



**ST. BERNARD PARISH GOVERNMENT
CHALMETTE, LOUISIANA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2017



**ST. BERNARD PARISH GOVERNMENT
CHALMETTE, LOUISIANA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017

Prepared by:
Department of Finance

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2017

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INTRODUCTORY SECTION



Guy McInnis
Parish President

St. Bernard Parish Government

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Chalmette, Louisiana 70043
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June 29, 2018

To the Honorable Parish President Guy McInnis, Members of the St. Bernard Parish Council and Citizens of St. Bernard Parish:

State law requires that all general-purpose local governments publish, within six (6) months of the close of each fiscal year, a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of St. Bernard Parish Government for the year ended December 31, 2017.

This report consists of the administration's representations concerning the finances of St. Bernard Parish Government (the "Parish"). Administration, hereinafter referred to as "Management", assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As Management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Carr, Riggs and Ingram, LLC, a firm of licensed certified public accountants, has audited the Parish's financial statements and has issued an unmodified ("clean") opinion on Parish's financial statements for the year ended December 31, 2017. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

St. Bernard Parish was settled in the 1720's by Spanish colonists from the Canary Islands. Named after Bernardo de Galvez, the Parish was carved out of New Orleans Territory and formally incorporated on March 31, 1807. St. Bernard Parish is located in the Southeastern part of Louisiana and encompasses approximately 378 square miles of land. St. Bernard houses the 34th Judicial District Court, also known as the St. Bernard Parish Courthouse.

St. Bernard Parish is a political subdivision of the State of Louisiana. The citizens of St. Bernard approved and adopted the Home-Rule Charter on November 8, 1988. The Parish operates a Presidential/Council system of government. Both the President and the Council are elected by the voters to serve a four-year term with a limit of two (2) consecutive terms. The President is the head of the executive branch. The President's responsibilities include, but are not limited to, administering policies that facilitate the adherence to ordinances created by the Council, effectuating the smooth daily operations of government and appointing the department heads. The Council is the legislative branch of the Parish. The Council's responsibilities include, but are not limited to, passing ordinances and resolutions, as well as, adopting an annual budget. The Council consists of seven (7) members - five (5) of which are district members and two (2) of which are at-large members.

St. Bernard Parish provides a full range of services, including fire protection, construction and maintenance of roads, canal crossings, drainage and other infrastructure, water and sewer services, permitting and inspections, code enforcement, planning and zoning, recreational activities, cultural events and other general governmental functions and administrative services. The financial reporting entity consists of a primary government and two (2) component units. These component units are comprised of the St. Bernard Parish Library and St. Bernard Parish Mortgage Authority. A more detailed discussion of the entire reporting entity is included in Note 1 in the Notes to the Financial Statements.

The Annual Budget serves as the foundation for the Parish's financial planning and control. All departments of the Parish are required to submit detailed requests for appropriation to the Department of Finance by an established deadline. The Director of Finance, Parish President and the Chief Administrative Officer review the proposed budgets to ensure that requested appropriations do not exceed projected revenues. In the event a Department's request exceeds its projected revenues, the affected Department is required to revise and resubmit its request. The Director of Finance and the Budget Specialist monitor this process and assist the affected Departments when required. The Parish President then submits the proposed budgets to the Parish Council at least 90 days prior to the beginning of the fiscal year. The Council is required to hold a public hearing and publish the proposed budgets in the official journal at least ten days prior to the hearing.

The appropriated budgets are prepared by fund and department in the General Fund, Public Works Fund, and Recreation. For all other funds, budgets are prepared by fund. Department heads may make transfers of appropriations within a department (or fund if no departments). Transfers between departments, however, require the approval of the Parish Council.

Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund and all major funds, this comparison is presented on pages 86 to 90.

Factors Affecting Financial Condition

Local Economy

St. Bernard Parish has an estimated residential population of 48,776 people, which is approximately 65% of the population size since Hurricane Katrina in 2005. The Parish depends heavily on the oil and gas industry as its main source of revenues. The Parish has seen a decline in road royalties, severance tax, and sales tax due to the decline in drilling and leasing in previous years however in 2017 these revenues have begun to increase. Road royalties and severance tax increased 19.28% and 17.36% respectively, while sales tax revenue increased 16.13%. The Parish's gas and oil dependent revenues increased \$121,409 compared to 2016 and decreased \$255,479 and \$1,127,141 compared to 2015 and 2014, respectively. The Parish has been persistently monitoring these revenues and making adjustments to the budget and believes the declining revenues have leveled off in 2017. The Parish is hopeful to see another slight increase in 2018 in these revenues. The Parish is determined to continually working towards the advancement of the Parish and providing the best services possible for its citizens. The Parish stands firm to do more with less.

Long-term Financial Planning

The five (5) year Capital Improvement Plan is being updated to present to the St. Bernard Parish Council. Currently, the Parish has several long-term projects financed through bond funding, including Jackson/Packenham, constructing and acquiring improvements, extensions and replacements to the Parish's combined water and sewer system, bike paths throughout the Parish, updating Torres Park to include a new playground, skate park, and outdoor fitness center, and several coastal restoration projects.

The Parish received \$6.99 million in 2015 from the BP Oil Spill settlement, in which, \$5.3 million has been set aside in the 2018 budget for Coastal projects, including Lake Leary Phase III design, a sediment pipeline, canal debris removal, and navigational aids.

The St. Bernard Parish Government Coastal Division has an approved Comprehensive Strategy Document (the "Strategy Document") for future coastal restoration efforts in St. Bernard Parish. The Strategy Document has served as the basis for identifying, scoping and prioritizing coastal restoration projects. Additionally, the Strategy Document will couple proposed coastal restoration projects with potential federal, state and local funding sources. Virtually every project included on the approved priority list is currently the subject of a pending request for program funding or grant application while several projects identified in the Strategy Document have already advanced from the planning stage to engineering and design or construction and implementation.

Major Initiatives

Over the next year, management of the Parish will be concentrating on the following major projects:

- Violet – Dravo sewer improvements
- Lake Borgne pump engine upgrades
- Clear well/raw water
- Revitalization of Old Arabi
- St. Bernard spat on shell depolyment
- Mississippi River Trail & Trailheads
- 40 Arpent Trail and pedestrian crossing
- Torres Park revitalization
- Paris Road Streetscape
- Val Reiss Multipurpose building upgrades
- Numerous canal crossing projects
- Waterline replacement projects
- Sewer Lift Station rehab
- Parish wide subsurface drainage improvements
- Three million gallon domestic water tank repair
- Welcome Center
- Master Drainage Plan
- Jean Lafitte Sidewalk
- Buccaneer Villa North Drainage Project

Acknowledgments

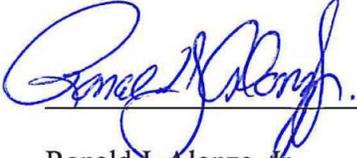
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Bernard Parish Government for its CAFR for the fiscal year ended December 31, 2016. This was the first year that the Parish has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

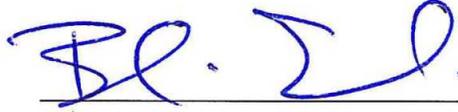
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We would like to thank the Parish Council for their unfailing support for elevating and maintaining the highest standards of professionalism in the management of the Parish's finances.

Finally, and most importantly, we would like to thank Parish President Guy McInnis for his continued leadership and confidence in us. We look forward to continuing to assist him in accomplishing all of his goals as Parish President.

Respectfully submitted,



Ronald J. Alonzo, Jr.
Chief Administrator Officer



Blair Ellinwood
Director of Finance



Government Finance Officers Association

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Achievement
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Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PRINCIPAL ELECTED OFFICIALS
DECEMBER 31, 2017**

PARISH PRESIDENT

Guy McInnis

PARISH COUNCIL MEMBER

Richard J. Lewis – Member at Large West

Kerri Callais – Member at Large East

Gillis McCloskey – District A

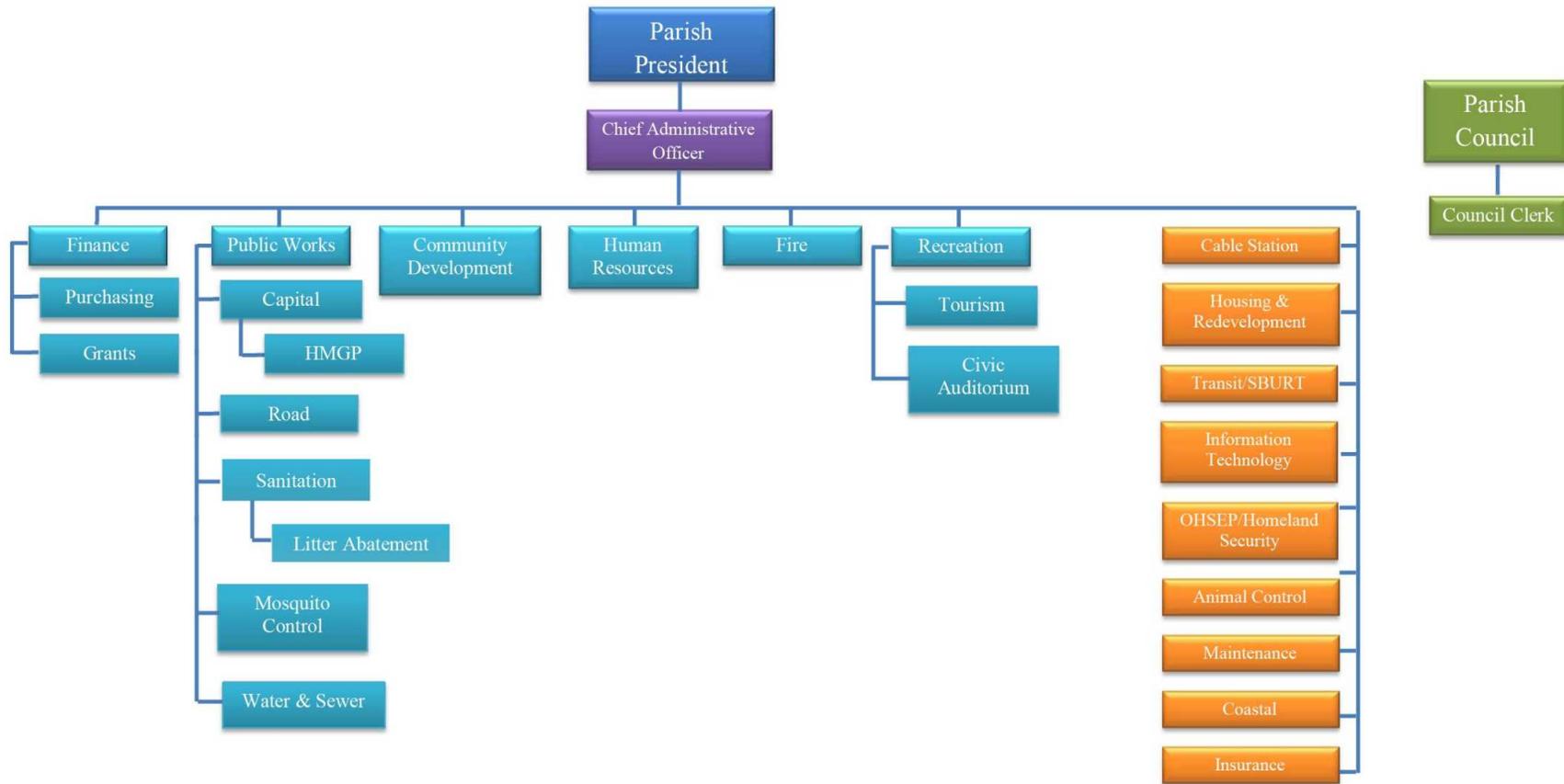
Nathan J. Gorbaty – District B

Howard Luna – District C

Wanda Alcon – District D

Manuel “Monty” Montelongo – District E

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
ORGANIZATIONAL CHART
December 31, 2017**





FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Members of St. Bernard Parish Council
Chalmette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Bernard Parish Government (the "Parish") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of St. Bernard Parish Library (the "Library") and St. Bernard Parish Home Mortgage Authority (the "Authority"), which are the Parish's discretely presented component units. Those 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 Library and Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditors consider internal control relevant to the Parish's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Parish as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress - Other Post-Employment Benefits, budgetary comparison information, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Employer Contributions to Pension Funds on pages 4-16 and 82-91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Schedules, Schedule of Compensation Paid to Council Members, Schedule of Compensation, Benefits and Other Payments to Agency Head, Financial Data Schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of

additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Schedules, Schedule of Compensation Paid to Council Members, Schedule of Compensation, Benefits and Other Payments to Agency Head, Financial Data Schedules, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the Combining and Individual Nonmajor Fund Financial Statements and Schedules, Schedule of Compensation Paid to Council Members, Schedule of Compensation, Benefits and Other Payments to Agency Head, Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Parish's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

June 29, 2018

REQUIRED SUPPLEMENTARY INFORMATION

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the St. Bernard Parish Government (the "Parish"), financial performance provides an overview of the Parish's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the Parish's basic financial statements and the notes to the basic financial statements.

Financial Highlights

- The Parish's net position balance on the government-wide basis was \$655,076,529 at December 31, 2017.
- The 2017 government-wide statement of activities reported an increase in net position of \$8,063,510.
- 2017 general fund tax revenues increased by \$1,779,945 compared to 2016.
- The general fund reported an excess of revenues and other financing sources over expenses and other financing uses of \$4,107,073 for a total ending fund balance at December 31, 2017 of \$16,509,124. \$4,029,539 of fund balance is restricted or non-spendable, while \$12,410,121 is assigned for coastal restoration, capital outlay, and contingency, and \$69,464 is unassigned.
- Total governmental funds reported an excess of revenues and other financing sources over expenses and other financing uses of \$1,896,305 for the year ended December 31, 2017.
- Total cash and cash equivalents of governmental funds amounted to \$29,939,272 at December 31, 2017, a decrease of \$10,478,602 compared to December 31, 2017.
- In 2017, the Parish implemented: GASB issued Statement No. 82 – Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Parish's primary government financial statements. The Parish's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and additional supplementary information to provide greater detail of data presented in the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Parish's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Parish's assets, liabilities, and deferred inflows/outflows with the difference between the five reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Parish is improving or deteriorating.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

The statement of activities presents information showing how the Parish's net position changed during the year ended December 31, 2017. All changes in net position 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 periods (e.g. earned but unused leave for vacations).

The government-wide financial statements distinguish functions of the Parish 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). The governmental activities of the Parish include general government, public safety, public works, sanitation, culture and recreation, health and welfare, and interest on long-term debt. The business-type activity of the Parish includes the water and sewerage operations of the Water & Sewer Division and Water Districts (the Division) and the rental income, concession sales and operations of the events facilities.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Parish 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 government activities in the government-wide financial statement. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources. Such information may be useful in evaluating government's 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Parish maintains 30 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 balance for its four major funds: the General Fund, Hazard Mitigation Grant Fund, Disaster Recovery Fund and Consolidated Fire Protection District No. 1-2 Fund. Data from the other governmental funds are combined under the heading "Non-major Governmental Funds."

Proprietary Funds. The Parish maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Parish uses enterprise funds to account for its water and sewerage operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Parish's various functions. The Parish uses internal service funds to account for its self-insurance program. Separate funds are maintained for costs related to governmental and business-type functions and activity is split accordingly in the government-wide financial statements.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Division, which is considered to be a major fund of the Parish. Events facilities are combined into a single, aggregated presentation in the proprietary fund financial statements. The two internal services funds are also combined into a single, aggregated presentation. Individual fund data for the District funds and the internal service funds is provided in the form of combining statements elsewhere in the report.

