,200	118,644	5,444
Total revenues	<u>4,798,100</u>	<u>4,839,500</u>	<u>4,867,656</u>	<u>28,156</u>
Expenditures:				
Current:				
General government:				
Financial administration	1,325,100	1,380,200	1,412,356	(32,156)
Legislative	233,300	214,600	215,050	(450)
Judicial	223,700	200,100	208,674	(8,574)
Executive	400,700	402,500	410,429	(7,929)
Elections	45,700	46,500	45,522	978
Other-unclassified	178,100	220,300	213,627	6,673
Public safety	443,700	493,300	511,914	(18,614)
Health and welfare	1,013,100	929,000	1,026,700	(97,700)
Economic development and assistance	344,700	342,000	329,051	12,949
In-kind expenses	-	-	3,568	(3,568)
Capital outlay	77,600	30,500	8,200	22,300
Total expenditures	<u>4,285,700</u>	<u>4,259,000</u>	<u>4,385,091</u>	<u>(126,091)</u>
Excess (deficiency) of revenues over (under) expenditures	512,400	580,500	482,565	(97,935)
Other financing sources (uses):				
Operating transfers in	-	-	4,624	4,624
Operating transfers out	(1,052,300)	(1,440,800)	(1,354,239)	86,561
Total other financing sources (uses)	<u>(1,052,300)</u>	<u>(1,440,800)</u>	<u>(1,349,615)</u>	<u>91,185</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(539,900)	(860,300)	(867,050)	(6,750)
Fund balance, beginning of year	4,449,684	4,449,684	4,449,684	-
Fund balance, end of year	<u>\$ 3,909,784</u>	<u>\$ 3,589,384</u>	<u>\$ 3,582,634</u>	<u>\$ (6,750)</u>

The notes to the financial statements are an integral part of this statement.

Schedule 1

St. James Parish Council
 Convent, Louisiana
 Road and Bridge Maintenance Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the year ended December 31, 2003

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,184,700	\$ 1,160,500	\$ 1,150,561	\$ (9,939)
Intergovernmental:				
Federal	323,000	168,500	148,541	(19,959)
State	327,600	298,700	298,399	(301)
Local	1,100	1,500	2,016	516
Interest	33,700	19,400	16,663	(2,737)
Other	1,000	400	1,101	701
Total revenues	<u>1,871,100</u>	<u>1,649,000</u>	<u>1,617,281</u>	<u>(31,719)</u>
Expenditures:				
Current:				
Highways and streets	1,508,300	1,183,100	1,078,222	104,878
Capital outlay	194,900	136,000	149,698	(13,698)
Total expenditures	<u>1,703,200</u>	<u>1,319,100</u>	<u>1,227,920</u>	<u>91,180</u>
Excess (deficiency) of revenues over (under) expenditures	167,900	329,900	389,361	59,461
Other financing sources (uses):				
Operating transfers out	(1,065,600)	(1,052,460)	(1,052,149)	311
Total other financing sources (uses)	<u>(1,065,600)</u>	<u>(1,052,460)</u>	<u>(1,052,149)</u>	<u>311</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(897,700)	(722,560)	(662,788)	59,772
Fund balance, beginning of year	2,316,037	2,316,037	2,316,037	-
Fund balance, end of year	<u>\$ 1,418,337</u>	<u>\$ 1,593,477</u>	<u>\$ 1,653,249</u>	<u>\$ 59,772</u>

The notes to the financial statements are an integral part of this statement.

Schedule 2

St. James Parish Council
 Convent, Louisiana
 Public Safety Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the year ended December 31, 2003

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 933,600	\$ 914,400	\$ 906,674	\$ (7,726)
Interest	27,600	14,000	12,629	(1,371)
Total revenues	<u>961,200</u>	<u>928,400</u>	<u>919,303</u>	<u>(9,097)</u>
Expenditures:				
Current:				
Public Safety	665,264	411,100	402,041	9,059
Debt Service				
Principal	-	22,500	61,806	(39,306)
Interest & fiscal charges	-	5,200	17,164	(11,964)
Capital outlay	-	407,500	444,372	(36,872)
Total expenditures	<u>665,264</u>	<u>846,300</u>	<u>925,383</u>	<u>(79,083)</u>
Excess (deficiency) of revenues over (under) expenditures	295,936	82,100	(6,080)	(88,180)
Other financing sources (uses):				
Operating transfers in	20,000	20,000	20,000	-
Operating transfers out	(345,700)	(334,220)	(277,583)	56,637
Total other financing sources (uses)	<u>(325,700)</u>	<u>(314,220)</u>	<u>(257,583)</u>	<u>56,637</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(29,764)	(232,120)	(263,663)	(31,543)
Fund balance, beginning of year	2,285,319	2,285,319	2,285,319	-
Fund balance, end of year	<u>\$2,255,555</u>	<u>\$2,053,199</u>	<u>\$2,021,656</u>	<u>\$ (31,543)</u>

The notes to the financial statements are an integral part this statement.

Schedule 3

St. James Parish Council
 Convent, Louisiana
 Parishwide Road Improvement Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the year ended December 31, 2003

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State	-	69,300	-	(69,300)
Interest	100	-	20	20
Other	-	15,100	20,108	5,008
Total revenues	<u>100</u>	<u>84,400</u>	<u>20,128</u>	<u>(64,272)</u>
Expenditures:				
Current:				
Highways and streets	<u>972,100</u>	<u>988,000</u>	<u>878,088</u>	<u>109,912</u>
Total expenditures	<u>972,100</u>	<u>988,000</u>	<u>878,088</u>	<u>109,912</u>
Excess (deficiency) of revenues over (under) expenditures	(972,000)	(903,600)	(857,960)	45,640
Other financing sources (uses):				
Operating transfers in	972,000	1,006,060	960,420	(45,640)
Operating transfers out	-	(103,000)	(103,000)	-
Total other financing sources (uses)	<u>972,000</u>	<u>903,060</u>	<u>857,420</u>	<u>(45,640)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(540)	(540)	-
Fund balance, beginning of year	540	540	540	-
Fund balance, end of year	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Schedule 4

St. James Parish Council
 Convent, Louisiana
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2003

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,265,753	\$ 663,095	\$ 401,642	\$ 4,330,490
Investments	1,986,161	245,202	23,646	2,255,009
Receivables (net of allowances for uncollectibles)	4,019,997	1,193,311	-	5,213,308
Due from other funds	160,326	-	79,235	239,561
Prepaid Items	16,679	-	-	16,679
Total assets	<u>\$ 9,448,916</u>	<u>\$ 2,101,608</u>	<u>\$ 504,523</u>	<u>\$ 12,055,047</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 570,885	\$ 45,518	\$ 80,249	\$ 696,652
Payroll deductions and withholdings payable	110,117	-	-	110,117
Deferred revenues	16,875	-	-	16,875
Interfund payable	10,673	-	-	10,673
Due to other funds	84,437	-	-	84,437
Total liabilities	<u>792,987</u>	<u>45,518</u>	<u>80,249</u>	<u>918,754</u>
Fund balances:				
Reserved for:				
Debt service	-	2,056,090	-	2,056,090
Unreserved	8,655,929	-	424,274	9,080,203
Total fund balances	<u>8,655,929</u>	<u>2,056,090</u>	<u>424,274</u>	<u>11,136,293</u>
Total liabilities and fund balance	<u>\$ 9,448,916</u>	<u>\$ 2,101,608</u>	<u>\$ 504,523</u>	<u>\$ 12,055,047</u>

The notes to the financial statements are an integral part of this statement.