The basic proprietary fund financial statements can be found on pages 23-28 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information to demonstrate legal budgetary compliance for each major fund for which an annual budget is adopted and to provide information concerning the Parish's progress in funding its obligation to provide pension benefits to its employees.

Other Supplemental Information. The combining statements referred to earlier in connection with non-major governmental, proprietary and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92-126 of this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. The Parish's assets and deferred outflows exceeded liabilities and deferred inflows by \$655,076,529 at December 31, 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

Table 1
Net Position
December 31, 2017 and 2016

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------|-------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | \$ 97,102,325 | \$ 109,756,801 | \$ 21,048,122 | \$ 21,991,970 | \$ 118,150,447 | \$ 131,748,771 |
| Capital assets | 402,263,447 | 397,858,737 | 230,592,063 | 218,856,937 | 632,855,510 | 616,715,674 |
| Total assets | 499,365,772 | 507,615,538 | 251,640,185 | 240,848,907 | 751,005,957 | 748,464,445 |
| Deferred outflows | 6,807,832 | 10,342,240 | 1,054,577 | 1,938,178 | 7,862,409 | 12,280,418 |
| Other liabilities | 23,049,562 | 34,658,432 | 5,912,181 | 8,619,564 | 28,961,743 | 43,277,996 |
| Long-term liabilities | 51,075,353 | 56,885,401 | 20,769,797 | 11,463,787 | 71,845,150 | 68,349,188 |
| Total liabilities | 74,124,915 | 91,543,833 | 26,681,978 | 20,083,351 | 100,806,893 | 111,627,184 |
| Deferred inflows | 2,563,775 | 1,859,548 | 421,169 | 245,112 | 2,984,944 | 2,104,660 |
| Net position: | | | | | | |
| Net investment of | | | | | | |
| capital assets | 375,168,727 | 367,215,411 | 210,759,675 | 209,192,549 | 585,928,402 | 576,407,960 |
| Restricted | 11,726,929 | 13,215,014 | 3,392,724 | 4,735,936 | 15,119,653 | 17,950,950 |
| Unrestricted | 42,589,258 | 44,123,972 | 11,439,216 | 8,530,137 | 54,028,474 | 52,654,109 |
| Total net position | \$ 429,484,914 | \$ 424,554,397 | \$ 225,591,615 | \$ 222,458,622 | \$ 655,076,529 | \$ 647,013,019 |

The Parish's statement of net position reflects its investment in capital assets, land, construction-in-progress, infrastructure, buildings and equipment, less any related debt outstanding used to acquire those assets, in the amount of \$585,928,402 at December 31, 2017. The Parish uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Debt service funds have accumulated \$6,149,961 at December 31, 2017 to provide for the servicing of annual interest and principal payments on bonds and are classified in restricted net position. The unrestricted net position increased by \$1,374,365, which is primarily due to the change in net position described on the next page.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

Government-wide Activities

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|-------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,101,469 | \$ 3,346,854 | \$ 12,441,520 | \$ 13,099,159 | \$ 16,542,989 | \$ 16,446,013 |
| Operating grants and contributions | 9,068,664 | 10,870,638 | - | - | 9,068,664 | 10,870,638 |
| Capital grants and contributions | 26,259,675 | 28,211,921 | 767,508 | 1,488,453 | 27,027,183 | 29,700,374 |
| General revenues: | | | | | | |
| Ad valorem taxes | 12,885,666 | 13,258,151 | - | - | 12,885,666 | 13,258,151 |
| Sales taxes | 16,700,335 | 14,387,437 | 4,175,086 | 3,596,859 | 20,875,421 | 17,984,296 |
| Other taxes | 1,196,065 | 1,101,197 | - | - | 1,196,065 | 1,101,197 |
| Unrestricted grants and investment earnings | 260,371 | 191,898 | 59,375 | 58,245 | 319,746 | 250,143 |
| Other general revenues | 23,775,876 | 4,098,820 | 481,928 | 269,818 | 24,257,804 | 4,368,638 |
| Total revenues | 94,248,121 | 75,466,916 | 17,925,417 | 18,512,534 | 112,173,538 | 93,979,450 |
| Program expenses: | | | | | | |
| General government | 42,411,442 | 29,705,306 | - | - | 42,411,442 | 29,705,306 |
| Public safety | 16,803,400 | 14,970,179 | - | - | 16,803,400 | 14,970,179 |
| Public works | 6,271,015 | 5,816,392 | - | - | 6,271,015 | 5,816,392 |
| Sanitation | 5,784,315 | 6,143,008 | - | - | 5,784,315 | 6,143,008 |
| Culture and recreation | 3,054,936 | 2,334,365 | - | - | 3,054,936 | 2,334,365 |
| Health and welfare | 11,656,125 | 11,491,363 | - | - | 11,656,125 | 11,491,363 |
| Interest on long-term debt | 1,073,650 | 1,199,102 | 390,529 | 178,775 | 1,464,179 | 1,377,877 |
| Water and sewer | - | - | 16,229,635 | 13,993,556 | 16,229,635 | 13,993,556 |
| Events facilities | - | - | 434,981 | 1,220,910 | 434,981 | 1,220,910 |
| Total expenses | 87,054,883 | 71,659,715 | 17,055,145 | 15,393,241 | 104,110,028 | 87,052,956 |
| Net (expense) revenue before transfers | 7,193,238 | 3,807,201 | 870,272 | 3,119,293 | 8,063,510 | 6,926,494 |
| Transfers in (Out) | (2,262,721) | 458,703 | 2,262,721 | (458,703) | - | - |
| Change in Net Position | 4,930,517 | 4,265,904 | 3,132,993 | 2,660,590 | 8,063,510 | 6,926,494 |
| Net Position - beginning | 424,554,397 | 420,288,493 | 222,458,622 | 219,798,032 | 647,013,019 | 640,086,525 |
| Net Position - ending | \$ 429,484,914 | \$ 424,554,397 | \$ 225,591,615 | \$ 222,458,622 | \$ 655,076,529 | \$ 647,013,019 |

Total revenue increased by \$18,194,088, or 18.36%, from \$93,979,450 in 2016 to \$112,173,538 in 2017. Operating grants and contributions decreased by \$1,801,974, or 16.58%, in 2017. The decrease in operating grants and contributions of \$1,801,974 is partly attributed to the Parish's decrease in funding under the Coastal Impact Assistant Program from \$1,089,676 in 2016 to \$367,205 in 2017. In addition, the Parish receives one time revenues from FEMA for forced account labor which has been decreasing over the years as more projects go into closeout. Capital grants and contributions have decreased by \$2,673,191, or 9.00%, from \$29,700,374 in 2016 to \$27,027,183 in 2017. The Parish expects to see a decrease in capital projects as FEMA projects began ending. Other revenues increased by \$19,889,166, or 455.27%, from \$4,368,638 in 2016 to \$24,257,804 2017. This large decrease is primarily due to one-time revenue received in 2017 through a litigation settlement.

Total expenses were \$104,110,028 in 2017, an increase of \$17,057,072, or 19.59%, compared to \$87,052,956 in 2016. General government expense increased \$12,706,136, or 32.28%, from \$29,705,306 in 2016 to \$42,411,442 in 2017 primarily due to one-time professional service expenditures in 2017 in the amount of \$14,141,541 due to legal fees related to a litigation settlement. Water and Sewer expenses increased by \$2,236,079, or 15.98%, from \$13,993,556 in 2016 to \$16,229,635 in 2017 due to an increase in personal services and related benefits of \$1,289,017 in 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

Financial Analysis of the Government's Funds

Governmental Funds

The focus of the Parish's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Parish's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited spending to use for a particular purpose by either an external party, the Parish itself or group or individual that has been delegated authority to assign resources for use for particular purposes by the Parish's Council.

At December 31, 2017, the Parish's governmental funds reported a combined fund balance of \$23,182,218, an increase of \$1,896,305 in comparison with the prior year. Included in this amount is a deficit of \$7,710,222, which constitutes unassigned fund balance. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$205,969), 2) restricted for particular purposes (\$11,726,929), 3) committed for particular purposes (\$942,774), or 4) assigned for particular purposes (\$18,016,768).

Proprietary Funds

The St. Bernard Parish Government's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Division and the non-major business-type activities at the end of the year amounted to \$10,595,201.

General Fund

The General Fund is the chief operating fund of the Parish. During the year ended December 31, 2017, the general fund's fund balance increased by \$4,107,073 from \$12,402,051 to \$16,509,124. Key factors relative to this change are as follows:

- Total revenues increased by \$1,843,249 or 10.88%, from \$16,948,461 in 2016 to \$18,791,710 in 2017. This increase is primarily due to sales tax revenues which increased from \$10,790,577 in 2016 to \$12,525,251 in 2017 resulting in an additional \$1,734,674 in revenues.
- Expenditures increased in 2017 to \$28,680,298 compared to \$14,208,367 in 2016, an increase of \$14,471,931, which represents a 101.85% increase in expenditures. This increase is a result of professional services directly related to one-time litigation settlement costs that occurred in 2017, which increased 2017 expenditures by \$14,141,541.
- Other financing sources (uses), net, totaled \$13,995,661 in 2017, representing an increase of \$14,590,358, or 2,453.41%, in comparison to 2016. This large increase is due to one-time proceeds from the litigation settlement received in 2017 in the amount of \$21,000,000 compared to \$1,780,006 in 2016. This increase is also contributed to fund balance set aside for coastal projects which increased transfers out in the amount \$1,582,120 during 2017.

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017**

- Charges for Services decreased by \$230,864, or 9.61%, from \$2,402,856 in 2016 to \$2,171,992 in 2017. This decrease is due to the number of lots sold through the Louisiana Land Trust Program. Through this program, the Parish sold 83 lots in 2017 compared to 145 in 2016.
- Miscellaneous and other revenues increased from \$674,740 in 2016 to \$904,963 in 2017, an increase of \$230,223, or 34.12%, due to one-time donation received in 2017 for the De La Ronde Lights project.

The accompanying table shows the amount of General Fund revenues by source for 2017 and 2016:

| Revenues | 2017 Actual | % of Total | Increase | 2016 Actual | % of Total |
|---------------------------|----------------------|----------------|-------------------------|----------------------|----------------|
| | | | (Decrease) Over 2016 | | |
| Taxes | \$ 13,949,110 | 34.27% | \$ 1,779,945 | \$ 12,169,165 | 58.14% |
| Licenses and permits | 1,414,075 | 3.47% | 86,606 | 1,327,469 | 6.35% |
| Intergovernmental | 245,617 | 0.60% | (92,305) | 337,922 | 1.62% |
| Charges for services | 2,171,992 | 5.33% | (230,864) | 2,402,856 | 11.49% |
| Fines and forfeitures | 39,925 | 0.10% | 5,779 | 34,146 | 0.16% |
| Use of money and property | 66,028 | 0.16% | 63,865 | 2,163 | 0.01% |
| Other revenues | 904,963 | 2.22% | 230,223 | 674,740 | 3.24% |
| Other financing sources | 21,922,528 | 53.84% | 17,950,474 | 3,972,054 | 19.00% |
| | <u>\$ 40,714,238</u> | <u>100.00%</u> | <u>\$ 19,793,723</u> | <u>\$ 20,920,515</u> | <u>100.00%</u> |

The accompanying table shows the amount of general fund expenditures by source for 2017 and 2016:

| Expenditures | 2017 Actual | % of Total | Increase | 2016 Actual | % of Total |
|-------------------------|----------------------|----------------|-------------------------|----------------------|----------------|
| | | | (Decrease) Over 2016 | | |
| General government | \$ 25,811,870 | 70.51% | \$ 13,850,662 | \$ 11,961,208 | 63.71% |
| Public safety | 1,873,833 | 5.12% | 354,501 | 1,519,332 | 8.09% |
| Health and welfare | 582,362 | 1.59% | (7,770) | 590,132 | 3.14% |
| Capital outlay | 412,233 | 1.13% | 274,538 | 137,695 | 0.73% |
| Operating transfers out | 7,926,867 | 21.65% | 3,360,116 | 4,566,751 | 24.32% |
| | <u>\$ 36,607,165</u> | <u>100.00%</u> | <u>\$ 17,832,047</u> | <u>\$ 18,775,118</u> | <u>100.00%</u> |

Hazard Mitigation Grant Fund

This special revenue fund is used to account for funding from the Department of Homeland Security. Primarily Hazard Mitigation Grant (the "HMGP") funding is for construction projects associated with Hurricanes Katrina, Rita and Gustav. The HMGP funding is a reimbursement basis grant where expenditures and related revenues have been accrued along with some advance funding for elevation of qualified homes. Revenues amounted to \$18,070,879 in 2017 compared to \$13,757,917 in 2016, while expenditures totaled \$12,018,200 in 2017 compared to \$12,070,798 in 2016. Revenues increased due to collection of deferred revenues from prior years. Expenditures are staying consistent with prior year as all projects are in the construction phase.

Disaster Recovery Fund

The Disaster Recovery fund primarily accounts for grants received as a result of Hurricanes Katrina, Rita, Isaac and Gustav from the federal government. FEMA, as authorized by the Stafford Act, assists

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

individuals, as well as state and local governments, with response to and recovery from disasters. The FEMA grants are reimbursement basis grants where expenditures and related revenues have been accrued. The deficit in the Disaster Recovery fund at December 31, 2017 of \$6,666,103 is partially attributable to \$12,484,626 of revenue that has been deferred and will be collected by the Parish in future years and cash advances received for which expenditures will be incurred in future years. Revenue amounted to \$5,523,962 in 2017 compared to \$13,933,992 in 2016, while expenditures totaled \$4,558,837 in 2017 compared to \$13,316,809 in 2016. Revenues and expenditures for Hurricanes Katrina, Rita and Gustav in the FEMA fund are decreasing as funding for the emergencies comes to an end and projects are closed out.

Consolidated Fire Protection District No. 1-2

The Consolidated Fire Protection District No. 1-2 (the "Fire District") accounts for maintenance and daily operations of the fire protection facilities, along with training and continuing education. The Fire District is primarily funded by ad valorem taxes and 2% of the State of Louisiana distribution of fire insurance premium taxes. The Fire District's fund balance at December 31, 2017 amounted to \$1,108,301 which was a decrease of \$1,019,154. Revenue amounted to \$9,580,547 in 2016 compared to \$9,166,757 in 2016, an increase of \$413,790. This increase is due to a one-time federal grant, Assistance to Firefighters Grant, received in the amount of \$486,591 in 2017. Expenditures totaled \$10,875,497 in 2017 compared to \$10,181,914 in 2016, which is an increase of \$693,583. This increase is due to Assistance to Firefighters Grant received to purchase equipment. The Fire Department's retirees' health insurance was recorded and paid by the general fund however for more accurate accounting of Fire Department expenditures this was moved into the Fire Department Fund in the amount of \$554,000 in 2017.

Special Revenue Funds – Non-major

The Non-Major Special Revenue funds are used to account for the recording of special purpose revenues and grants. Total fund balance for the Non-Major Special Revenue funds was \$2,186,402 at December 31, 2017, which was a \$630,903 decrease compared to the prior year fund balance of \$2,817,305. Revenues during the year ended December 31, 2017 decreased by \$1,975,959 primarily due to the decrease of revenues in the Federal and State Grants fund of \$3,083,641. Sale and use tax increased by \$578,226, or 16.08%, from \$3,596,859 in 2016 to \$4,175,085 in 2017. Federal Grants decreased from \$15,497,217 in 2016 to \$12,440,398 in 2017. This decrease of \$3,056,819 or 19.72% is due to a decline in federal funding in the Coastal Impact Assistance Program and the Federal Highway Administration Grants due to projects coming to an end. Workforce Investment Act had a decline of \$116,579 or 7.42% in federal funding from \$1,570,829 in 2016 to \$1,454,250 in 2017 due to decrease in funding. Charges for services increased by \$619,891 or 182.75% from \$339,194 in 2016 to \$959,085 in 2017. This increase is due to concession sales and field rentals being moved from Events Facilities Fund to the Recreation Fund. This was done to keep all recreation activity in one location. Expenditures during the year ended December 31, 2017 decreased by \$219,393 or 0.74%. Other financing sources and uses increased by \$1,935,782 or 49.78% from \$3,888,909 in 2016 to \$5,824,691 in 2017. This increase is due to the Parish setting aside funding for coastal related projects and transferred \$1,582,120 in 2017 for the creation of a Delacroix Pier and boat lift, solar lighting and channel markers, Bayou Terr Aux Bouefs Ridge restoration armoring, and canal debris removal.

Debt Service Funds

The Debt Service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Total fund balance for the Debt Service funds was \$3,639,741 at December 31, 2017, which was a \$55,745 increase compared to the prior year balance

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

of \$3,583,996. The increase in fund balance is due to a decrease in sinking requirements which are satisfied via transfers in. Transfers, net were \$4,494,395 for the year ended December 31, 2017, which was an \$11,215 decrease compared to prior year activity of \$4,505,610. Expenditures during the year ended December 31, 2017 decreased by \$20,452 as a result of interest and principal payments.

Capital Project Funds

The Capital Projects funds are used to account for all resources and expenditures in connection with the acquisition of capital facilities and repair and maintenance projects other than those accounted for in the recovery funds relating to FEMA, HMGP and CDBG. Total fund balance for the Capital Project funds was \$6,615,292 at December 31, 2017, a decrease of \$189,665 from the prior year. Capital Projects fund expenditures during 2017 totaled \$1,841,191, a decrease of \$675,418 from the prior year primarily due to the decline of projects in the General Capital Project fund. The General Capital Project fund had expenditures of \$1,953,095 in 2016 and \$1,047,916 in 2017, a decrease of \$905,179, or 46.35%, due to available funding decreasing.

Enterprise Funds

The Enterprise funds are used to account for operations of the water and sewer and events facilities of the Parish. Total net position for the Enterprise funds was \$224,747,600 at December 31, 2017, an increase of \$3,476,862. Total operating revenues decreased \$657,639, or 5.02%, to \$12,441,520 for the year ended December 31, 2017. This decrease is due primarily to the concession sales and field rental at Val Reiss Complex being moved from the Events Facilities fund to the Recreation Fund. Total operating expenses increased \$819,754, or 5.42%, to \$15,520,818 for the year ended December 31, 2017. This increase is due to increased personnel services and related benefits by \$876,433 or 25.83%, from \$3,392,970 in 2016 to \$4,453,667 in 2017 primarily as a result of better serving the community's needs. Other operating expense increased by \$756,824 or 80.21% when compared to prior year. The primary reason for this increase is due to Water and Sewer increasing repairs and maintenance by \$491,294 in 2017 to perform more lines repairs within the Parish as system components begin aging. Non-operating revenues and expenditures increased by \$625,728, or 18.78%, primarily due to an increase in sales tax collections for water and sewer repairs.

Internal Service Funds

The Internal Service funds are used to account for the risk management services provided throughout the Parish. Total net position for the Internal Service funds was \$1,006,960 at December 31, 2017, a decrease of \$688,829 from the prior year. Charges for services decreased by \$398,647 from \$2,251,712 to \$1,853,065 during the year ended December 31, 2017 due to the belief that claims would be paid in 2017 from fund balance. Total operating expenses decreased by \$884,266 from \$1,679,917 to \$2,564,183 during the year ended December 31, 2017 due to the numerous claims outstanding from prior year that were paid in the current year.

General Fund Budgetary Highlights

Variances between general fund amended budget and actual are delineated in the schedule below. Total revenues are \$18,791,710, or 0.06%, over budgeted amounts. Actual expenditures were 0.62% below budgeted.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

| | 2017 | | |
|-------------------------------------|---------------|---------------|---|
| | Budget | Actual | Variance with Final Budget Over/(Under) |
| Revenues | | | |
| Taxes | \$ 13,946,783 | \$ 13,949,110 | \$ 2,327 |
| Licenses and permits | 1,409,270 | 1,414,075 | 4,805 |
| Intergovernmental | 245,617 | 245,617 | - |
| Charges for services | 2,197,567 | 2,171,992 | (25,575) |
| Fines and forfeitures | 19,655 | 39,925 | 20,270 |
| Use of money and property | 68,355 | 66,028 | (2,327) |
| Other revenues | 892,270 | 904,963 | 12,693 |
| Total Revenues | 18,779,517 | 18,791,710 | 12,193 |
| Expenditures | 28,857,940 | 28,680,298 | 177,642 |
| Other Financing Sources (Uses), net | 13,954,207 | 13,995,661 | 41,454 |
| Net Change in Fund Balance | \$ 3,875,784 | \$ 4,107,073 | \$ 231,289 |

Capital Assets

Capital assets at December 31, 2017 and 2016 are as follows (net of depreciation):

The Parish's net investment in capital assets as of December 31, 2017 amounts to \$632,855,510 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, building and land improvements, furniture, fixtures and equipment, machinery and equipment and infrastructure.

| | <u>2017</u> | <u>2016</u> |
|------------------------------------|-----------------------|-----------------------|
| Land | \$ 20,408,058 | \$ 20,408,058 |
| Construction in progress | 155,483,894 | 130,385,934 |
| Buildings and improvements | 223,142,403 | 217,752,235 |
| Furniture, machinery and equipment | 23,528,496 | 20,894,064 |
| Infrastructure | 460,707,030 | 453,866,461 |
| Accumulated depreciation | (250,414,371) | (226,591,078) |
| | <u>\$ 632,855,510</u> | <u>\$ 616,715,674</u> |

Major capital asset events during the fiscal year included the following:

- Construction in progress has begun on the Parish's canal crossing which is funded via FEMA.
- Design and construction has begun on the water and sewer line projects throughout the Parish.
- Construction is underway with the new bike paths, Jackson/Packenham, and several other projects throughout the Parish.
- Depreciation expense for 2017 amounted to \$23,822,933.

For additional information regarding capital assets, see Note 7 in the notes to the basic financial statements.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

Debt Administration

Outstanding debt at December 31, 2017 totaled \$49,676,971, which is secured by specific revenue sources (property, sales taxes or charges for services).

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------------|-----------------------------|
| 2012 Sales Tax Refunding bonds | \$ 24,290,000 | \$ 27,425,000 |
| 2004 Sales Tax bonds | 385,000 | 430,000 |
| 2008 Sales Tax Refunding bonds | 1,560,000 | 2,290,000 |
| Total bonds | <u>26,235,000</u> | <u>30,145,000</u> |
| Limited Tax Certificates of Indebtedness, Series 2014 | 1,530,000 | 1,760,000 |
| Limited Tax Certificates of Indebtedness, Series 2016 | - | 4,500,000 |
| Limited Tax Certificates of Indebtedness, Series 2017 | 4,100,000 | - |
| Total certificates of indebtedness | <u>5,630,000</u> | <u>6,260,000</u> |
| LDHH - Drinking Water Revolving Loan #1 | 8,935,992 | 4,679,032 |
| LDHH - Drinking Water Revolving Loan #2 | 1,135,838 | - |
| LDEQ - Clean Water Revolving Loan | 7,740,141 | 2,179,164 |
| Total revolving loans | <u>17,811,971</u> | <u>6,858,196</u> |
| Total outstanding debt | <u><u>\$ 49,676,971</u></u> | <u><u>\$ 43,263,196</u></u> |

The following is a summary of debt transactions:

| | |
|------------------------------|-----------------------------|
| Balance at January 1, 2017 | \$ 43,263,196 |
| New issues | 15,286,775 |
| Payments | (8,873,000) |
| Balance at December 31, 2017 | <u><u>\$ 49,676,971</u></u> |

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for general obligation debt for the Parish is in excess of the Parish's outstanding general obligation debt.

Major long-term debt transactions for the year ended December 31, 2017 include the following:

- Total Other Post-Employment benefits increased \$1,357,514 during the fiscal year.
- During the year ended December 31, 2017, the Parish drew down substantial amounts on the Drinking Water Revolving Loan #1 and #2 not to exceed \$11,000,000 and \$13,000,000. The balance at December 31, 2017 was \$8,935,992 and \$1,135,838. The Parish also drew down on the Clean Water State Revolving Loan not to exceed \$10,000,000. The balance at December 31, 2017 was \$7,740,141.
- The Parish paid in full the 2016 certificates of indebtedness in the amount of \$4,500,000, in March 2017. The Parish issued 2017 certificates of indebtedness in the amount of \$4,100,000 in July 2017 and paid the certificates in full March 2018.
- At December 31, 2017, the Parish recorded a decrease to net pension liability of \$3,552,622 in the governmental activities and \$888,155 decrease in the business-type activities.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

For additional information regarding long-term debt, see Note 8 in the notes to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

The Parish's primary recurring funding sources are Sales Tax and Ad Valorem Tax. In 2017, actual Sales Tax collections were \$20,875,421, which was an increase of \$2,891,125, or 16.08%, when compared to prior year. The Parish projects a 1.14% decrease in Sales Tax revenues in 2018 over 2017 primarily due to the oil and gas industries within the Parish performing large scale construction projects as well as sales tax audits that occurred primarily in 2017 and there won't be much overlap into 2018. In 2017, actual Ad Valorem Tax collections were \$12,885,666 and the Parish estimates no significant change in Ad Valorem revenues in 2018. The Parish is projecting no major changes in its primary funding sources in 2018. Due to the economic climate, primarily oil and gas industry has begun to level out within the Parish.

Expectation is such that by the end of 2018 it is estimated that the Parish will be substantially complete in its storm-related recovery efforts that will total in excess of \$1 billion with the possibility of an additional \$90 million from FEMA for drainage projects throughout the Parish. Significant Parish-wide infrastructure repairs, hazard mitigation measures, aggressive marketing of lots made vacant by Hurricane Katrina, an exceptionally rated public school system, state of the art recreational facilities, low crime rate and other factors will continue to make the Parish an attractive community that should bolster its population and help increase the taxable population. A new state of the art hospital has continued to grow the area's medical care services and offer competitive job opportunities. Real estate values are increasing as evident by the builder bundle program of Parish owned vacant lots, which is producing beautiful new construction in the western side of the Parish at a premium price. The average lot price is up significantly when compared to the previous years. The Parish continues to apply for federal and state grants in order to improve the quality of life for its residents. The Parish has developed a Grants Department to head and oversee from the application phase to construction then passing it off to the newly developed Capital Outlay Division to handle program management. Examples of this include federal and state grants that will fund a bike trail along the Mississippi River levee and 40 Arpent Canal, two new playgrounds for Parish children, federal loans to improve the waterline and sewer systems throughout the Parish and the anticipation of new bike paths connecting the current paths together throughout the Parish. The Parish also has plans to design and construct the Delacroix pier and pavilion for citizens to enjoy.

While the Parish has seen a substantial amount of film production and significant revenues from such over recent years, 2017 began to show a decline in film production. However, the Parish is expecting to see additional revenues in 2018 as the Parish has implemented and advertised its Film Incentive Program.

The Parish hosts many fairs and festivals with the annual Knights of Columbus Crawfish Festival itself bringing in over 100,000 patrons. The Bayou Road Balloon Festival has been established in the Parish for the first time in 2017. The Parish has introduced Jazz in June. The Recreation Department has developed a leisure program offering activities such as yoga, line dancing and crafting projects for the citizens of St. Bernard Parish, as well as holding several Sock Hops a year, Trunk or Treat and Donuts with Santa for local children. The Parish President holds an annual Easter egg hunt. The eastern end of the Parish continues to be a favorite saltwater fishing destination for the entire Greater New Orleans metropolitan area.

Based on the factors stated above, Parish management believes next year will be financially similar to the current year but the Parish will continue providing and expanding the significant services to its residents. The continued growth in population and the rebound in the oil and gas industry will lead to additional funding in future years.

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017**

Requests for Information

This financial report is designed to provide a general overview of the Parish's finances 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 may be addressed to the Department of Finance, St. Bernard Parish, 8201 W. Judge Perez Drive, Chalmette, Louisiana 70043.



BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2017

| | Primary Government | | | Component Units |
|---|--------------------------------|---------------------------------|-----------------------|------------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 30,956,602 | \$ 10,114,449 | \$ 41,071,051 | \$ 9,918,954 |
| Investments | 1,080,083 | - | 1,080,083 | 3,728,175 |
| Investments - land held for sale | 2,653,000 | - | 2,653,000 | - |
| Receivables: | | | | |
| Sales and use taxes | 3,093,984 | 773,496 | 3,867,480 | - |
| Property taxes | 11,884,707 | - | 11,884,707 | 1,011,502 |
| Customer | - | 985,032 | 985,032 | - |
| Intergovernmental | 17,710,565 | 231,125 | 17,941,690 | 485,273 |
| Other | 560,331 | 22,360 | 582,691 | - |
| Unbilled charges | - | 826,083 | 826,083 | - |
| Internal balances | (4,085,588) | 4,085,588 | - | - |
| Prepaid expenditures | 207,506 | 109,219 | 316,725 | - |
| Inventory | 12,356 | 348,809 | 361,165 | - |
| Restricted assets - cash and cash equivalents | - | 2,663,719 | 2,663,719 | 372 |
| Other current assets | - | - | - | 597,190 |
| Loan and interest receivable | 33,028,779 | 888,242 | 33,917,021 | - |
| Capital assets: | | | | |
| Land and construction in progress | 83,075,906 | 92,816,046 | 175,891,952 | - |
| Other capital assets, net of depreciation | 319,187,541 | 137,776,017 | 456,963,558 | 2,461,272 |
| Total assets | \$ 499,365,772 | \$ 251,640,185 | \$ 751,005,957 | \$ 18,202,738 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows on pension obligation | \$ 6,807,832 | \$ 1,054,577 | \$ 7,862,409 | \$ 76,742 |
| Total deferred outflows of resources | \$ 6,807,832 | \$ 1,054,577 | \$ 7,862,409 | \$ 76,742 |
| LIABILITIES | | | | |
| Accounts payables | \$ 13,850,910 | \$ 2,787,263 | \$ 16,638,173 | \$ 3,752 |
| Claims payable | 1,986,374 | 827,561 | 2,813,935 | - |
| Retainage payable | 1,782,231 | 641,484 | 2,423,715 | - |
| Salaries and payroll deductions payable | 924,297 | 180,193 | 1,104,490 | 10,291 |
| Customer deposits | - | 1,307,151 | 1,307,151 | - |
| Accrued interest payable | 336,562 | 11,461 | 348,023 | - |
| Advance collections | 69,188 | 157,068 | 226,256 | - |
| Certificates of indebtedness | 4,100,000 | - | 4,100,000 | - |
| Long-term non-current liabilities: | | | | |
| Due within one year | 4,355,120 | 1,793,264 | 6,148,384 | - |
| Due in more than one year | 46,720,233 | 18,976,533 | 65,696,766 | 57,570 |
| Total liabilities | \$ 74,124,915 | \$ 26,681,978 | \$ 100,806,893 | \$ 71,613 |
| DEFERRED INFLOWS | | | | |
| Deferred inflows on pension obligation | \$ 2,563,775 | \$ 421,169 | \$ 2,984,944 | \$ 10,117 |
| Total deferred inflows of resources | \$ 2,563,775 | \$ 421,169 | \$ 2,984,944 | \$ 10,117 |
| NET POSITION | | | | |
| Net investment in capital assets | \$ 375,168,727 | \$ 210,759,675 | \$ 585,928,402 | \$ 2,461,272 |
| Restricted for: | | | | |
| Capital projects | - | 803,212 | 803,212 | - |
| Debt service | 3,664,216 | 2,485,745 | 6,149,961 | - |
| Federal programs | 4,246,447 | - | 4,246,447 | - |
| Public safety | 1,086,952 | - | 1,086,952 | - |
| Other purposes | 2,729,314 | 103,767 | 2,833,081 | - |
| Unrestricted | 42,589,258 | 11,439,216 | 54,028,474 | 15,736,478 |
| Total net position | \$ 429,484,914 | \$ 225,591,615 | \$ 655,076,529 | \$ 18,197,750 |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