Schedule 5

St. James Parish Council
 Convent, Louisiana
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended December 31, 2003

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes:				
Property	\$3,422,220	\$1,208,129	\$ -	\$ 4,630,349
Sales and use	2,193,192	-	-	2,193,192
Intergovernmental:				
Federal	2,394,894	-	-	2,394,894
State	270,971	-	-	270,971
Local	93,010	-	-	93,010
Fines and forfeits	223,107	-	-	223,107
Charges for services	673,580	-	-	673,580
Interest	69,287	9,298	4,594	83,179
In-Kind Revenues	423,715	-	-	423,715
Other	419,424	-	-	419,424
Total revenues	<u>10,183,400</u>	<u>1,217,427</u>	<u>4,594</u>	<u>11,405,421</u>
Expenditures:				
Current:				
General Government	1,512,548	46,816	-	1,559,364
Public safety	997,521	-	-	997,521
Highways and streets	218,090	-	29,360	247,450
Sanitation	1,379,450	-	-	1,379,450
Public transportation	528,202	-	-	528,202
Health and welfare	1,806,892	-	-	1,806,892
Culture and recreation	1,616,202	-	5,706	1,621,908
Economic development and assistance	1,318,961	-	-	1,318,961
In-kind expenses	423,715	-	-	423,715
Debt service				
Principal	-	788,000	-	788,000
Interest and fiscal charges	-	387,027	-	387,027
Capital outlay	2,108,010	-	1,248,706	3,356,716
Total expenditures	<u>11,909,591</u>	<u>1,221,843</u>	<u>1,283,772</u>	<u>14,415,206</u>
Excess (deficiency) of revenues over (under) expenditures	(1,726,191)	(4,416)	(1,279,178)	(3,009,785)
Other financing sources (uses):				
Operating transfers in	1,926,350	114,867	1,302,928	3,344,145
Bond proceeds	-	500,000	-	500,000
Operating transfers out	<u>(1,239,243)</u>	<u>(305,522)</u>	<u>(73,153)</u>	<u>(1,617,918)</u>
Total other financing sources (uses)	<u>687,107</u>	<u>309,345</u>	<u>1,229,775</u>	<u>2,226,227</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,039,084)	304,929	(49,403)	(783,558)
Fund balance, beginning of year	9,695,013	1,751,161	473,677	11,919,851
Fund balance, end of year	<u><u>\$8,655,929</u></u>	<u><u>\$2,056,090</u></u>	<u><u>\$ 424,274</u></u>	<u><u>\$11,136,293</u></u>

The notes to the financial statements are an integral part of this statement.

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues derived from taxes or other dedicated revenue sources. They are usually required by statute, charter provision, or local ordinance to finance particular functions or activities of government. The parish maintains the following special revenue funds:

Courthouse, Jail and Public Buildings Maintenance Fund

The Courthouse, Jail and Public Buildings Maintenance Fund accounts for the operation and maintenance of the public buildings in the parish. Financing is provided by property taxes and state revenue sharing.

Parishwide Drainage Maintenance Fund

The Parishwide Drainage Maintenance Fund accounts for the operations and maintenance of all parish drainage projects. Major means of financing is provided by property taxes and state revenue sharing.

Fire Protection District No. 2 Maintenance Fund

The Fire Protection District No. 2 Maintenance Fund accounts for the operation, maintenance and/or construction of the water distribution system within the district. Financing is provided by property taxes.

Solid Waste Disposal Fund

The Solid Waste Disposal Fund accounts for the operation of solid waste management and disposal. Financing is provided by one quarter of one per cent sales tax imposed parishwide and user fees charged to the parish residents.

Elderly and Emergency Medical Services Fund

The Elderly and Emergency Medical Services Fund accounts for the cost of providing care and assistance to the elderly persons of the parish and the cost of providing health services to the residents of the parish. Financing is provided by one quarter of one per cent sales tax imposed parishwide and transfers from other funds.

Parks and Recreation Fund

The Parks and Recreation Fund accounts for the cost of providing recreational facilities throughout the parish. Financing is provided by one quarter of one per cent sales tax imposed parishwide and property taxes.

Gramercy Recreation District Fund

The Gramercy Recreation District Fund accounts for the costs incurred by the district for providing recreational facilities within the corporate limits of the Town of Gramercy. Financing is provided by property taxes, state revenue sharing, and self-generated revenues.

Parish Library Fund

The Parish Library Fund accounts for the operation and maintenance of the St. James Parish Library. Financing is provided by property taxes, federal grants, and state revenue sharing funds.

NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

Consolidated Road Lighting District No. 3A Fund

The Consolidated Road Lighting District No. 3A Fund accounts for the operations and maintenance of street lights. Financing is provided by property taxes, voluntary payments in lieu of taxes, and state revenue sharing funds.

St. James Transit System Fund

The St. James Transit System Fund accounts for the operation and maintenance of the parishwide transportation program. Financing is provided by federal grants, state grants, bus fares, and transfers from other funds.

Criminal Court Fund

The Criminal Court Fund accounts for the expenditures attributable to the Twenty-Third Judicial District Court. Financing is provided by fines and forfeitures imposed by the district courts. The district is comprised of the parishes of St. James, Ascension, and Assumption. Only St. James Parish is reported in these statements.

Enhanced 911 System Maintenance Fund

The Enhanced 911 System Maintenance Fund accounts for the operation and maintenance of an enhanced 911 emergency telephone system. Financing is provided by property taxes and emergency telephone service charges.

Title III-C-2 Home Delivered Meals Fund

The Title III-C-2 Home Delivered Meals Fund accounts for the expenditures in delivering the meals to those citizens who are unable to attend any one of the senior citizens' centers. Funding is provided by the United States Department of Health and Human Services and is passed through the Governor's Office of Elderly Affairs and from contributions received on the meals.

Title III-C-1 Congregate Meals Fund

The Title III-C-1 Congregate Meals Fund represents cost associated with feeding the elderly citizens at the four senior citizens' centers located throughout the parish. Funding is provided by the United States Department of Health and Human Services and is passed through the Governor's Office of Elderly Affairs and from contributions received on the meals.

Title III-B Social Services Fund

The Title III-B Social Services Fund is used to pay for the administration of programs for the elderly. Funding is provided by the United States Department of Health and Human Resources and is passed through the Governor's Office of Elderly Affairs.

Area Agency on Aging – Discretionary Fund

The Area Agency on Aging - Discretionary Fund accounts for any expenditures associated with the feeding program for the elderly. Funding is provided by the Governor's Office of Elderly Affairs.

NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

Area Agency on Aging – Cash In Lieu Of Commodities Fund

The Cash In Lieu Of Commodities Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

LCDBG Technology Program Grant

The LCDBG Technology Program Grant was awarded by the U.S. Department of Housing and Urban Development to provide computer training and Internet access to low-income citizens of the parish by use of a mobile learning center. Services can only be provided in Council Districts 4 and 5 and is for a period of three years.

Commodities Distribution Fund

The Commodities Distribution Fund accounts for the costs of receiving and delivering food commodities to the low income families within the Parish. Funds are passed through the Louisiana Department of Agriculture from the United States Department of Agriculture.