| Function/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|--------------------------------------|----------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|-----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | |
| Governmental Activities | | | | | | | | |
| General government | | | | | | | | |
| Judicial | \$ 3,865,258 | \$ 58,846 | \$ - | \$ - | \$ (3,806,412) | \$ - | \$ (3,806,412) | |
| Other general government | 38,546,184 | 3,244,628 | 2,047,489 | 25,773,084 | (7,480,983) | - | (7,480,983) | |
| Public safety | 16,803,400 | 43,935 | 60,996 | 486,591 | (16,211,878) | - | (16,211,878) | |
| Public works | 6,271,015 | 33,648 | 543,512 | - | (5,693,855) | - | (5,693,855) | |
| Sanitation | 5,784,315 | - | - | - | (5,784,315) | - | (5,784,315) | |
| Culture and recreation | 3,054,936 | 720,412 | 232,767 | - | (2,101,757) | - | (2,101,757) | |
| Health and welfare | 11,656,125 | - | 6,183,900 | - | (5,472,225) | - | (5,472,225) | |
| Interest on long-term debt | 1,073,650 | - | - | - | (1,073,650) | - | (1,073,650) | |
| Total governmental activities | 87,054,883 | 4,101,469 | 9,068,664 | 26,259,675 | (47,625,075) | - | (47,625,075) | |
| Business-Type Activities | | | | | | | | |
| Water and sewer | 16,229,635 | 12,130,162 | - | 767,508 | - | (3,331,965) | (3,331,965) | |
| Events facilities | 434,981 | 311,358 | - | - | - | (123,623) | (123,623) | |
| Interest on long-term debt | 390,529 | - | - | - | - | (390,529) | (390,529) | |
| Total business-type activities | 17,055,145 | 12,441,520 | - | 767,508 | - | (3,846,117) | (3,846,117) | |
| Total | \$ 104,110,028 | \$ 16,542,989 | \$ 9,068,664 | \$ 27,027,183 | (47,625,075) | (3,846,117) | (51,471,192) | |
| Component Units | | | | | | | | |
| Total Component Units | \$ 1,982,250 | \$ 6,468 | \$ 359,917 | \$ - | | | | \$ (1,615,865) |
| General Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | | | | | 12,885,666 | - | 12,885,666 | 1,157,562 |
| Sales and use taxes | | | | | 16,700,335 | 4,175,086 | 20,875,421 | - |
| Severance | | | | | 506,257 | - | 506,257 | - |
| E telephone | | | | | 425,602 | - | 425,602 | - |
| Other | | | | | 264,206 | - | 264,206 | - |
| Fines and forfeitures | | | | | 190,465 | - | 190,465 | - |
| State revenue sharing (unrestricted) | | | | | 79,774 | - | 79,774 | 25,062 |
| Parish road royalty | | | | | 287,852 | - | 287,852 | - |
| Other general revenues (expenses) | | | | | 1,282,052 | 481,928 | 1,763,980 | (21,685) |
| Interest and investment earnings | | | | | 260,371 | 59,375 | 319,746 | 146,923 |
| Proceeds from litigation settlement | | | | | 21,000,000 | - | 21,000,000 | - |
| Miscellaneous revenues | | | | | 935,733 | - | 935,733 | 53,581 |
| Transfers | | | | | (2,262,721) | 2,262,721 | - | - |
| Total general revenues and transfers | | | | | 52,555,592 | 6,979,110 | 59,534,702 | 1,361,443 |
| Change in net position | | | | | 4,930,517 | 3,132,993 | 8,063,510 | (254,422) |
| Net position - beginning of year | | | | | 424,554,397 | 222,458,622 | 647,013,019 | 18,452,172 |
| Net position - end of year | | | | | \$ 429,484,914 | \$ 225,591,615 | \$ 655,076,529 | \$ 18,197,750 |

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

| | Special Revenue Funds | | | | | Total |
|--|-----------------------|---------------------------------|------------------------|---|------------------------------|----------------------|
| | General Fund | Hazard Mitigation Grant Program | Disaster Recovery Fund | Consolidated Fire Protection District No. 1 - 2 | Non-Major Governmental Funds | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 9,445,617 | \$ 1,401,260 | \$ 4,143,345 | \$ 345,521 | \$ 14,603,529 | \$ 29,939,272 |
| Investments - land held for sale | 2,653,000 | - | - | - | - | 2,653,000 |
| Receivables | | | | | | |
| Sales and use taxes | 2,320,488 | - | - | - | 773,496 | 3,093,984 |
| Property taxes | 797,815 | - | - | 7,951,931 | 3,134,961 | 11,884,707 |
| Intergovernmental | 132,458 | 2,291,416 | 12,538,428 | 58,490 | 2,689,773 | 17,710,565 |
| Other | 468,332 | - | - | - | 91,715 | 560,047 |
| Due from other funds | 8,332,912 | - | 8,104,956 | - | 3,218,720 | 19,656,588 |
| Prepaid | 87,587 | - | - | 21,349 | 84,677 | 193,613 |
| Inventory | - | - | - | - | 12,356 | 12,356 |
| Total assets | <u>\$ 24,238,209</u> | <u>\$ 3,692,676</u> | <u>\$ 24,786,729</u> | <u>\$ 8,377,291</u> | <u>\$ 24,609,227</u> | <u>\$ 85,704,132</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 983,794 | \$ 1,258,978 | \$ 4,858,254 | \$ 339,062 | \$ 6,407,439 | \$ 13,847,527 |
| Retainage payable | 21,091 | 925,921 | 785,800 | - | 49,419 | 1,782,231 |
| Salaries and payroll deductions payable | 250,084 | 4,846 | - | 483,285 | 177,194 | 915,409 |
| Due to other funds | 3,533,923 | 1,050,461 | 13,324,152 | 2,275,337 | 3,608,303 | 23,792,176 |
| Advance collections | 69,188 | - | - | - | - | 69,188 |
| Short-term certificates of indebtedness | 100,000 | - | - | 4,000,000 | - | 4,100,000 |
| Total liabilities | <u>4,958,080</u> | <u>3,240,206</u> | <u>18,968,206</u> | <u>7,097,684</u> | <u>10,242,355</u> | <u>44,506,531</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenues | 2,771,005 | 663,009 | 12,484,626 | 171,306 | 1,925,437 | 18,015,383 |
| Total deferred inflows of resources | <u>2,771,005</u> | <u>663,009</u> | <u>12,484,626</u> | <u>171,306</u> | <u>1,925,437</u> | <u>18,015,383</u> |
| FUND BALANCE | | | | | | |
| Nonspendable | | | | | | |
| Prepaid items | 87,587 | - | - | 21,349 | 84,677 | 193,613 |
| Inventory | - | - | - | - | 12,356 | 12,356 |
| Restricted | | | | | | |
| Mortgage refunding | 91,185 | - | - | - | - | 91,185 |
| Debt service | - | - | - | - | 3,664,216 | 3,664,216 |
| Federal programs | 3,850,767 | - | - | - | 395,680 | 4,246,447 |
| Council on aging | - | - | - | - | 282,675 | 282,675 |
| Road lighting | - | - | - | - | 145,895 | 145,895 |
| Health | - | - | - | - | 700,374 | 700,374 |
| Communication | - | - | - | - | 767,361 | 767,361 |
| Sanitation | - | - | - | - | 47,396 | 47,396 |
| Culture and recreation | - | - | - | - | 610,915 | 610,915 |
| Court operations | - | - | - | - | 81,198 | 81,198 |
| Public safety | - | - | - | 1,086,952 | - | 1,086,952 |
| BP oil spill | - | - | - | - | 2,315 | 2,315 |
| Committed | | | | | | |
| Capital outlay | 343,784 | - | - | - | 598,990 | 942,774 |
| Assigned | | | | | | |
| Contingency | 4,893,389 | - | - | - | - | 4,893,389 |
| Coastal restoration | 4,965,588 | - | - | - | - | 4,965,588 |
| Capital outlay | 2,207,360 | - | - | - | 5,950,431 | 8,157,791 |
| Unassigned | 69,464 | (210,539) | (6,666,103) | - | (903,044) | (7,710,222) |
| Total fund balance | <u>16,509,124</u> | <u>(210,539)</u> | <u>(6,666,103)</u> | <u>1,108,301</u> | <u>12,441,435</u> | <u>23,182,218</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 24,238,209</u> | <u>\$ 3,692,676</u> | <u>\$ 24,786,729</u> | <u>\$ 8,377,291</u> | <u>\$ 24,609,227</u> | <u>\$ 85,704,132</u> |

The accompanying notes are an integral part of this financial statement

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2017

Fund balances - total governmental funds \$ 23,182,218

The cost of capital assets (land, building, furniture and equipment) purchased or constructed is reported as an expenditures in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Parish as a whole. The cost of those assets is allocated over their estimated useful lives (as depreciation expense) to the various programs and reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

| | | |
|--------------------------|----------------------|-------------|
| Cost of capital assets | \$ 509,274,566 | |
| Accumulated depreciation | <u>(107,011,119)</u> | 402,263,447 |

Long-term assets consist of:

| | | |
|-----------------|--|------------|
| Loan receivable | | 33,028,779 |
|-----------------|--|------------|

| | | |
|--|--|------------|
| Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds. | | 18,015,383 |
|--|--|------------|

| | | |
|---|--|-----------|
| Interest expense is accrued at year-end in the government-wide financial statements, but is recorded only if due and payable on the governmental fund financial statements. | | (336,562) |
|---|--|-----------|

Long-term liabilities consist of:

| | | |
|--|--------------------|--------------|
| Bonds payable, net of premium/discount | \$ (27,094,720) | |
| Net other post-employment benefit obligation | (5,552,997) | |
| Net pension liability | (16,467,845) | |
| Compensated absences | <u>(1,959,791)</u> | (51,075,353) |

| | | |
|---|--|---------|
| Internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund is included in the governmental activities in the Statement of Net Position. | | 162,945 |
|---|--|---------|

In 2015, the Parish implemented the requirements of GASB Statement No. 68, which provides for the recognition of pension obligations. This includes recognition of related deferred outflows and inflows.

| | | |
|---|--------------------|------------------|
| Deferred outflows on pension obligation | \$ 6,807,832 | |
| Deferred inflows on pension obligation | <u>(2,563,775)</u> | <u>4,244,057</u> |

| | | |
|--|--|-----------------------|
| Net position - governmental activities | | <u>\$ 429,484,914</u> |
|--|--|-----------------------|

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

| | Special Revenue Funds | | | | Non-major Governmental Funds | Total |
|--|-----------------------|------------------------------------|---------------------------|---|------------------------------------|----------------------|
| | General Fund | Hazard Mitigation Grant Program | Disaster Recovery Fund | Consolidated Fire Protection District No. 1 - 2 | | |
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Property taxes | \$ 875,426 | \$ - | \$ - | \$ 8,701,270 | \$ 3,434,347 | \$ 13,011,043 |
| Sales and use taxes | 12,525,251 | - | - | - | 4,175,085 | 16,700,336 |
| Other | 548,433 | - | - | 18,848 | 434,790 | 1,002,071 |
| Licenses and permits | 1,414,075 | - | - | 15,665 | 13,148 | 1,442,888 |
| Intergovernmental | | | | | | |
| Federal funds | 227,964 | 18,070,879 | 5,354,368 | 486,591 | 12,440,398 | 36,580,200 |
| State revenue sharing (unrestricted) | 14,023 | - | - | 14,486 | 51,083 | 79,592 |
| Other state funding | 3,630 | - | - | 193,998 | 1,078,365 | 1,275,993 |
| Charges for services | 2,171,992 | - | - | 28,270 | 959,085 | 3,159,347 |
| Fines and forfeitures | 39,925 | - | - | - | 176,277 | 216,202 |
| Use of money and property | 66,028 | - | - | - | 5,756 | 71,784 |
| Other revenues | 904,963 | - | 169,594 | 121,419 | 277,581 | 1,473,557 |
| Total revenues | 18,791,710 | 18,070,879 | 5,523,962 | 9,580,547 | 23,045,915 | 75,013,013 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | | | | | | |
| Judicial | 2,748,582 | - | - | - | 306,292 | 3,054,874 |
| Other general government | 23,063,288 | 1,548,655 | 323,029 | - | 4,118,102 | 29,053,074 |
| Public safety | 1,873,833 | - | - | 10,358,952 | 285,268 | 12,518,053 |
| Public works | - | - | - | - | 4,979,685 | 4,979,685 |
| Sanitation | - | - | - | - | 4,593,206 | 4,593,206 |
| Culture and recreation | - | - | - | - | 2,425,862 | 2,425,862 |
| Health and welfare | 582,362 | - | - | - | 8,733,335 | 9,315,697 |
| Capital outlay | 412,233 | 10,469,545 | 4,235,808 | 516,545 | 5,879,817 | 21,513,948 |
| Debt service | | | | | | |
| Principal | - | - | - | - | 3,365,000 | 3,365,000 |
| Interest | - | - | - | - | 1,073,650 | 1,073,650 |
| Total expenditures | 28,680,298 | 12,018,200 | 4,558,837 | 10,875,497 | 35,760,217 | 91,893,049 |
| Excess (Deficiency) of Revenues Over Expenditures | (9,888,588) | 6,052,679 | 965,125 | (1,294,950) | (12,714,302) | (16,880,036) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from insurance settlements | 16 | - | - | - | 56,353 | 56,369 |
| Proceeds from the litigation settlements | 21,000,000 | - | - | - | - | 21,000,000 |
| Transfer in | 922,512 | 475,000 | - | 554,000 | 12,401,599 | 14,353,111 |
| Transfer out | (7,926,867) | (6,877,802) | (1,041,793) | (278,204) | (508,473) | (16,633,139) |
| Total other financing sources (uses) | 13,995,661 | (6,402,802) | (1,041,793) | 275,796 | 11,949,479 | 18,776,341 |
| Changes in fund balance | 4,107,073 | (350,123) | (76,668) | (1,019,154) | (764,823) | 1,896,305 |
| Fund balance (deficit) - beginning of year | 12,402,051 | 139,584 | (6,589,435) | 2,127,455 | 13,206,258 | 21,285,913 |
| | <u>\$ 16,509,124</u> | <u>\$ (210,539)</u> | <u>\$ (6,666,103)</u> | <u>\$ 1,108,301</u> | <u>\$ 12,441,435</u> | <u>\$ 23,182,218</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Total net changes in fund balances - governmental funds \$ 1,896,305