Weatherization and Energy Assistance Funds

The Weatherization and Energy Assistance programs are funded by the United States Department of Energy and passed through the Louisiana Department of Urban and Community Affairs. These funds account for the labor and materials to weatherize homes.

Senior Citizens Activities Fund

The Senior Citizens Activities Fund accounts for the operation of the elderly handicrafts projects. Funds are generated from the sales of handicrafts.

Senior Center Funds

The Senior Center Funds are used to help subsidize the cost for meals at the senior citizens' centers. Funding is provided by the Governor's Office of Elderly Affairs.

Head Start Program Fund

The Head Start Program Fund accounts for the operations and maintenance of five educational centers. Funding is provided by the United States Department of Health and Human Services.

Head Start Activity Fund

The Head Start Activity Fund accounts for monies raised by the families of the Head Start children for the purpose of providing additional activities for the children such as field trips and graduation parties.

NONMAJOR SPECIAL REVENUE FUNDS

(Concluded)

Community Services Block Grant Fund

The Community Services Block Grant (CSBG) Fund accounts for the outreach and housing programs administered by the Parish Department of Human Resources. Funding is provided by the United States Department of Health and Human Services and is passed through the Louisiana Department of Labor.

Emergency Food and Shelter Fund

The Emergency Food and Shelter Fund is used to provide emergency food vouchers to the needy families in the parish. United Way provides the funding.

Housing Development Fund

The Housing Development Fund is funded by the United States Department of Agriculture. It accounts for expenditures to provide home mortgage application assistance to potential homeowners.

St. James Parish Council
 Convent, Louisiana
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003

	Maintenance Funds			
	Courthouse, Jail and Public Buildings	Parishwide Drainage	Fire Protection District No. 2	Solid Waste Disposal
Assets				
Cash and cash equivalents	\$ 468,028	\$ 293,406	\$ 58,902	\$ 1,147,294
Investments	318,334	350,556	162,660	298,074
Receivables (net of allowances for uncollectibles)	1,142,984	687,816	147,124	194,138
Due from other funds	-	35,000	-	125,326
Prepaid items	-	-	-	-
Total assets	<u>\$ 1,929,346</u>	<u>\$ 1,366,778</u>	<u>\$ 368,686</u>	<u>\$ 1,764,832</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 56,606	\$ 33,318	\$ 5,887	\$ 97,599
Payroll deductions and withholdings payable	16,273	9,498	4,710	4,924
Deferred revenues	-	-	-	-
Interfund payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>72,879</u>	<u>42,816</u>	<u>10,597</u>	<u>102,523</u>
Fund balance				
Unreserved - undesignated	1,856,467	1,323,962	358,089	1,662,309
Total liabilities and fund balance	<u>\$ 1,929,346</u>	<u>\$ 1,366,778</u>	<u>\$ 368,686</u>	<u>\$ 1,764,832</u>

The notes to the financial statements are an integral part of this statement.

Schedule 7 (continued)

<u>Elderly & Emergency Medical Services</u>	<u>Parks and Recreation</u>	<u>Gramercy Recreation District</u>	<u>Parish Library</u>	<u>Consolidated Road Lighting District No. 3A</u>	<u>St. James Transit System</u>	<u>Criminal Court</u>
\$ 20,111	\$ 457,914	\$ 3,721	\$ 44,729	\$ 510,905	\$ 18,061	\$ 2,614
2,058	79,101	-	2,098	662,344	-	-
137,907	207,400	136,937	689,606	240,629	46,025	14,749
-	-	-	-	-	-	-
-	-	-	-	-	16,679	-
<u>\$ 160,076</u>	<u>\$ 744,415</u>	<u>\$ 140,658</u>	<u>\$ 736,433</u>	<u>\$ 1,413,878</u>	<u>\$ 80,765</u>	<u>\$ 17,363</u>
\$ 64,402	\$ 97,080	\$ 5,175	\$ 60,801	\$ 25,955	\$ 11,972	\$ 5,531
11,379	10,586	-	11,510	-	6,822	6,630
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	79,235	-	-	5,202
<u>75,781</u>	<u>107,666</u>	<u>5,175</u>	<u>151,546</u>	<u>25,955</u>	<u>18,794</u>	<u>17,363</u>
84,295	636,749	135,483	584,887	1,387,923	61,971	-
<u>\$ 160,076</u>	<u>\$ 744,415</u>	<u>\$ 140,658</u>	<u>\$ 736,433</u>	<u>\$ 1,413,878</u>	<u>\$ 80,765</u>	<u>\$ 17,363</u>

St. James Parish Council
 Convent, Louisiana
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003

	Enhanced 911 System Maintenance	Title III		
		C-2 Home Delivered Meals	C-1 Congregate Meals	B Social Services
Assets				
Cash and cash equivalents	\$ 134,198	\$ 6,150	\$ 5,495	\$ 7,774
Investments	110,936	-	-	-
Receivables (net of allowances for uncollectibles)	336,209	3,542	1,800	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 581,343</u>	<u>\$ 9,692</u>	<u>\$ 7,295</u>	<u>\$ 7,774</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 26,505	\$ 9,692	\$ 7,295	\$ 6,495
Payroll deductions and withholdings payable	7,123	-	-	-
Deferred revenues	-	-	-	1,279
Interfund payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>33,628</u>	<u>9,692</u>	<u>7,295</u>	<u>7,774</u>
Fund balance				
Unreserved - undesignated	547,715	-	-	-
Total liabilities and fund balance	<u>\$ 581,343</u>	<u>\$ 9,692</u>	<u>\$ 7,295</u>	<u>\$ 7,774</u>

The notes to the financial statements are an integral part of this statement.

Schedule 7 (continued)

<u>Area Agency On Aging</u>	<u>Cash</u>	<u>LCDBG</u>	<u>Commodities</u>	<u>Weatherization</u>	<u>Energy</u>
<u>Discretionary</u>	<u>In Lieu Of</u>	<u>Technology</u>	<u>Distribution</u>		<u>Assistance</u>
	<u>Commodities</u>	<u>Program</u>			
		<u>Grant</u>			
\$ 3,809	\$ 31	\$ 6,486	\$ 17	\$ 3,051	\$ 8,720
-	-	-	-	-	-
-	14,060	8,031	-	-	152
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,809</u>	<u>\$ 14,091</u>	<u>\$ 14,517</u>	<u>\$ 17</u>	<u>\$ 3,051</u>	<u>\$ 8,872</u>
\$ 92	\$ 14,091	\$ 2,650	\$ -	\$ 44	\$ -
-	-	1,194	-	-	-
3,717	-	-	-	3,007	8,872
-	-	10,673	-	-	-
-	-	-	-	-	-
<u>3,809</u>	<u>14,091</u>	<u>14,517</u>	<u>-</u>	<u>3,051</u>	<u>8,872</u>
-	-	-	17	-	-
<u>\$ 3,809</u>	<u>\$ 14,091</u>	<u>\$ 14,517</u>	<u>\$ 17</u>	<u>\$ 3,051</u>	<u>\$ 8,872</u>

St. James Parish Council
 Convent, Louisiana
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2003

	<u>Senior Citizens Activities</u>	<u>Senior Center Funds</u>	<u>Head Start Program</u>	<u>Head Start Activity</u>
Assets				
Cash and cash equivalents	\$ 7,801	\$ 2,813	\$ 33,028	\$ 8,695
Investments	-	-	-	-
Receivables (net of allowances for uncollectibles)	-	1,332	2,162	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 7,801</u>	<u>\$ 4,145</u>	<u>\$ 35,190</u>	<u>\$ 8,695</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 3,684	\$ 4,145	\$ 15,722	\$ 681
Payroll deductions and withholdings payable	-	-	19,468	-
Deferred revenues	-	-	-	-
Interfund payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>3,684</u>	<u>4,145</u>	<u>35,190</u>	<u>681</u>
Fund balance				
Unreserved - undesignated	4,117	-	-	8,014
Total liabilities and fund balance	<u>\$ 7,801</u>	<u>\$ 4,145</u>	<u>\$ 35,190</u>	<u>\$ 8,695</u>

The notes to the financial statements are an integral part of this statement.