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

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and are reported as depreciation expense. This represents the amount that capital outlays exceeded depreciation expense in the current period.

| | | | |
|----------------------|----|---------------------|-----------|
| Capital outlay | \$ | 21,513,948 | |
| Depreciation expense | | <u>(17,109,238)</u> | 4,404,710 |

The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position -

Some activity reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

| | | | |
|--|----|--------------------|-------------|
| Decrease in accrued interest | \$ | 42,643 | |
| Increase in post-employment benefit obligation | | (1,357,514) | |
| Increase in compensated absences | | 66,334 | |
| Decrease in deferred inflows in unavailable revenues | | <u>(2,639,594)</u> | (3,888,131) |

The Parish implemented GASB 68 in 2015. GASB 68 requires a prescribed method of pension expenditure recognition within the Parish's government-wide financial statements. The difference between yearly pension expenditures and actual employer contributions in the current year. (686,013)

Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | | | |
|--|--|--|-----------|
| Principal portion made on outstanding debt | | | 3,365,000 |
| Amortization of bond premium | | | 183,606 |

The net effect or revenue/(loss) of certain activities of internal service funds is reported with governmental activities. (344,960)

Change in net position - governmental activities \$ 4,930,517

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2017

| | Enterprise Funds | | | Internal Service Fund |
|---|---------------------------------|-------------------------------|-----------------------|------------------------------|
| | Water and Sewer Division | Other Enterprise Funds | Total | Self-Insurance Fund |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 9,059,802 | \$ 120,006 | \$ 9,179,808 | \$ 1,951,971 |
| Investments | - | - | - | 1,080,083 |
| Customer receivable, net of allowance | 985,032 | - | 985,032 | - |
| Intergovernmental receivable | 231,125 | - | 231,125 | - |
| Unbilled charges | 826,083 | - | 826,083 | - |
| Due from other funds | 13,108,431 | - | 13,108,431 | 1,324,325 |
| Prepays | 97,146 | 12,073 | 109,219 | 13,893 |
| Inventory | 344,172 | 4,637 | 348,809 | - |
| Loan receivable | 600,000 | - | 600,000 | - |
| Interest receivable | 288,242 | - | 288,242 | - |
| Other receivable | - | 11,254 | 11,254 | 11,390 |
| Restricted assets: | | | | |
| Cash and cash equivalents | | | | |
| Revenue bond debt service account | 186,494 | - | 186,494 | - |
| Capital renewal and replacement and systems improvement account | 601,940 | - | 601,940 | - |
| Sales tax bond debt service reserve | 985,268 | - | 985,268 | - |
| Sales tax bond debt service account | 762,347 | - | 762,347 | - |
| Construction fund | 23,903 | - | 23,903 | - |
| Inflow and infiltration | 2 | - | 2 | - |
| Other debt service accounts | - | - | - | - |
| Customer meter deposits | 103,765 | - | 103,765 | - |
| Sales tax receivable | 773,496 | - | 773,496 | - |
| Total current assets | <u>28,977,248</u> | <u>147,970</u> | <u>29,125,218</u> | <u>4,381,662</u> |
| Non-current assets: | | | | |
| Land and construction in progress | 92,816,046 | - | 92,816,046 | - |
| Other capital assets, net of accumulated depreciation | <u>137,776,017</u> | <u>-</u> | <u>137,776,017</u> | <u>-</u> |
| Total non-current assets | <u>230,592,063</u> | <u>-</u> | <u>230,592,063</u> | <u>-</u> |
| Total assets | <u>\$ 259,569,311</u> | <u>\$ 147,970</u> | <u>\$ 259,717,281</u> | <u>\$ 4,381,662</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows on pension obligation | \$ 1,054,577 | \$ - | \$ 1,054,577 | \$ - |
| Total deferred outflows of resources | <u>\$ 1,054,577</u> | <u>\$ -</u> | <u>\$ 1,054,577</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts and other payables | \$ 2,773,309 | \$ 13,804 | \$ 2,787,113 | \$ 3,533 |
| Self insurance claims payable | - | - | - | 2,813,935 |
| Retainage payable | 641,484 | - | 641,484 | - |
| Salaries payable | 163,907 | 16,286 | 180,193 | 8,888 |
| Advance collections | 60,856 | 96,212 | 157,068 | - |
| Due to other funds | 9,446,908 | 301,914 | 9,748,822 | 548,346 |
| Total current liabilities | <u>13,086,464</u> | <u>428,216</u> | <u>13,514,680</u> | <u>3,374,702</u> |
| Current liabilities payable from restricted assets | | | | |
| Bonds payable, net of amortization | 1,622,000 | - | 1,622,000 | - |
| Accrued vacation leave | 171,264 | - | 171,264 | - |
| Accrued interest payable | 11,461 | - | 11,461 | - |
| Customer deposits | 1,307,151 | - | 1,307,151 | - |
| Total current liabilities payable from restricted assets | <u>3,111,876</u> | <u>-</u> | <u>3,111,876</u> | <u>-</u> |
| Total current liabilities | <u>16,198,340</u> | <u>428,216</u> | <u>16,626,556</u> | <u>3,374,702</u> |
| Noncurrent liabilities | | | | |
| Accrued vacation leave | 76,989 | - | 76,989 | - |
| Net pension liability | 689,154 | - | 689,154 | - |
| Bonds payable, net of premium | <u>18,210,390</u> | <u>-</u> | <u>18,210,390</u> | <u>-</u> |
| Total noncurrent liabilities | <u>18,976,533</u> | <u>-</u> | <u>18,976,533</u> | <u>-</u> |
| Total liabilities | <u>\$ 35,174,873</u> | <u>\$ 428,216</u> | <u>\$ 35,603,089</u> | <u>\$ 3,374,702</u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION (CONTINUED)
 December 31, 2017

| | Enterprise Funds | | | Internal Service Fund |
|---|--------------------------|------------------------|-----------------------|-----------------------|
| | Water and Sewer Division | Other Enterprise Funds | Total | Self-Insurance Fund |
| DEFERRED INFLOWS | | | | |
| Deferred inflows on pension obligation | \$ 421,169 | \$ - | \$ 421,169 | \$ - |
| Total deferred inflows of resources | <u>\$ 421,169</u> | <u>\$ -</u> | <u>\$ 421,169</u> | <u>\$ -</u> |
| NET POSITION | | | | |
| Net investment in capital assets | \$ 210,759,675 | \$ - | \$ 210,759,675 | \$ - |
| Restricted | | | | |
| Capital renewal and replacement and system improvemer | 803,212 | - | 803,212 | - |
| Debt service | 2,485,745 | - | 2,485,745 | - |
| Inflow and infiltration | 2 | - | 2 | - |
| Other purposes | 103,765 | - | 103,765 | - |
| Unrestricted | <u>10,875,447</u> | <u>(280,246)</u> | <u>10,595,201</u> | <u>1,006,960</u> |
| Total net position | <u>\$ 225,027,846</u> | <u>\$ (280,246)</u> | <u>\$ 224,747,600</u> | <u>\$ 1,006,960</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE PROPRIETARY FUNDS
STATEMENT OF NET POSITION TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
December 31, 2017

| | |
|---|------------------------------|
| Net position - total proprietary funds | \$ 224,747,600 |
| Water and Sewer internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Water and Sewer internal service fund is included in the business type activities in the Statement of Net Position | <u>844,015</u> |
| Net position - business-type activities | <u><u>\$ 225,591,615</u></u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2017

| | Enterprise Funds | | | Internal Service Fund |
|--|---------------------------------|-------------------------------|-----------------------|------------------------------|
| | Water and Sewer Division | Other Enterprise Funds | Total | Self-Insurance Fund |
| OPERATING REVENUES | | | | |
| Charges for service | \$ 12,008,983 | \$ 311,358 | \$ 12,320,341 | \$ 1,853,065 |
| Other operating revenues | 121,179 | - | 121,179 | - |
| Total operating revenues | <u>12,130,162</u> | <u>311,358</u> | <u>12,441,520</u> | <u>1,853,065</u> |
| OPERATING EXPENDITURES | | | | |
| Personnel services and related benefits | 4,269,413 | 184,254 | 4,453,667 | 225,539 |
| Utilities | 1,155,172 | 146,764 | 1,301,936 | - |
| Contractual services, supplies, and materials | 661,331 | 43,152 | 704,483 | - |
| Professional services | 234,866 | 27,205 | 262,071 | 49,221 |
| Insurance premiums | - | 11,058 | 11,058 | - |
| Insurance and claims | 785,586 | - | 785,586 | 2,268,077 |
| Depreciation and amortization | 6,714,055 | - | 6,714,055 | - |
| Other expenditures | 1,700,395 | 22,548 | 1,722,943 | 21,346 |
| Total operating expenditures | <u>15,520,818</u> | <u>434,981</u> | <u>15,955,799</u> | <u>2,564,183</u> |
| Operating loss | (3,390,656) | (123,623) | (3,514,279) | (711,118) |
| NON-OPERATING REVENUES (EXPENDITURES) | | | | |
| Sales tax | 4,175,086 | - | 4,175,086 | - |
| Interest earnings | | | | |
| Restricted assets | 10,113 | - | 10,113 | - |
| Current assets | 49,262 | - | 49,262 | 4,982 |
| Interest expenditures and bank fees | (390,529) | - | (390,529) | - |
| Other nonoperating revenues | 478,995 | 2,933 | 481,928 | - |
| Deductions from taxes | (364,948) | - | (364,948) | - |
| Proceeds from insurance settlements | - | - | - | - |
| Loss on disposal of capital assets | - | - | - | - |
| Total non-operating revenues (expenditures) | <u>3,957,979</u> | <u>2,933</u> | <u>3,960,912</u> | <u>4,982</u> |
| CHANGE IN NET POSITION BEFORE TRANSFERS | | | | |
| | 567,323 | (120,690) | 446,633 | (706,136) |
| Transfer in | 7,831,340 | - | 7,831,340 | 17,307 |
| Transfer out | (5,568,619) | - | (5,568,619) | - |
| Capital contributions | 767,508 | - | 767,508 | - |
| Transfers, net | <u>3,030,229</u> | <u>-</u> | <u>3,030,229</u> | <u>17,307</u> |
| CHANGE IN NET POSITION | 3,597,552 | (120,690) | 3,476,862 | (688,829) |
| NET POSITION - BEGINNING OF YEAR | <u>221,430,294</u> | <u>(159,556)</u> | <u>221,270,738</u> | <u>1,695,789</u> |
| NET POSITION - END OF YEAR | <u>\$ 225,027,846</u> | <u>\$ (280,246)</u> | <u>\$ 224,747,600</u> | <u>\$ 1,006,960</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

| | |
|--|---------------------|
| Total net changes in net position - proprietary funds | \$ 3,476,862 |
| Water and Sewer internal service fund is used by management to charge the costs of certain activities to individual funds. The net effect of revenue of the Water and Sewer internal service fund is included in the business type activities in the Statement of Net Position | <u>(343,869)</u> |
| Change in net position - business activities | <u>\$ 3,132,993</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

| | Enterprise Funds | | | Internal Service Fund |
|--|--------------------------|--------------------|----------------------|-----------------------|
| | Water and Sewer Division | Enterprise Funds | Total | Self-Insurance Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers and users | \$ 12,202,848 | \$ 328,089 | \$ 12,530,937 | \$ - |
| Cash paid to suppliers of goods or services | (7,797,747) | (215,523) | (8,013,270) | - |
| Cash paid to employees and related benefits | (4,047,864) | (179,461) | (4,227,325) | (225,351) |
| Receipts from interfund services provided | - | - | - | 1,853,000 |
| Payments for claims | - | - | - | (1,984,207) |
| Net cash provided by (used in) operating activities | <u>357,237</u> | <u>(66,895)</u> | <u>290,342</u> | <u>(356,558)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Transfers out, net | 2,262,721 | - | 2,262,721 | - |
| Capital contributions | 767,508 | - | 767,508 | - |
| Other non-operating revenue | 114,047 | 2,933 | 116,980 | - |
| Net payments to (receipts from) other funds | 220,542 | 26,503 | 247,045 | (50,061) |
| Net cash provided by (used in) non-capital financing activities | <u>3,364,818</u> | <u>29,436</u> | <u>3,394,254</u> | <u>(50,061)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital grants | 767,508 | - | 767,508 | - |
| Sales tax receipts | 3,978,548 | - | 3,978,548 | - |
| Principal payments on outstanding bonds | (1,018,774) | - | (1,018,774) | - |
| Proceeds from issuance of debt | 11,186,776 | - | 11,186,776 | - |
| Interest expense on outstanding bonds | (393,639) | - | (393,639) | - |
| Purchase of capital assets | (18,449,181) | - | (18,449,181) | - |
| Net cash used in capital and related financing activities | <u>(3,928,762)</u> | <u>-</u> | <u>(3,928,762)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 23,168 | - | 23,168 | 65 |
| Net cash provided by investing activities | <u>23,168</u> | <u>-</u> | <u>23,168</u> | <u>65</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT | (183,539) | (37,459) | (220,998) | (406,554) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 12,674,568 | 157,465 | 12,832,033 | 2,358,525 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 12,491,029 | \$ 120,006 | \$ 12,611,035 | \$ 1,951,971 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | |
| Operating loss | \$ (3,390,656) | \$ (123,623) | \$ (3,514,279) | \$ (711,118) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | | | |
| Depreciation | 6,714,055 | - | 6,714,055 | - |
| Change in operating assets and liabilities: | | | | |
| Customer receivable | 296,399 | - | 296,399 | - |
| Intergovernmental receivable | (116,562) | - | (116,562) | - |
| Unbilled charges | (120,307) | - | (120,307) | - |
| Prepaid items | 8,678 | 36,171 | 44,849 | (3,058) |
| Inventory | (57,741) | 1,326 | (56,415) | - |
| Other receivables | - | (7,839) | (7,839) | (65) |
| Deferred outflows on pension obligation | 883,601 | - | 883,601 | - |
| Accounts payable and accrued expenditures | (3,489,808) | (2,293) | (3,492,101) | (71,397) |
| Retainage payable | 304,637 | - | 304,637 | - |
| Salaries payable | 23,883 | 4,793 | 28,676 | 188 |
| Customer deposits | 14,520 | - | 14,520 | - |
| Self-insurance claims payable | - | - | - | 428,892 |
| Net pension liability | (888,155) | - | (888,155) | - |
| Deferred inflows on pension obligation | 176,057 | - | 176,057 | - |
| Advance collections | (1,364) | 24,570 | 23,206 | - |
| Net cash provided by (used in) operating activities | <u>\$ 357,237</u> | <u>\$ (66,895)</u> | <u>\$ 290,342</u> | <u>\$ (356,558)</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS, DISCRETELY PRESENTED
December 31, 2017

| | Governmental Activities | Business-Type Activities | Total Component Units |
|---|-------------------------------|--|--------------------------|
| | St. Bernard Parish Library | St. Bernard Home Mortgage Authority * | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 9,796,988 | \$ 121,966 | \$ 9,918,954 |
| Investments | 3,728,175 | - | 3,728,175 |
| Receivables: | | | |
| Property taxes | 1,011,502 | - | 1,011,502 |
| Intergovernmental | 485,273 | - | 485,273 |
| Restricted assets - cash and cash equivalents | | 372 | 372 |
| Other current assets | 597,190 | - | 597,190 |
| Capital assets: | | | |
| Other capital assets, net of depreciation | 2,461,272 | - | 2,461,272 |
| Total assets | \$ 18,080,400 | \$ 122,338 | \$ 18,202,738 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows on pension obligation | \$ 76,742 | \$ - | \$ 76,742 |
| Total deferred outflows of resources | \$ 76,742 | \$ - | \$ 76,742 |
| LIABILITIES | | | |
| Accounts payables | \$ - | \$ 3,752 | \$ 3,752 |
| Salaries and payroll deductions payable | 10,291 | - | 10,291 |
| Long-term non-current liabilities: | | | |
| Due in more than one year | 57,570 | - | 57,570 |
| Total liabilities | \$ 67,861 | \$ 3,752 | \$ 71,613 |
| DEFERRED INFLOWS | | | |
| Deferred inflows on pension obligation | \$ 10,117 | \$ - | \$ 10,117 |
| Total deferred inflows of resources | \$ 10,117 | \$ - | \$ 10,117 |
| NET POSITION | | | |
| Net investment in capital assets | \$ 2,461,272 | \$ - | \$ 2,461,272 |
| Unrestricted | 15,617,892 | 118,586 | 15,736,478 |
| Total net position | \$ 18,079,164 | \$ 118,586 | \$ 18,197,750 |

* As of March 31, 2017

All component units are audited by other auditors.