Schedule 7 (concluded)

<u>Community Services Block Grant</u>	<u>Emergency Food and Shelter</u>	<u>Housing Development</u>	<u>Total</u>
\$ 7,880	\$ -	\$ 4,120	\$ 3,265,753
-	-	-	1,986,161
7,394	-	-	4,019,997
-	-	-	160,326
-	-	-	16,679
<u>\$ 15,274</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 9,448,916</u>
\$ 15,274	\$ -	\$ 189	\$ 570,885
-	-	-	110,117
-	-	-	16,875
-	-	-	10,673
-	-	-	84,437
<u>15,274</u>	<u>-</u>	<u>189</u>	<u>792,987</u>
-	-	3,931	8,655,929
<u>\$ 15,274</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 9,448,916</u>

St. James Parish Council
 Convent, Louisiana
 Nonmajor Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the year ended December 31, 2003

	Maintenance Funds			
	Courthouse, Jail and Public Buildings	Parishwide Drainage	Fire Protection District No. 2	Solid Waste Disposal
Revenues:				
Taxes:				
Property	\$ 1,150,839	\$ 690,315	\$ 142,811	\$ -
Sales and use	-	-	-	731,064
Intergovernmental:				
Federal	4,786	452,130	397	4,671
State	15,386	21,995	119	1,049
Local	805	50,400	-	-
Fines and forfeits	-	-	-	-
Charges for services	-	-	-	572,653
Interest	11,308	8,764	2,734	15,154
In-kind contributions	-	-	-	-
Other revenues	17,066	16,914	358	4,375
Total revenues	1,200,190	1,240,518	146,419	1,328,966
Expenditures:				
Current:				
General government	1,073,340	-	-	-
Public safety	-	557,079	107,160	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	1,379,450
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	25,880	523,535	-	58,549
In-kind expenses	-	-	-	-
Total expenditures	1,099,220	1,080,614	107,160	1,437,999
Excess (deficiency) of revenues over (under) expenditures	100,970	159,904	39,259	(109,033)
Other financing sources (uses):				
Operating transfers in	-	62,369	-	-
Operating transfers out	-	-	(22,335)	-
Total other financing sources (uses)	-	62,369	(22,335)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	100,970	222,273	16,924	(109,033)
Fund balance, beginning of year	1,755,497	1,101,689	341,165	1,771,342
Fund balance, end of year	\$ 1,856,467	\$ 1,323,962	\$ 358,089	\$ 1,662,309

The notes to the financial statements are an integral part of this statement.

Schedule 8 (continued)

<u>Elderly & Emergency Medical Services</u>	<u>Parks and Recreation</u>	<u>Gramercy Recreation District</u>	<u>Parish Library</u>	<u>Consolidated Road Lighting District No. 3A</u>	<u>St. James Transit System</u>	<u>Criminal Court</u>
\$ -	\$ 77,872	\$ 141,173	\$ 690,323	\$ 241,242	\$ -	\$ -
731,064	731,064	-	-	-	-	-
932	-	-	3,100	3,244	272,600	-
98,590	16,643	7,010	22,745	5,243	134	6,554
-	-	-	-	-	9,795	32,010
-	-	-	1,898	-	-	221,209
-	20,973	1,890	4,971	-	73,093	-
1,397	5,921	270	8,826	12,793	99	60
-	-	-	-	-	-	-
100	36,534	7,742	2,946	3,462	-	-
<u>832,083</u>	<u>889,007</u>	<u>158,085</u>	<u>734,809</u>	<u>265,984</u>	<u>355,721</u>	<u>259,833</u>
-	-	-	-	-	-	439,208
-	-	-	-	-	-	-
-	-	-	-	218,090	-	-
-	-	-	-	-	-	-
-	-	-	-	-	528,202	-
1,274,410	-	-	-	-	-	-
-	891,942	120,914	603,346	-	-	-
-	-	-	-	-	-	-
773,242	84,603	-	181,293	-	375,080	-
-	-	-	-	-	-	-
<u>2,047,652</u>	<u>976,545</u>	<u>120,914</u>	<u>784,639</u>	<u>218,090</u>	<u>903,282</u>	<u>439,208</u>
(1,215,569)	(87,538)	37,171	(49,830)	47,894	(547,561)	(179,375)
1,075,459	-	-	-	-	554,197	184,000
-	(51,459)	-	(1,097,415)	-	(1,448)	(4,625)
<u>1,075,459</u>	<u>(51,459)</u>	<u>-</u>	<u>(1,097,415)</u>	<u>-</u>	<u>552,749</u>	<u>179,375</u>
(140,110)	(138,997)	37,171	(1,147,245)	47,894	5,188	-
224,405	775,746	98,312	1,732,132	1,340,029	56,783	-
<u>\$ 84,295</u>	<u>\$ 636,749</u>	<u>\$ 135,483</u>	<u>\$ 584,887</u>	<u>\$ 1,387,923</u>	<u>\$ 61,971</u>	<u>\$ -</u>

St. James Parish Council
 Convent, Louisiana
 Nonmajor Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the year ended December 31, 2003

	Enhanced 911 System Maintenance	Title III		
		C-2 Home Delivered Meals	C-1 Congregate Meals	B Social Services
Revenues:				
Taxes:				
Property	\$ 287,645	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Intergovernmental:				
Federal	1,012	15,513	21,984	39,788
State	135	22,761	6,061	13,208
Local	-	-	-	-
Fines and forfeits	-	-	-	-
Charges for services	-	-	-	-
Interest	1,817	-	-	-
In-kind contributions	-	-	-	-
Other revenues	209,807	15,577	12,222	1,235
Total revenues	500,416	53,851	40,267	54,231
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	333,282	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	53,851	40,267	54,231
Culture and recreation	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	85,828	-	-	-
In-kind expenses	-	-	-	-
Total expenditures	419,110	53,851	40,267	54,231
Excess (deficiency) of revenues over (under) expenditures	81,306	-	-	-
Other financing sources (uses):				
Operating transfers in	50,325	-	-	-
Operating transfers out	(61,961)	-	-	-
Total other financing sources (uses)	(11,636)	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	69,670	-	-	-
Fund balance, beginning of year	478,045	-	-	-
Fund balance, end of year	\$ 547,715	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Schedule 8 (continued)

<u>Area Agency On Aging</u>		<u>LCDBG Technology Program Grant</u>	<u>Commodities Distribution</u>	<u>Weatherization</u>	<u>Energy Assistance</u>
<u>Discretionary</u>	<u>Cash In Lieu Of Commodities</u>				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	35,595	53,774	-	21,034	44,771
18,030	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,498)	14,576	-	-	(3,026)	2,285
<u>16,532</u>	<u>50,171</u>	<u>53,774</u>	<u>-</u>	<u>18,008</u>	<u>47,056</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,532	50,171	53,774	98	18,008	47,056
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,532</u>	<u>50,171</u>	<u>53,774</u>	<u>98</u>	<u>18,008</u>	<u>47,056</u>
-	-	-	(98)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(98)	-	-
-	-	-	115	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ -</u>

St. James Parish Council
 Convent, Louisiana
 Nonmajor Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the year ended December 31, 2003

	Senior Citizens Activities	Senior Center Funds	Head Start Program	Head Start Activity
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Intergovernmental:				
Federal	-	-	1,303,912	-
State	-	15,308	-	-
Local	-	-	-	-
Fines and forfeits	-	-	-	-
Charges for services	-	-	-	-
Interest	75	-	32	37
In-kind contributions	-	-	423,715	-
Other revenues	40,130	2,296	-	17,880
Total revenues	<u>40,205</u>	<u>17,604</u>	<u>1,727,659</u>	<u>17,917</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	50,727	17,604	-	-
Culture and recreation	-	-	-	-
Economic development and assistance	-	-	1,303,944	15,017
Capital outlay	-	-	-	-
In-kind expenses	-	-	423,715	-
Total expenditures	<u>50,727</u>	<u>17,604</u>	<u>1,727,659</u>	<u>15,017</u>
Excess (deficiency) of revenues over (under) expenditures	(10,522)	-	-	2,900
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(10,522)	-	-	2,900
Fund balance, beginning of year	14,639	-	-	5,114
Fund balance, end of year	<u>\$ 4,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,014</u>

The notes to the financial statements are an integral part of this statement.

Schedule 8 (concluded)

<u>Community Services Block Grant</u>	<u>Emergency Food and Shelter</u>	<u>Housing Development</u>	<u>Total</u>
\$ -	\$ -	\$ -	3,422,220
-	-	-	2,193,192
102,929	20,753	-	2,402,925
-	-	-	270,971
-	-	-	93,010
-	-	-	223,107
-	-	-	673,580
-	-	-	69,287
-	-	-	423,715
4,468	16	5,928	411,393
<u>107,397</u>	<u>20,769</u>	<u>5,928</u>	<u>10,183,400</u>
-	-	-	1,512,548
-	-	-	997,521
-	-	-	218,090
-	-	-	1,379,450
-	-	-	528,202
107,397	20,769	1,997	1,806,892
-	-	-	1,616,202
-	-	-	1,318,961
-	-	-	2,108,010
-	-	-	423,715
<u>107,397</u>	<u>20,769</u>	<u>1,997</u>	<u>11,909,591</u>
-	-	3,931	(1,726,191)
-	-	-	1,926,350
-	-	-	(1,239,243)
-	-	-	<u>687,107</u>
-	-	3,931	(1,039,084)
-	-	-	9,695,013
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,931</u>	<u>\$ 8,655,929</u>

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of general obligation bonds principal and interest from governmental resources. Revenues for the debt service funds are provided by property taxes, sales taxes, and interest on investments. The parish maintains the following debt service funds:

Public Improvement Sales Tax Bonds

The Public Improvement Sales Tax Bonds Fund accumulates monies for the payment of the November 1, 1989, bond issue of \$500,000 and the May 19, 1998, refunding bond issue of \$361,000. The bonds were issued for improvement to recreational facilities within the parish. Financing is provided by an irrevocable pledge of sales tax revenues.

Certificates of Indebtedness Fund

The Certificates of Indebtedness Fund accounts for the retirement of \$235,000 Certificates of Indebtedness, Series 2000, and \$500,000 Certificates of Indebtedness Series 2003. The certificates were issued for improvements to the 911 emergency telephone system, the purchase of transit buses for use in the Head Start Program, and the purchase of land, recreational facilities and equipment for the Parish recreation program. Financing is provided from excess revenues of the Enhanced 911 System Maintenance Fund, the St. James Parish Transit System Fund, and the Parks and Recreation Fund.

Consolidated General Obligation Bonds Fund

The Consolidated General Obligation Bonds Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements of the following bond issues:

- General Obligation Bond Series 1993
- General Obligation Bond Series 1994
- General Obligation Refunding Bond Series 1998

St. James Parish Council
 Convent, Louisiana
 Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2003

	Public Improvement Sales Tax Bonds	Certificates of Indebtedness	Consolidated General Obligation Bonds	Total
Assets				
Cash and cash equivalents	\$ 130,677	\$ 1,573	\$ 530,845	\$ 663,095
Investments	-	185,196	60,006	245,202
Ad valorem tax receivable, net	-	-	1,193,311	1,193,311
Total assets	<u>\$ 130,677</u>	<u>\$ 186,769</u>	<u>\$ 1,784,162</u>	<u>\$ 2,101,608</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 45,518	\$ 45,518
Total liabilities	<u>-</u>	<u>-</u>	<u>45,518</u>	<u>45,518</u>
Fund balance:				
Reserved for debt service	130,677	186,769	1,738,644	2,056,090
Total fund balance	<u>130,677</u>	<u>186,769</u>	<u>1,738,644</u>	<u>2,056,090</u>
Total liabilities and fund balance	<u>\$ 130,677</u>	<u>\$ 186,769</u>	<u>\$ 1,784,162</u>	<u>\$ 2,101,608</u>

The notes to the financial statements are an integral part of this statement.

Schedule 9

St. James Parish Council
Convent, Louisiana
Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2003

	Public Improvement Sales Tax Bonds	Certificates of Indebtedness	Consolidated General Obligation Bonds	Total
Revenues				
Taxes:				
Property	\$ -	\$ -	\$ 1,208,129	\$ 1,208,129
Interest	1,319	76	7,903	9,298
Total revenues	<u>1,319</u>	<u>76</u>	<u>1,216,032</u>	<u>1,217,427</u>
Expenditures:				
Current:				
General government:				
Financial administration	-	-	46,816	46,816
Debt service:				
Principal	38,000	55,000	695,000	788,000
Interest and fiscal charges	12,722	17,394	356,911	387,027
Total expenditures	<u>50,722</u>	<u>72,394</u>	<u>1,098,727</u>	<u>1,221,843</u>
Excess (deficiency) of revenues over (under) expenditures	(49,403)	(72,318)	117,305	(4,416)
Other financing sources (uses):				
Operating transfers in	50,400	64,467	-	114,867
Bond proceeds	-	500,000	-	500,000
Operating transfers out	-	(305,522)	-	(305,522)
Total other financing sources (uses)	<u>50,400</u>	<u>258,945</u>	<u>-</u>	<u>309,345</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	997	186,627	117,305	304,929
Fund balance, beginning of year	129,680	142	1,621,339	1,751,161
Fund balance, end of year	<u>\$ 130,677</u>	<u>\$ 186,769</u>	<u>\$ 1,738,644</u>	<u>\$ 2,056,090</u>

The notes to the financial statements are an integral part to this statement.

Schedule 10

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The following are the parish's capital projects funds:

Parishwide Sewer Construction Fund

The Parishwide Sewer Construction Fund accounts for expenditures associated with the proposed construction of a parishwide sewer system. The program was financed by the United States Environmental Protection Agency (75%) and the St. James Parish Council (25%) through the sale of general obligation bonds. The program consisted of three phases of which two phases have been completed. Actual construction on the third phase has not yet begun.