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNITS, DISCRETELY PRESENTED
For the Year Ended December 31, 2017

| Function/Programs | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position - Component Units | | |
|--|------------------|-------------------------|---------------------------------------|-------------------------------------|--|---|----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | St. Bernard Parish Library | St. Bernard Home Mortgage Authority * | Total |
| Governmental Activities | | | | | | | |
| St. Bernard Parish Library | \$ 1,423,408 | \$ 6,468 | \$ 1,500 | \$ - | \$ (1,415,440) | \$ - | \$ (1,415,440) |
| Total governmental activities | 1,423,408 | 6,468 | 1,500 | - | (1,415,440) | - | (1,415,440) |
| Business-Type Activities | | | | | | | |
| St. Bernard Parish Home Mortgage Authority | 558,842 | | 358,417 | | - | (200,425) | (200,425) |
| Total business-type activities | 558,842 | - | 358,417 | - | - | (200,425) | (200,425) |
| Total | \$ 1,982,250 | \$ 6,468 | \$ 359,917 | \$ - | | | |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 1,157,562 | - | 1,157,562 |
| State revenue sharing (unrestricted) | | | | | 25,062 | - | 25,062 |
| Other general revenues (expenses) | | | | | - | (21,685) | (21,685) |
| Interest and investment earnings | | | | | 78,817 | 68,106 | 146,923 |
| Miscellaneous revenues | | | | | 2,362 | 51,219 | 53,581 |
| Total general revenues and transfers | | | | | 1,263,803 | 97,640 | 1,361,443 |
| Change in net position | | | | | (151,637) | (102,785) | (254,422) |
| Net position - beginning of year | | | | | 18,230,801 | 221,371 | 18,452,172 |
| Net position - end of year | | | | | \$ 18,079,164 | \$ 118,586 | \$ 18,197,750 |

* As of March 31, 2017

All component units are audited by other auditors.

The accompanying notes are an integral part of this financial statement.



NOTES TO THE BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Parish of St. Bernard is a local governmental subdivision which operates under a home rule charter, under the authority of the Louisiana revised Statutes 33:1395 through 33:1395.6. The Home Rule Charter provides for a “president-council” form of government which consists of an elected council representing the legislative branch of the government and an elected president heading the executive branch.

The basic financial statements of the St. Bernard Parish Government (the Parish) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB). The most significant accounting and reporting policies of the Parish are described in the following notes to the basic financial statements.

A. Basis of Presentation – Financial Reporting Entity

The accompanying financial statements include financial statements for the Parish and certain legally separate organizations in accordance with Governmental Accounting Standards Board (GASB) Codification Section 2100. Organizations are included if the Parish is financially accountable for them, or the nature and significance of their relationship with the Parish is such that exclusion would cause the Parish’s financial statements to be misleading or incomplete

The Parish is financially accountable for an organization if it appoints a voting majority of the organization’s governing body and is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity.

As the governing authority of the Parish, for financial reporting purposes, the Parish is the reporting entity for St. Bernard Parish. Generally accepted accounting principles require the financial statements of the reporting entity to present the primary government (the Parish) and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government (the Parish) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization’s governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability.

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Blended Component Unit***

Criminal Court Fund: The Criminal Court Fund accounts for a portion of the annual cost of the courts. The annual revenues are derived from fines, forfeitures, court fees, etc. The Criminal Court Fund is a legally separate entity from the Council. However, the Criminal Court Fund provides services entirely, or almost entirely, to the Council. The Criminal Court Fund is governed by the same elected Council that governs the Parish and is therefore included in the Parish's financial report as a blended component unit.

- ***Discretely Presented Component Unit***

St. Bernard Parish Library - The St. Bernard Parish Library (the "Library") was established by the parish governing authority, under the provisions of the Louisiana Revised Statute (LRS) 25:211. The Library provides citizens of St. Bernard Parish access to library materials, books, magazines, and audio visuals. The Library is governed by a Board of Control consisting of seven members in accordance with the provisions of the Louisiana Revised Statute 25:214. The Library is considered a discretely presented component unit as the Parish appoints all members to the board. The Library is considered to be fiscally dependent on the Parish because it cannot levy taxes or issue bonded debt without approval by the Parish Council. Complete financial statements may be obtained directly from the Director of the Library, 2600 Palmisano Blvd., Chalmette, Louisiana, 70043.

St. Bernard Parish Home Mortgage Authority - The St. Bernard Parish Home Mortgage Authority (the "Authority") was created through a Trust Indenture dated May 9, 1979 pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended, as a public trust authority with the Parish of St. Bernard, State of Louisiana as its beneficiary. The purposes for which the Authority was created were, among others, (i) to provide a means of financing the cost of residential home ownership, development and rehabilitation that will provide adequate housing for residents of St. Bernard Parish who are persons of low and moderate income, and (ii) to expand the supply of funds in St. Bernard Parish available for mortgage loans. The Authority issues separate financial statements and have a year end of March 31. The Authority is considered a discretely presented component unit as the Parish appoints all members to the board. Complete financial statements may be obtained directly from the administrative office of the Authority, 3201 Bayou Road, St. Bernard, Louisiana, 70085.

B. Basis of Presentation – Government-Wide Financial Statements

The Parish's basic financial statements include both government-wide (reporting the Parish as a whole) and fund financial statements (reporting the Parish's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Parish's judicial, general government, public safety, public works, sanitation, cultural and recreation, and health and welfare services are classified as governmental activities. The Parish's water and sewer services and events facilities are classified as business-type activities.

In the government-wide Statement of Net Position, both governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resources basis, which recognizes long-term assets and receivables, long-term debt and obligations, as well as deferred inflows/outflows of resources.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Parish's functions and business-type activities. The functions are also supported by general government revenues, including property taxes, sales taxes, and other general revenues. Program revenues must be directly associated with the function (judicial, general government, public safety, public works, sanitation, culture and recreation, and health and welfare), or a business-type activity. Operating grants include operating specific and discretionary grants, while the capital grants column reports capital specific grants. The net costs (by function and business-type activity) are normally covered by general revenues of the Parish. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs which can be specifically identified by function or segment are included in the direct expenses of that function or segment.

This government-wide focus is more on the sustainability of the Parish as an entity and the changes in the Parish's net positions resulting from the current year's activities.

C. Basis of Presentation – Fund Financial Statements

The financial transactions of the Parish are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, fund balance, revenues and expenditures/expenses and other financing sources/uses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column on the fund financial statements. GASBS No. 34 sets forth minimum criteria (percentage of assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

D. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The various funds of the primary government are grouped into generic fund types and broad fund categories as follows:

- **General Fund** – The General Fund is the general operating fund of the Parish. It is used to account for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Special Revenue Funds*** – Special revenue funds are used to account for the proceeds of specific revenue sources which by law are designated to finance particular functions or activities of the Parish. The three special revenue funds reported as major funds in the fund financial statements are as follows:
 - Hazard Mitigation Grant Fund – This fund is used to account for the proceeds and expenses associated with Hazard Mitigation Grant Program funds.
 - Disaster Recovery Fund – This special revenue fund accounts for grants received from the Federal Emergency Management Agency (FEMA) for natural disasters.
 - Consolidated Fire Protection District No. 1-2 – This special revenue fund accounts for maintenance and operations of the fire protection facilities. Revenues are derived from ad valorem taxes, state revenue sharing, and 2% of the State of Louisiana distribution of fire insurance premium taxes.
- ***Debt Service Funds*** – Debt service funds are established to meet requirements of bond ordinances and to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs. There are no debt service funds that are major funds.
- ***Capital Projects Funds*** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund). In addition, the funds are used to account for major street repairs and the acquisition of movable fixed assets. There are no capital projects funds that are major funds.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

E. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The Parish reports the following proprietary fund types:

- ***Enterprise Funds*** – Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The one enterprise fund reported as major fund:
 - Water and Sewer Fund – This funds operate the Parish’s water distribution system and its sewer system which primarily services the Parish’s residents.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Internal Service Funds** – Internal service funds are used to account for the financing of goods or services provided by an activity to other departments or funds of the Parish on a cost reimbursement basis. Because the principal users of the internal services are the Parish’s governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements.
 - Self- Insurance Fund – This fund accounts for monies accumulated to provide automobile, property damage, and worker’s compensation for which the Parish is self-insured.
 - Water & Sewer Self-Insurance Fund – This fund accounts for monies accumulated to provide automobile, property damage, and worker’s compensation for which the Division is self-insured.

F. Basis of Accounting-Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

G. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

H. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measureable and available. “Available” means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

I. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires 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, as well as the reported amounts of revenues and expenses during the reporting period.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Actual results could differ from those estimates. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

J. Cash and Cash Equivalents

The Parish's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

A single consolidated bank account has been established in a local bank into which monies are deposited and from which most disbursements are made. The purpose of this consolidation is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings according to its average cash balance, prorated between funds.

For purposes of the statement of cash flows, cash includes petty cash and demand deposits. Certain proceeds of the Enterprise funds revenue bonds and sales tax bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

K. Investments

Investments are stated at amortized cost.

L. Investments – Land Held for Sale

The Parish has property that is being actively marketed for sale at year end. Accordingly, the property is recorded at acquisition cost of \$2,653,000 and is reported as investments – land held for sale in the accompanying statement of net position.

M. Accounts Receivable

Major accounts receivable are recorded for: (1) sales and use taxes; (2) ad valorem taxes; (3) road royalty; (4) customer and unbilled receivables in the Water and Sewer Enterprise Fund; and (5) federal grants receivable. Accounts receivable are reported net of an allowance for uncollectibles. The allowances are based on management's best estimate of uncollectible amounts.

N. Inventories and Prepaid Items

The Water and Sewer Division Enterprise Fund maintains an inventory of parts and expendable supplies that are valued at cost. The inventory is recognized as an expense when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as paid items in both the government-wide and fund financial statements.

O. Capital Assets

Capital assets (i.e., land, buildings, equipment, and improvements other than buildings), which include the Parish's infrastructure and construction in progress, are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets, donated works of art and similar

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. An item is classified as an asset if the initial individual cost is \$5,000 or greater. Capital assets of the Parish are reported in the government – wide financial statements but not in the governmental fund financial statements. Assets subject to depreciation are depreciated using the straight-line method over estimated useful lives. Additions and improvements that significantly extend the useful life of an asset are capitalized. Repairs and maintenance costs are expensed as incurred.

The Parish reviews the carrying value of its capital assets to determine if circumstances exist indicating impairment in the carrying value of capital assets. If facts or circumstances support the possibility of impairment, management follows guidance in GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. If impairment is indicated, an adjustment will be made to the carrying value of the capital assets.

The estimated useful lives (in years) of all depreciable assets are as follows:

| | |
|------------------------------------|---------|
| Buildings and improvements | 20 – 40 |
| Furniture, fixtures, and equipment | 5 – 10 |
| Machinery and equipment | 5 – 15 |
| Bridges | 40 |
| Water and sewerage systems | 25 |
| Canals | 30 – 50 |
| Road system | 20 – 40 |

Capital assets are included in the capital asset accounts until their disposal. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement, and any resulting gain or loss is recorded in the financial statements.

P. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Parish has only one item that qualifies for reporting in this category, a deferred outflow of resources related to the pension obligation.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Parish only has one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly the item, unavailable revenue, is reported only in the governmental funds balance sheet. The source of the unavailable revenue is primarily two items: receivable amounts not received within sixty days and the land held for sale not sold within sixty days within the governmental funds. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The Parish also has one item that qualifies for reporting in this category at the government-wide level, a deferred inflow of resources related to the pension obligation.

Q. Liability for Claims and Judgments

The Insurance Fund was established to account for the self-insurance of workers' compensation, general, and automobile liability by the Parish Government. The Parish Government is self-insured for

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

workers' compensation claims from \$250,000 to \$1,250,000, per occurrence and \$250,000 to fully self-insured for auto and general liability claims.

One independent insurance service company administers the fund. The estimated claims liability related to prior years' workers compensation claims are computed by subtracting paid claims from the reserves previously set up to arrive at remaining reserves and then developing that number based on factors determined by the third party administrator using historical data. The estimated claims liability related to prior years' general liability and auto claims was estimated by the Parish Government's legal department based on a claim by claim evaluation to determine the potential loss. Estimated claims liability related to the current year's general liability, auto and workers' compensation was determined by using the average annual claims expense incurred for each type of coverage based on the fund's history.

An annual analysis of all open policy years for workers' compensation and automobile and general liability is completed by the risk manager and legal counsel to determine the exposure in each policy year. When it is determined that losses on outstanding and current claims can be reasonably estimated, an evaluation on the policy year is performed. The evaluation determines if a dividend can be declared by the self-insurance fund for that policy year. Once it is determined that a dividend can be declared, the findings are reviewed by the administration and presented before the Parish Council. The Parish Council then must pass an ordinance declaring a dividend from the self-insurance fund and dedicating the dividend to a project. There were no dividends paid for the year ended December 31, 2017.

R. Annual and Sick Leave

Substantially all employees of the Parish Government earn from 10 to 25 days of annual leave each year depending on length of service. Annual leave accumulated in one year must be used by December 31st of the following year except for 5 days may roll into the New Year. Accumulated annual leave may be used only after 26 weeks of service. Substantially all employees of the Parish Government accrue one day of sick leave for each month of continuous employment. Sick leave may be accumulated to a maximum of 90 days.

Fire department employees will be paid out for all accrued vacation upon retirement or termination. While sick leave will be paid out for the first 500 hours at a rate of one hour for every three hours accumulated, the next 500 hours (501 – 1,000 hours) will be paid at a rate of one hour for every two hours accumulated. Finally, firefighters will be paid at a rate of one hour to one hour accumulated for hours greater than 1,001 upon termination or retirement. According to L.R.S. 33:1995, firemen employed by the Parish Government are entitled to full pay during sickness or incapacity not brought about by the fireman's own negligence for a period of fifty-two weeks.