CDBG Road Improvement Fund

The CDBG Road Improvement Fund accounts for parishwide road improvements funded with a Louisiana Community Development Block Grant. Funding is provided from the State of Louisiana, Division of Administration, Office of Community Development.

Library Construction Fund

The Library Construction Fund accounts for the expenditures to construct a branch library in Vacherie. Funding is provided by transfers from the Parish Library Fund.

St. James Parish Council
 Convent, Louisiana
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2003

	<u>Parishwide Sewer Construction</u>	<u>CDBG Road Improvement</u>	<u>Library Construction</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 400,601	\$ 27	\$ 1,014	\$ 401,642
Investments	23,646	-	-	23,646
Due from other funds	-	-	79,235	79,235
Total assets	<u><u>\$ 424,247</u></u>	<u><u>\$ 27</u></u>	<u><u>\$ 80,249</u></u>	<u><u>\$ 504,523</u></u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,249</u>	<u>\$ 80,249</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>80,249</u>	<u>80,249</u>
Fund balance:				
Unreserved	<u>424,247</u>	<u>27</u>	<u>-</u>	<u>424,274</u>
Total liabilities and fund balance	<u><u>\$ 424,247</u></u>	<u><u>\$ 27</u></u>	<u><u>\$ 80,249</u></u>	<u><u>\$ 504,523</u></u>

The notes to the financial statements are an integral part of this statement.

Schedule 11

St. James Parish Council
 Convent, Louisiana
 Nonmajor Capital Projects Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the year ended December 31, 2003

	Parishwide Sewer Construction	CDBG Road Improvement	Library Construction	Total
Revenues:				
Interest	\$ 4,594	\$ -	\$ -	\$ 4,594
Total revenues	<u>4,594</u>	<u>-</u>	<u>-</u>	<u>4,594</u>
Expenditures:				
Current:				
Highways and streets	-	29,360	-	29,360
Culture and recreation	-	-	5,706	5,706
Capital outlay	-	-	1,248,706	1,248,706
Total expenditures	<u>-</u>	<u>29,360</u>	<u>1,254,412</u>	<u>1,283,772</u>
Excess (deficiency) of revenues over (under) expenditures	4,594	(29,360)	(1,254,412)	(1,279,178)
Other financing sources (uses):				
Operating transfers in	-	29,360	1,273,568	1,302,928
Operating transfers out	(73,153)	-	-	(73,153)
Total other financing sources (uses)	<u>(73,153)</u>	<u>29,360</u>	<u>1,273,568</u>	<u>1,229,775</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(68,559)	-	19,156	(49,403)
Fund balance, beginning of year	492,806	27	(19,156)	473,677
Fund balance, end of year	<u>\$ 424,247</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 424,274</u>

The notes to the financial statements are an integral part of this statement.

Schedule 12

ST. JAMES PARISH COUNCIL
Convent, Louisiana

Schedule of Compensation Paid
Parish Council Members and Parish President
For the Year Ended December 31, 2003

PARISH COUNCIL

Ralph A. Patin, Jr., Chairman	\$ 14,400
Elton M. Aubert	13,200
Elwyn R. Bocz	13,200
James M. Brazan	13,200
Wilson F. Malbrough, Jr.	13,200
James P. Mitchell	13,200
Timothy P. Roussel	13,200
Dale J. Hymel, Jr., Parish President	<u>92,347</u>
Total	<u>\$185,947</u>

The notes to the financial statements are an integral part of this statement.

Schedule 13

St. James Parish Council
 Convent, Louisiana
 Schedule of Program Revenues, Expenditures and Changes in Fund Balance
 Contracts and Grants Provided Through the Louisiana Governor's Office of Elderly Affairs (GOEA)
 For the year ended December 31, 2003

	Title III-B			C-1 Congregate Meals		
	For the 6 months ended		Total	For the 6 months ended		Total
	06/30/03	12/31/03		06/30/03	12/31/03	
Revenues:						
Intergovernmental:						
GOEA:						
Supportive Services	\$ 13,434	\$ 12,904	\$ 26,338	\$ -	\$ -	\$ -
Area Agency Administration	5,331	5,333	10,664	-	-	-
Title III D	839	858	1,697	-	-	-
Title III E	4,401	3,902	8,303	-	-	-
Legal	750	750	1,500	-	-	-
Audit	894	-	894	-	-	-
Miscellaneous	1,575	2,025	3,600	-	-	-
Senior Center	-	-	-	-	-	-
C-1 Congregate Meals	-	-	-	14,023	14,022	28,045
C-2 Home Delivered Meals	-	-	-	-	-	-
Discretionary (PCOA)	-	-	-	-	-	-
Deferred revenue	-	1,235	1,235	-	2,734	2,734
Program service fee:						
Sales of meals	-	-	-	4,863	4,625	9,488
Total revenues	27,224	27,007	54,231	18,886	21,381	40,267
Expenditures:						
Meals	677	27	704	25,462	14,767	40,229
Distributed administrative costs	19,810	20,610	40,420	-	-	-
Utilities	993	1,136	2,129	-	-	-
Legal fees	750	750	1,500	-	-	-
Other costs	4,886	4,592	9,478	13	25	38
Total expenditures	27,116	27,115	54,231	25,475	14,792	40,267
Excess (deficiency) of revenues over expenditures	108	(108)	-	(6,589)	6,589	-
Fund balance, beginning of period	-	108	-	-	(6,589)	-
Fund balance, end of period	\$ 108	\$ -	\$ -	\$ (6,589)	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Schedule 14 (continued)

C-2 Home Delivered Meals			Senior Center			Discretionary		
For the 6 months ended		Total	For the 6 months ended		Total	For the 6 months ended		Total
06/30/03	12/31/03		06/30/03	12/31/03		06/30/03	12/31/03	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	6,470	8,838	15,308	-	-	-
-	-	-	-	-	-	-	-	-
19,137	19,137	38,274	-	-	-	-	-	-
-	-	-	-	-	-	7,461	10,569	18,030
-	3,950	3,950	-	2,296	2,296	-	(1,498)	(1,498)
5,958	5,669	11,627	-	-	-	-	-	-
<u>25,095</u>	<u>28,756</u>	<u>53,851</u>	<u>6,470</u>	<u>11,134</u>	<u>17,604</u>	<u>7,461</u>	<u>9,071</u>	<u>16,532</u>
33,162	20,639	53,801	7,404	9,484	16,888	4,284	6,552	10,836
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	265	-	265
-	-	-	-	-	-	-	-	-
25	25	50	-	716	716	5,100	331	5,431
<u>33,187</u>	<u>20,664</u>	<u>53,851</u>	<u>7,404</u>	<u>10,200</u>	<u>17,604</u>	<u>9,649</u>	<u>6,883</u>	<u>16,532</u>
(8,092)	8,092	-	(934)	934	-	(2,188)	2,188	-
-	(8,092)	-	-	(934)	-	-	(2,188)	-
<u>\$ (8,092)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (934)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,188)</u>	<u>\$ -</u>	<u>\$ -</u>

St. James Parish Council
 Convent, Louisiana
 Schedule of Program Revenues, Expenditures and Changes in Fund Balance
 Contracts and Grants Provided Through the Louisiana Governor's Office of Elderly Affairs (GOEA)
 For the year ended December 31, 2003