At December 31, 2017, accrued vacation and sick leave was \$1,959,791 for governmental activities.

At December 31, 2017, the accrued vacation and sick leave was \$248,253 for business type activities. In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Long-term Obligations

In the government-wide and proprietary 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 statement of net position. Bond premiums and discounts 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 expensed as incurred.

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 the 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.

T. Net Position Classifications

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

- ***Net investment in capital assets*** – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- ***Restricted net position*** - consists of assets that are restricted by the Parish's creditors (for example through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- ***Unrestricted net position*** - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

U. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Parish is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

- ***Non-Spendable Fund Balance*** - amounts that cannot be spent either because they are in a non-spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Restricted Fund Balance*** - amounts that can be spent only for specific purposes because of the Parish Charter, state or federal laws, or externally imposed conditions by grantors or creditors.
- ***Committed Fund Balance*** - amounts constrained to specific purposes by a government itself, using its highest level of decision making authority which include the ordinances of the Parish Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action, ordinance, to remove or change the constraint.
- ***Assigned Fund Balance*** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the Parish and its management.
- ***Unassigned Fund Balance*** - all amounts that have not been restricted committed or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount however, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available for use, it is the Parish's intention to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the Parish's intention to use committed resources first, then assigned, and then unassigned as they are needed.

V. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are eliminated in the Statement of Net Position. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

W. Operating Revenues and Expenses

The Parish's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the Parish's water and sewer and event facility funds consist of charges for services and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as non-operating.

X. Budgets

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

At least ninety (90) days before the beginning of each fiscal year, the Parish President submits a balanced consolidated line item operating and capital budget on a modified accrual basis of accounting in accordance with the Louisiana Local Government Budget Act and in a format established by the

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Parish. The Parish President submits, with the budget, a budget message containing recommendations concerning the fiscal policy of the Parish, a description of the important factors of the budget, and an explanation of all major increases or decreases of budget recommendations as compared with expenditures of prior years. The Parish Council publishes the proposed budget in the official journal at least ten (10) calendar days before the meeting at which the budget is to be adopted. The Council may amend the budget before adoption, except that in no event shall the Council cause the total proposed expenditures to exceed means of financing. If the Council fails to act on the budget within the time limit provided, it shall be adopted as submitted by the Parish President. The budget constitutes an appropriation of funds for all purposes contained therein. The budget ordinance becomes effective on the first day of the fiscal year unless otherwise provided therein.

If during the fiscal year the Parish President certifies that there are available revenues in excess of those estimated in the budget, he shall present a supplemental budget for the disposition of such revenues to the Council. The Council by ordinance may make supplemental appropriations up to the amount of the excess. To meet a public emergency affecting life, health, property, or the public peace, the Council may make emergency appropriations. The appropriations may be made by emergency ordinance in accordance with the provisions of Article II, Section 2 - 14 of the Home Rule Charter. To the extent that there are no available unappropriated revenues, the governing authority may borrow money to meet the emergency. The repayment shall be a fixed charge upon the revenue of the following year and shall be included in the operating budget for that year. If during the fiscal year it appears that revenues available will be insufficient to meet the amount appropriated, the Parish President shall indicate the estimated amount of the deficit and recommend to the Council steps to be taken. The Council shall take action as it deems necessary to prevent any deficit.

Y. Future Accounting Pronouncements

Management is currently addressing the impact of the following pronouncements issued by the GASB, which will be implemented in future years.

In June 2015, the GASB issued Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. GASB No. 75 will become effective for years beginning after June 15, 2017.

In March 2017, the GASB issued Statement No. 85 – Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB No. 85 will become effective for years beginning after June 15, 2017.

In June 2017, the GASB issued Statement No. 87 - Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB No. 87 will become effective for years beginning after December 15, 2019.

In April 2018, the GASB issued Statement No. 88 - Certain Disclosures Related to Debt. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB No. 88 will become effective for years beginning after June 25, 2018.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits - The Parish's deposits are subject to and maintained in accordance with the State of Louisiana's Constitutional Revised Statutes (Revised Statutes). Under the Revised Statutes, all deposits exceeding the amount insured by the FDIC are to be fully collateralized with specific approved securities designated therein valued at 102% of the deposits. The eligible collateral pledged are held in custody by any Federal Reserve Bank, or branch thereof or an independent third party with whom the Parish has a current custodial agreement. All collateral held must be clearly marked, indicating evidence of ownership (safekeeping receipt). Deposits collateralized under the Revised Statutes are considered collateralized with securities held by the pledging financial institutions trust department or agent in the "Parish's name."

At December 31, 2017, the carrying amount of the Parish's deposits was \$43,734,770.

| | | |
|---------------------------------|----|------------|
| Demand Deposits | \$ | 41,071,051 |
| Demand Deposits, Restricted | | 2,663,719 |
| Total Cash and Cash Equivalents | \$ | 43,734,770 |

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. At December 31, 2017, the Parish's bank balances totaled \$46,528,057. These bank deposits were completely secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the Parish's name at December 31, 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Louisiana Asset Management Pool - At December 31, 2017, the Parish had an investment of \$294,923 with the Louisiana Asset Management Pool (LAMP), which is included in cash and cash equivalents. LAMP is administered by LAMP, Inc., a non-profit Authority, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP is rated AAA by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 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 the 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 U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

Investments consist of Certificate of Deposits held at a local bank with maturities greater than 90 days totaling \$785,160 at December 31, 2017.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure, the Parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Parish's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Parish's name. The investments of the Parish at December 31, 2017 were not subject to custodial credit risk.

The Parish has no formal investment policy regarding custodial credit risk or concentration of credit risk.

NOTE 3 - INVESTMENTS LAND HELD FOR SALE

During the year ended December 31, 2013, the Parish entered into a cooperative endeavor agreement with the State of Louisiana Office of Community Development and the Louisiana Road Home Corporation d/b/a Louisiana Land Trust (LLT), to transfer all the properties within St. Bernard Parish that were being held by LLT to St. Bernard Parish. Included on the statement of net position at December 31, 2017 is \$2,653,000 in land held for sale representing lots throughout St. Bernard Parish. No depreciation is being recorded on the properties being held for sale. During the year ended December 31, 2017, 83 properties were sold by the Parish for \$805,610 with a gain of \$402,110.

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2017

NOTE 4 – SALES TAX REVENUES

At December 31, 2017, the total sales tax levied in the Parish is 9%, of which 4% is state sales tax, 2% is levied by the St. Bernard Parish School Board (the School Board), and .5% is dedicated to the St. Bernard Parish Sheriff. The remaining 2.5% is used to fund the general operations of the Parish. The 2.5% sales tax revenue dedicated to the Parish is recorded in the financial statements as follows: 1.5% is general government operations of the Parish (general fund), .5% is for sanitation (non-major special revenue fund), and .5% is for water & sewerage (proprietary funds). The sales tax for water and sewer is dedicated for improvements to the sewer and water system including authority to fund bonds with the tax, provided that at least 25% of the annual revenues of the sales tax must be expended to correct inflow and infiltration in sewerage collection lines, or to repair damages caused thereby, unless required for debt services on bonds or otherwise approved by at least two-thirds of the Parish Council. The St. Bernard Parish Sheriff is authorized to collect and remit this tax to the Parish government and School Board for a stipulated fee.

NOTE 5 – AD VALOREM TAX

The Parish levies a tax on real and personal property. Portions of these property taxes are dedicated for fire and police protection services and the public library system. Taxes on real and personal property are levied on November 1 of the assessment year based upon the assessed value as of the prior January 1. However, before the tax can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable on November 15, the date on which an enforceable lien attaches on the property, and are delinquent on December 31.

The assessed value of property in the Parish for each year is determined by an elected Board of Assessors. It is then certified by the Louisiana Tax Commission as complying with the Louisiana Constitution of 1974. The Parish is permitted by the Louisiana statutes to levy taxes up to \$49.27 per \$1,000 of assessed valuation for general governmental services (including fire) other than the payment of principal and interest on long-term debt and other purposes specifically approved by the voters. It is permitted to levy taxes in unlimited amounts for the payment of principal and interest on general obligation bonds of the Parish.

Property tax levies per \$1,000 of assessed valuation accounted for within the funds of the Parish (primary government only) for the year ended December 31, 2017 are as follows:

| | |
|---------------------------------------|-------|
| General: | |
| General governmental services | 2.81 |
| Special revenue: | |
| Fire Protection District No. 1 | 7.42 |
| Fire Protection District No. 2 | 8.31 |
| St. Bernard Council on Aging | 0.94 |
| Recreation | 2.17 |
| Public Works (Road District No. 1) | 3.05 |
| Road Lighting District No. 1 | 1.22 |
| Public health | 0.62 |
| Garbage District No. 1 | 3.05 |
| Parishwide fire protection facilities | 20.41 |
| | 50.00 |
| | 50.00 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 5 – AD VALOREM TAX (CONTINUED)

Property taxes levied on November 15, collected during 2017, or expected to be collected within the first 60 days of the following year, are recognized as revenues in the statement of revenues, expenditures, and changes in fund balances – governmental funds. The entire estimated collectible amount of the tax levy for the fiscal year is recorded as revenue in the government-wide financial statements. Property taxes paid under protest are held in escrow until resolution of the dispute. Amounts collected for other governmental entities are accounted for in the agency funds.

NOTE 6 – ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

The allowance for estimated uncollectible receivables is based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectible amounts of the primary government consists of the following:

| | |
|---|----------------------------|
| <u>Governmental funds:</u> | |
| General Fund | \$ 73,224 |
| Consolidated Fire Protection District No. 1 - 2 | 261,894 |
| Non-major governmental funds | 103,259 |
| <u>Business-type funds:</u> | |
| Water and Sewer Division | <u>997,336</u> |
| Total allowance for uncollectibles | <u><u>\$ 1,435,713</u></u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets of governmental activities and business-type activities is as follows:

| | Balance January 1, 2017 | Additions | Deletions and adjustments | Balance December 31, 2017 |
|--|--|----------------------|--------------------------------------|--|
| <u>Governmental Activities:</u> | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 20,179,522 | \$ - | \$ - | \$ 20,179,522 |
| Construction in progress | 54,744,577 | 27,886,597 | (19,734,790) | 62,896,384 |
| Total nondepreciable capital assets | <u>74,924,099</u> | <u>27,886,597</u> | <u>(19,734,790)</u> | <u>83,075,906</u> |
| Depreciable capital assets: | | | | |
| Land improvements | 862,954 | - | - | 862,954 |
| Buildings and improvements | 129,463,279 | 5,231,310 | - | 134,694,589 |
| Machinery and equipment | 17,767,771 | 1,358,979 | - | 19,126,750 |
| Road system | 264,742,515 | 6,771,852 | - | 271,514,367 |
| Total depreciable capital assets | <u>412,836,519</u> | <u>13,362,141</u> | <u>-</u> | <u>426,198,660</u> |
| Less: accumulated depreciation | | | | |
| Land improvements | (66,227) | (25,360) | - | (91,587) |
| Buildings and improvements | (16,826,991) | (3,294,463) | - | (20,121,454) |
| Machinery and equipment | (12,168,956) | (3,763,814) | - | (15,932,770) |
| Road system | (60,839,707) | (10,025,601) | - | (70,865,308) |
| Total accumulated depreciation | <u>(89,901,881)</u> | <u>(17,109,238)</u> | <u>-</u> | <u>(107,011,119)</u> |
| Total depreciable capital assets, net | <u>322,934,638</u> | <u>(3,747,097)</u> | <u>-</u> | <u>319,187,541</u> |
| Total governmental activities capital assets, net | <u>\$ 397,858,737</u> | <u>\$ 24,139,500</u> | <u>\$ (19,734,790)</u> | <u>\$ 402,263,447</u> |
| <u>Business-type Activities:</u> | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 228,536 | \$ - | \$ - | \$ 228,536 |
| Construction in progress | 75,641,357 | 17,051,206 | (105,053) | 92,587,510 |
| Total nondepreciable capital assets | <u>75,869,893</u> | <u>17,051,206</u> | <u>(105,053)</u> | <u>92,816,046</u> |
| Depreciable capital assets: | | | | |
| Buildings | 87,426,002 | 158,858 | - | 87,584,860 |
| Machinery and equipment | 3,126,293 | 1,275,453 | - | 4,401,746 |
| Infrastructure | 189,123,946 | 68,717 | - | 189,192,663 |
| Total depreciable capital assets | <u>279,676,241</u> | <u>1,503,028</u> | <u>-</u> | <u>281,179,269</u> |
| Less: accumulated depreciation | | | | |
| Buildings | (9,200,859) | (2,174,413) | - | (11,375,272) |
| Machinery and equipment | (1,470,593) | (336,859) | - | (1,807,452) |
| Infrastructure | (126,017,745) | (4,202,783) | - | (130,220,528) |
| Total accumulated depreciation | <u>(136,689,197)</u> | <u>(6,714,055)</u> | <u>-</u> | <u>(143,403,252)</u> |
| Total depreciable capital assets, net | <u>142,987,044</u> | <u>(5,211,027)</u> | <u>-</u> | <u>137,776,017</u> |
| Total business-type activities capital assets, net | <u>\$ 218,856,937</u> | <u>\$ 11,840,179</u> | <u>\$ (105,053)</u> | <u>\$ 230,592,063</u> |

At December 31, 2017, construction in progress in the government-type activities primarily consists of improvements to canal crossings, construction of bike paths, and road improvements. Construction in progress in the business-type activities primarily consists of constructing and acquiring improvements, extensions and replacements to the sewerage and water systems.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

| | |
|---|----------------------|
| General government | |
| Judicial | \$ 792,190 |
| Other general government | 7,618,930 |
| Public safety | 3,246,177 |
| Public works | 1,291,330 |
| Sanitation | 1,191,109 |
| Culture and recreation | 629,074 |
| Health and welfare | <u>2,340,428</u> |
| Total depreciation expense - governmental activities | <u>\$ 17,109,238</u> |
| | |
| <u>Business-type Activities:</u> | |
| Water and sewer | <u>\$ 6,714,055</u> |