	Cash-In-Lieu of Commodities			Totals
	For the 6 months ended		Total	
	06/30/03	12/31/03		
Revenues:				
Intergovernmental:				
GOEA:				
Supportive Services	\$ -	\$ -	\$ -	\$ 26,338
Area Agency Administration	-	-	-	10,664
Title III D	-	-	-	1,697
Title III E	-	-	-	8,303
Legal	-	-	-	1,500
Audit	-	-	-	894
Supplemental Senior Center	-	-	-	3,600
Senior Center	-	-	-	15,308
C-1 Congregate Meals	-	-	-	28,045
C-2 Home Delivered Meals	-	-	-	38,274
Discretionary (PCOA)	-	-	-	18,030
Deferred revenue	-	14,576	14,576	23,293
Program service fee:				
Sales of meals	-	-	-	21,115
Total revenues	<u>-</u>	<u>14,576</u>	<u>14,576</u>	<u>197,061</u>
Expenditures:				
Meals	29,745	20,426	50,171	172,629
Distributed administrative costs	-	-	-	40,420
Utilities	-	-	-	2,394
Legal fees	-	-	-	1,500
Other costs	-	-	-	15,713
Total expenditures	<u>29,745</u>	<u>20,426</u>	<u>50,171</u>	<u>232,656</u>
Excess (deficiency) of revenues over expenditures	(29,745)	(5,850)	(35,595)	(35,595)
Fund balance, beginning of period	-	5,850	-	-
Fund balance, end of period	<u>\$ (29,745)</u>	<u>\$ -</u>	<u>\$ (35,595)</u>	<u>\$ (35,595)</u>

The notes to the financial statements are an integral part of this statement.

Schedule 14 (concluded)

St. James Parish Council
Schedule of Program Expenditures - Budget vs. Actual
Contracts and Grants Provided Through the Louisiana Governor's Office of Elderly Affairs (GOEA)
For the year ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Title III B - Supportive services			
Access			
Distributed administrative costs	\$ 26,800	\$ 25,378	\$ 1,422
Legal services	1,500	1,500	-
Total	<u>28,300</u>	<u>26,878</u>	<u>1,422</u>
Title III C - Area Agency Administration			
Distributed administrative costs	10,700	10,664	36
Other costs	900	894	6
Total	<u>11,600</u>	<u>11,558</u>	<u>42</u>
Title III E - Caregivers			
Distributed administrative costs	6,100	4,378	1,722
Used for meals	200	189	11
Utilities	2,900	2,129	771
Other costs	2,100	3,132	(1,032)
Total	<u>11,300</u>	<u>9,828</u>	<u>1,472</u>
Title III F - Preventative Health			
Other costs	<u>1,700</u>	<u>2,186</u>	<u>(486)</u>
Miscellaneous			
Other costs	<u>4,500</u>	<u>3,781</u>	<u>719</u>
Total Title III B Fund	<u>\$ 57,400</u>	<u>\$ 54,231</u>	<u>\$ 3,169</u>

The notes to the financial statements are an integral part of this statement.

Schedule 15 (continued)

St. James Parish Council
Schedule of Program Expenditures - Budget vs. Actual
Contracts and Grants Provided Through the Louisiana Governor's Office of Elderly Affairs (GOEA)
For the year ended December 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Title III C-2 Home Delivered Meals			
Meals	\$ 49,700	\$ 53,800	\$ (4,100)
Office supplies	100	51	49
Total	\$ 49,800	\$ 53,851	\$ (4,051)
Title III C-1 Congregate Meals			
Meals	\$ 37,400	\$ 40,229	\$ (2,829)
Office supplies	-	38	(38)
Total	\$ 37,400	\$ 40,267	\$ (2,867)
Senior Center			
Congregate meals	\$ 4,700	\$ 3,360	\$ 1,340
Home delivered meals	9,900	13,528	(3,628)
Other costs	1,100	716	384
Total	\$ 15,700	\$ 17,604	\$ (1,904)
Discretionary - PCOA			
Congregate meals	\$ 4,300	\$ 4,372	\$ (72)
Home delivered meals	8,100	6,464	1,636
Utilities	300	265	35
Other costs	5,500	5,431	69
Total	\$ 18,200	\$ 16,532	\$ 1,668
Cash-in-Lieu of Commodities			
Congregate meals	\$ 13,000	\$ 17,072	\$ (4,072)
Home delivered meals	25,800	33,099	(7,299)
Total	\$ 38,800	\$ 50,171	\$ (11,371)

The notes to the financial statements are an integral part of this statement.

Schedule 15 (concluded)

St. James Parish Council
Schedule of Priority Services
Title III, Part B - Grant for Supportive Services
For the year ended December 31, 2003

	<u>For the 6 months ended</u>		<u>Total</u>	<u>% of GOEA Grant</u>
	<u>06/30/03</u>	<u>12/31/03</u>		
Access (30%) Access	<u>\$ 12,954</u>	<u>\$ 12,424</u>	<u>\$ 25,378</u>	<u>94%</u>
Legal (5%) Legal assistance	<u>750</u>	<u>750</u>	<u>1,500</u>	<u>6%</u>
Total Title III B - Supportive services expenditures	<u>\$ 13,704</u>	<u>\$ 13,174</u>	<u>\$ 26,878</u>	
Title III B - Supportive services grant			<u>\$ 26,338</u>	

The notes to the financial statements are an integral part of this statement.

Schedule 16

SINGLE AUDIT SECTION



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

To the President and Members
St. James Parish Council
Convent, Louisiana

We have audited the financial statements of the St. James Parish Council, State of Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether St. James Parish Council, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. James Parish Council, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, St. James Parish Council, State of Louisiana Legislative Auditor's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.

Patricia M. Metairie

Metairie, Louisiana
June 4, 2004





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

To the President and Members
St. James Parish Council
Convent, Louisiana

Compliance

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

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

In our opinion, St. James Parish Council, State of Louisiana, 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.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, others within the organization, St. James Parish Council, State of Louisiana Legislative Auditor's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.

For the Legislative Auditor: [Signature]

Metairie, Louisiana
June 4, 2004



St. James Parish Council
 Convent, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2003

Federal Grantor/ Pass-Through Grantor Name/ Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>United States Department of Agriculture</u>			
Passed through Louisiana Department of Education			
School Breakfast Program	10.553	None	\$ 21,561
National School Lunch Program	10.555	None	31,963
Summer Food Service Program for Children	10.559	None	83,122
Total United States Department of Agriculture			<u>136,646</u>
<u>United States Department of Transportation</u>			
Passed through Louisiana Department of Transportation and Development - Federal Transit Administration			
Nonurbanized Formula Grants, Section 5311			
FTA Grant LA-18-X020	20.509	SPN 741-47-0109	67,365
FTA Grant LA-18-X021	20.509	SPN 741-47-0108	77,577
Capital Investments Grants, Section 5309			
FTA Grant LA-03-0101	20.500	SPN 736-99-1085	66,715
Capital Assistance Program for Elderly Persons and Persons With Disabilities, Section 5310			
FTA grant LA-16-0028	20.513	SPN 736-99-0929	29,191
Job Access and Reverse Commute Program			
FPN LA-37-X007-00/Scope #300-03	20.516	SPN 741-47-0001	30,750
Total United States Department of Transportation			<u>271,598</u>
<u>United States Department of Homeland Security</u>			
Passed through Louisiana Department of Public Safety and Corrections			
Emergency Management Performance Grant	97.042	72-6001228	51,029
Passed through United Way of America			
Emergency Food and Shelter National Board Program	97.024	20-3684-00	20,753
Passed through Louisiana Military Department Office of Homeland Security and Emergency Preparedness			
Hazard Mitigation Grant	97.039	1380-093-0001	351,350
DMA Hazard Mitigation Plan	97.039	1437-093-0001	28,125
Disaster Assistance Program	97.036	093-99093-00	129,065
Total United States Department of Homeland Security			<u>580,322</u>
<u>United States Department of Energy</u>			
Passed through Louisiana Department of Health and Hospitals - Office of Community Services			
Weatherization Assistance for Low-Income Persons	81.042	557510	<u>21,034</u>

Schedule 17 (continued)

St. James Parish Council
 Convent, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2003

<u>Federal Grantor/ Pass-Through Grantor Name/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Commerce</u>			
Passed through Louisiana Department of Natural Resources			
Coastal Zone Management	11.419	25150-02-02	23,250
Coastal Impact Assistance Program	11.419	2513-02-06	164,305
Total United States Department of Commerce			<u>187,555</u>
<u>United States Department of Health and Human Services</u>			
Direct program - Administration for Children, Youth, and Families - Head Start			
	93.600		1,303,912
Passed through Louisiana Department of Labor - Community Services Block Grant			
	93.569	554690	102,929
Passed through Louisiana Department of Health and Human Resources - Low Income Home Energy Assistance			
	93.568	565803	44,771
Passed through Louisiana Department of Social Services - Office of Family Support			
TANF - Transportation	93.558	590263	107,344
Passed through Louisiana Governor's Office of Elderly Affairs - Special Programs for the Aging			
Title III - Part B Grant for Supportive Services and Senior Centers	93.044	588804	23,868
Title III - Part C for Nutrition Services (Area Agency Administration)	93.045	588804	7,996
Title III-C-1	93.045	588804	21,984
Title III-C-2	93.045	588804	15,513
Title III-D	93.043	588804	1,697
Title III-E	93.052	588804	6,227
USDA - Cash-in-lieu of commodities	10.570	588804	35,595
Total United States Department of Health and Human Services			<u>1,671,836</u>
<u>United States Department of Housing and Urban Development</u>			
Passed through Louisiana Division of Administration - Office of Community Development			
Community Development Block Grant	14.219	589804	53,774
<u>United States Department of Justice</u>			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Juvenile Justice and Delinquency Prevention	16.540	J02-7-005	3,056

Schedule 17 (continued)

St. James Parish Council
 Convent, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2003

Federal Grantor/ Pass-Through Grantor Name/ Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Non-Monetary Assistance</u>			
Food Distribution (Commodities)	10.550		<u>2,431</u>
Total Federal Assistance Expended			<u>\$ 2,928,252</u>

NOTES TO THE SCHEDULE

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the St. James Parish Council and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

St. James Parish Council
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2003

SECTION I—SUMMARY OF AUDIT'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? ___ Yes X No

Reportable conditions identified that are not considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements notes? ___ Yes X No

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified? ___ Yes X No

Reportable conditions identified that are not considered to be material weaknesses? ___ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ___ Yes X No

Identification of major programs:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
11.419	U.S. Department of Commerce: Coastal Impact Assistance Program Coastal Zone Management
20.509	U.S. Department of Transportation – Nonurbanized Formula Grants, Section 5311
97.039	U.S. Department of Homeland Security: Hazard Mitigation Grant DMA Hazard Mitigation Plan
93.569	U.S. Department of Health and Human Services – Community Services Block Grant

Dollar threshold used to distinguish between types A and B programs: \$300,000

Audit qualified as low-risk auditee: X Yes ___ No

Schedule 18 (continued)

**St. James Parish Council
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003**

SECTION II-FINANCIAL STATEMENT FINDINGS

None

SECTION III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

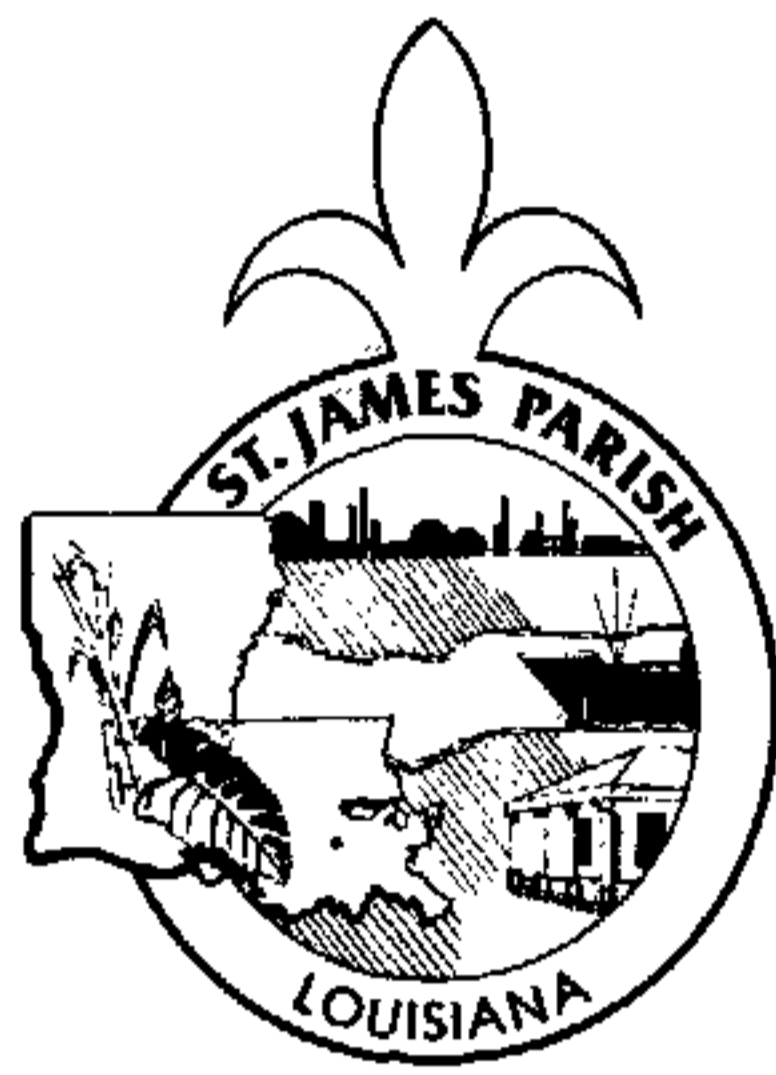
None

Schedule 18 (concluded)

St. James Parish Council
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2003

SECTION I-PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Finding No.</u>	<u>Program</u>	<u>CFDA No.</u>	<u>Grant Number</u>
None			



ACKNOWLEDGMENTS

We wish to express our appreciation to all departments of the Parish who assisted and contributed to the preparation of this report. Special acknowledgment is due to the staff of the Accounting Division and audit staff of Bourgeois Bennett, LLC, whose dedicated efforts resulted in the successful completion of this report.

In addition, we express our appreciation to the Parish President and Parish Council for their continuing interest and support in planning and conducting the financial affairs of the Parish in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script, reading "Jamie J. Elfert". The signature is written in black ink and is positioned above the typed name.

Jamie J. Elfert
Parish Comptroller
Finance Department