NOTE 8 – LONG-TERM DEBT

Bond Transactions – Governmental Activities

The Parish issues bonds to provide for the acquisition and construction of major capital facilities. Bonds payable, at December 31, 2017 comprise the following page:

| Description | Original issue | Range of average interest rates | Amount outstanding | Due in one year |
|---|-------------------|---------------------------------------|-----------------------|---------------------|
| 2012 Sales Tax Refunding | | | | |
| Bonds, due in annual installments ranging from \$470,000 to \$3,515,000 commencing March 2014 through March 2024 | \$33,885,000 | 0.9 - 4.0% | \$ 24,290,000 | \$ 3,245,000 |
| 2014 Limited Tax Certificates of Indebtedness, Series 2014 commencing March 2015 through March 2023 | 2,200,000 | 0.5 - 3.3% | 1,530,000 | 235,000 |
| | | | <u>25,820,000</u> | <u>\$ 3,480,000</u> |
| Bond premium at December 31, 2017 | | | <u>1,274,720</u> | |
| | | | <u>\$ 27,094,720</u> | |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Bond Transactions – Business-type Activities

| <u>Description</u> | <u>Original issue</u> | <u>Range of average interest rates</u> | <u>Amount outstanding</u> | <u>Due in one year</u> |
|---|-----------------------|--|-----------------------------------|------------------------|
| 2004 Sales Tax Bonds due in annual installments ranging from \$45,000 to \$2,415,000 commencing August 2004 through March 2024 | \$ 50,000,000 | 4.0-5.0% | \$ 385,000 | \$ 50,000 |
| 2008 Sales Tax Refunding Bonds, due in annual installments ranging from \$615,000 to \$795,000 commencing March 2008 through March 2019 | 6,715,000 | 3.88% | 1,560,000 | 765,000 |
| LDHH - Drinking Water Revolving Loan, due in annual installments ranging from \$351,000 to \$668,000 commencing June 2017 through June 2036 | 10,000,000 | 2.95% | 8,935,993 | 351,000 |
| LDEQ - Clean Water State Revolving Loan, due in annual installments ranging from \$456,000 to \$546,000 commencing June 2018 through June 2037 | 10,000,000 | 0.45% | 7,740,141 | 456,000 |
| LDHH - Drinking Water #2 Revolving Loan, due in annual installments ranging from \$511,000 to \$810,000 commencing June 2018 through June 2037 | 13,000,000 | 1.95% | 1,135,838 | — |
| | | | <u>19,756,972</u> | <u>1,622,000</u> |
| | | | Bond premium at December 31, 2017 | |
| | | | <u>75,418</u> | |
| | | | <u>\$ 19,832,390</u> | |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The payment requirements for all bonds and certificates outstanding, as of December 31, 2017, are as follows:

| | Principal | Interest |
|--------------------------|----------------------|---------------------|
| Year ending December 31: | | |
| 2018 | \$ 5,102,000 | \$ 1,767,400 |
| 2019 | 5,780,000 | 1,576,078 |
| 2020 | 5,140,000 | 1,371,142 |
| 2021 | 4,858,838 | 1,190,352 |
| 2022 | 4,911,000 | 729,442 |
| 2023 - 2027 | 11,980,000 | 1,758,800 |
| 2028 - 2032 | 5,196,000 | 933,949 |
| 2033 - 2036 | 2,609,134 | 288,508 |
| | <u>\$ 45,576,972</u> | <u>\$ 9,615,681</u> |

The Parish’s legal debt limit for General Obligation Bonds is \$132,018,355. At December 31, 2017, Parish’s outstanding debt is funded through sales tax receipts. At December 31, 2017, the Parish has \$132,018,355 available for general obligation debt.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. At December 31, 2017, the Parish believes it is in compliance with all financial related covenants.

Limited Tax Certificates of Indebtedness

On August 18, 2017, the Parish issued Limited Certificates of Indebtedness totaling \$5,400,000 for the purpose of advance funding in anticipation of the collection of parish wide ad valorem tax revenues. The certificates bear interest at 1.87% and mature on March 1, 2017. Thus, the entire amount of the certificates is included as a current liability in the statement of net position at December 31, 2017. At December 31, 2016, the certificates had a balance of \$4,500,000 which was paid in full in February 2017.

On March 18, 2014, the Limited Tax Certificates of Indebtedness, Series 2014 were issued for the purpose of acquiring, constructing and improving fire protection facilities and purchasing fire trucks and other firefighting equipment in the amount of \$2,200,000. The certificates bear interest at 0.5 – 3.3% and mature on March 1, 2023.

State Revolving Loans

Drinking Water Revolving Loans

On June 1, 2015, the Parish entered into an agreement with the Louisiana Department of Health and Hospitals relating to the issuance of, not to exceed, \$11,000,000 Taxable Utilities Revenue Bond, Series 2015 secured by revenues from the Water and Sewer Fund. The low interest loan is payable annually beginning June 1, 2017 and maturing on June 1, 2036, with an interest rate of 2.95% and an administrative fee of 0.50%. The Parish will be eligible to receive loan forgiveness in the amount of \$1,125,000. At December 31, 2017, the loan balance was \$8,935,993 and \$1,125,000 has been forgiven.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

On May 18, 2017, the Parish entered into an agreement with the Louisiana Department of Health and Hospitals relating to the issuance of, not to exceed, \$13,000,000 Taxable Utilities Revenue Bond, Series 2017 secured by revenues from the Water and Sewer Fund. The low interest loan is payable annually beginning June 1, 2018 and maturing on June 1, 2037, with an interest rate of 1.95% and an administrative fee of 0.50%. At December 31, 2017, the loan balance was \$1,135,838.

Clean Water State Revolving Loan

On December 1, 2015, the Parish entered into an agreement with the Louisiana Department of Environmental Quality relating to the issuance of, not to exceed \$10,000,000 Taxable Utilities Revenue Bond, Series 2015 secured by revenues from the Water and Sewer Fund. The low interest loan is payable annually beginning June 1, 2018 and maturing on June 1, 2037, with an interest rate of 0.45% and an administrative fee of 0.50%. At December 31, 2017, the loan balance is \$7,740,141.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017 was as follows:

| | <u>January 1, 2017</u> | <u>Additions</u> | <u>Deletions</u> | <u>December 31, 2017</u> | <u>Due in one year</u> |
|---|----------------------------|----------------------|-----------------------|------------------------------|----------------------------|
| <u>Governmental Activities:</u> | | | | | |
| Accrued annual and sick leave (note 1) | \$ 2,026,125 | \$ 975,306 | \$ (1,041,640) | \$ 1,959,791 | \$ 875,120 |
| Sales tax bonds | 27,425,000 | - | (3,135,000) | 24,290,000 | 3,245,000 |
| Premium on sales tax bonds payable | 1,458,326 | - | (183,606) | 1,274,720 | - |
| Limited tax certificates of indebtedness, Series 2014 | 1,760,000 | - | (230,000) | 1,530,000 | 235,000 |
| Net pension liability (note 11) | 20,020,467 | - | (3,552,622) | 16,467,845 | - |
| Post-employment benefits (note 12) | 4,195,483 | 1,357,514 | - | 5,552,997 | - |
| | <u>\$ 56,885,401</u> | <u>\$ 2,332,820</u> | <u>\$ (8,142,868)</u> | <u>\$ 51,075,353</u> | <u>\$ 4,355,120</u> |
| <u>Business-type Activities:</u> | | | | | |
| Accrued annual and sick leave (note 1) | \$ 222,091 | \$ 171,264 | \$ (145,102) | \$ 248,253 | \$ 171,264 |
| State revolving loans | 6,858,195 | 11,186,777 | (233,000) | 17,811,972 | 807,000 |
| Net pension liability (note 11) | 1,577,309 | - | (888,155) | 689,154 | - |
| Sales tax bonds | 2,720,000 | - | (775,000) | 1,945,000 | 815,000 |
| Premium on sales tax bonds payable | 86,192 | - | (10,774) | 75,418 | - |
| | <u>\$ 11,463,787</u> | <u>\$ 11,358,041</u> | <u>\$ (2,052,031)</u> | <u>\$ 20,769,797</u> | <u>\$ 1,793,264</u> |

The long-term liabilities will be repaid from the General Fund, and the Sales Tax Bonds which will be repaid from the Debt Service Funds and the Sewer and Water Funds. At December 31, 2017, the debt service funds had \$3,664,216 in fund balance reserved to service debt.

NOTE 9 – OPERATING LEASE INCOME

The Parish's governmental activities recorded lease income of \$151,050 from six lease agreements in effect during the year ended December 31, 2017. The Parish's business-type activities recorded lease income of \$70,504 from five lease agreements in effect during the year ended December 31, 2017. The Parish has also granted the St. Bernard Parish School Board the use of property at St. Bernard Highway and Palmisano Boulevard free of rent for a period of thirty years.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 9 – OPERATING LEASE INCOME (CONTINUED)

The future minimum rental for the next five years and in the aggregate are:

| Year Ending December 31, | Governmental Activities | Business-type Activities |
|-----------------------------|----------------------------|-----------------------------|
| 2018 | \$ 151,591 | \$ 70,504 |
| 2019 | 125,987 | 70,504 |
| 2020 | 104,687 | 70,504 |
| 2021 | 92,896 | 42,229 |
| 2022 | 69,188 | 14,400 |
| 2023-2025 | - | 32,400 |
| Total | <u>\$ 544,349</u> | <u>\$ 300,541</u> |

NOTE 10 – INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS

The primary purpose of interfund receivables and payables is to loan monies from the general fund to individual funds to cover current expenditures. Individual fund balances due from/to other funds at December 31, 2017, were as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|--|---------------------------------|-------------------------------|
| Governmental Funds | | |
| Major Funds | | |
| General Fund | \$ 8,332,912 | \$ 3,533,923 |
| Hazard Mitigation Grant Fund | - | 1,050,461 |
| Disaster Recovery Fund | 8,104,956 | 13,324,152 |
| Consolidated Fire Protection District No. 1-2 | - | 2,275,337 |
| Non-major Funds | <u>3,218,720</u> | <u>3,608,303</u> |
| Total governmental funds | 19,656,588 | 23,792,176 |
| Business-type Activities | | |
| Water and Sewer Fund | 13,108,431 | 9,446,908 |
| Non-major Enterprise Funds | - | 301,914 |
| Self-Insurance Internal Service | 50,000 | - |
| Water and Sewer Self Insurance Internal Service | <u>1,274,325</u> | <u>548,346</u> |
| Total business-type activities | <u>14,432,756</u> | <u>10,297,168</u> |
| Total | <u>\$ 34,089,344</u> | <u>\$ 34,089,344</u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 10 – INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS (CONTINUED)

Transfers between funds during the year ended December 31, 2017 are as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------------|----------------------|----------------------|
| Governmental Funds | | |
| Major Funds | | |
| General Fund | \$ 922,512 | \$ 7,926,867 |
| Hazard Mitigation Grant Fund | 475,000 | 6,877,802 |
| Consolidated Fire Protection | | |
| District No. 1-2 | 554,000 | 278,204 |
| Disaster Recovery Fund | - | 1,041,793 |
| Non-major Funds | 12,401,599 | 508,473 |
| Total governmental funds | <u>14,353,111</u> | <u>16,633,139</u> |
| Business-type Activities | | |
| Water and Sewer Fund | 7,831,340 | 5,568,619 |
| Self-Insurance Internal Service | 17,307 | - |
| Total business-type activities | <u>7,848,647</u> | <u>5,568,619</u> |
| Total | <u>\$ 22,201,758</u> | <u>\$ 22,201,758</u> |

Operating transfers between funds consist primarily of sales tax revenues transferred out of the General Fund to the particular funds for which the sales tax revenue is to be used and transfers between governmental funds and business type activities for capital outlay expenditures.

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS

Substantially all employees of the Parish are members of one of the following statewide retirement systems: Firefighters' Retirement System of Louisiana ("FRS"), Parochial Employees' Retirement System of Louisiana ("PERS"), Registrar of Voters Employees' Retirement System of Louisiana ("RVERS"), or the District Attorneys' Retirement System ("DARS"). These systems are cost-sharing multiple-employer, defined benefit pension plans administered by separate boards of trustees.

General Information about the Pension Plans

Plan Descriptions

FRS

The Firefighters' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the system is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the FRS. The system provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

PERS

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Parochial System.

RVERS

The Registrar of Voters Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan established in accordance by Act 215 of 1954, under Revised Statute 11:2032 to provide retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana.

The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

DARS

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on April 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys, currently \$18,000 per year. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Benefits Provided

FRS

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. Members may retire 1) at any age with 25 years or more of creditable service, 2) at age 50 with at least 20 years of creditable service.

No person who has attained age fifty or over shall become a member of the system, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

PERS

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

RVERS

Any member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013 is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013 that have attained 30 years of creditable service with at least 20 years of creditable service in the System are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty years, who shall have completed ten or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

DARS

Members who joined the DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with, less than 23 year of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the DARS after July 1, 1990, of who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability Benefits

PERS

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

RVERS

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3.00% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3 1/3% of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

DARS

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and, one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

Survivor Benefits

PERS

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

RVERS

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

DARS

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in DARS.

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Deferred Retirement Option Plan benefits (DROP)

FRS

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the system cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the system. No payments may be made from the deferred retirement option plan account until the participant retires.

PERS

Act 338 of 1990 established the DROP for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

RVERS

In lieu of terminating employment and accepting a service retirement allowance, any member with 10 or more years of service at age 60, 20 or more years of service at age 55, or 30 or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the 3 years, payments into the plan fund cease and the person resumes active contributing membership in the System.

DARS

In lieu of receiving a service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving die lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the DROP for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to die payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Initial Benefit Option Plan

FRS

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments

PERS

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (LRS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

RVERS

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

DARS

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the DA System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Contributions

FRS

Contributions for all members are established by statute at 10.0% for wages above poverty and 8.0% for wages below poverty for the years ending/ended June 30, 2018 and 2017. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, employer contributions are actuarially determined each year. For the years ending/ended June 30, 2018 and 2017, the actuarially determined contribution rates were 28.67% and 27.09%, respectively, of member's compensation. However, for the years ending/ended June 30, 2018 and 2017, employer contributions were 26.50% and 25.25%, respectively, of covered payroll above poverty and 28.50% and 27.25%, respectively, of covered payroll below poverty, respectively. The actual rates differ from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$1,326,433 for the year ended December 31, 2017.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2017, and were excluded from pension expense.

PERS

Contributions for all members are established by statute at 9.5% of compensation for the year ended December 31, 2017. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the year ended December 31, 2017 was 12.50% for Plan A. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. The Parish Government's contributions to the pension plan were \$1,087,887 for the year ended December 31, 2017. The Water and Sewer Division's contributions to the pension plan were \$331,859 for the year ended December 31, 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2017.

RVERS

Contributions for all members are established by statute at 7.0% of compensation for the years ending/ended June 30, 2018 and 2017. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending/ended June 30, 2018 and 2017, the actuarially determined contribution rates were 14.27% and 14.12%, respectively, of member's compensation. However, for the years ending/ended June 30, 2018 and 2017, the actual employer contribution rates were 17.00% and 20.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$5,532 for the year ended December 31, 2017.

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2017.

DARS

Contributions for all members are established by statute at 8.0% of compensation for the years ending/ended June 30, 2018 and 2017. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending/ended June 30, 2018 and 2017, the actuarially determined employer contribution rate were 1.20% and 0.00%, respectively, of member's compensation. However, for the years ending/ended June 30, 2018 and 2017, the actual employer contribution rates were 0.0% and 0.0%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the District Attorney were \$0 for the year ended December 31, 2017.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

At December 31, 2017, the Parish reported a combined liability of \$17,156,999 for its proportionate share of the Net Pension liabilities (NPL). The NPL for FRS, PERS, RVERS, and DARS was measured as of June 30, 2017, December 31, 2016, June 30, 2017, and June 30, 2017, respectively, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of those dates. The Parish's proportion of the NPL was based on a projection of the Parish's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

The following table reflects the Parish's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2017 and the change compared to the June 30, 2016 proportion.

| | Net Pension Liability at December 31, 2017 | Proportion at Measurement Date | Increase (Decrease) to Prior Measurement Date |
|-------|--|---|---|
| FRS | \$ 12,848,937 | 2.241674% | -0.232303% |
| PERS | 4,031,530 | 1.957516% | -0.025492% |
| RVERS | 51,569 | 0.234926% | 0.000704% |
| DARS | 224,963 | 0.834054% | 0.157896% |
| | <u>\$ 17,156,999</u> | | |

The following table reflects the Parish's recognized pension expense plus the Parish's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended December 31, 2017.

| | Pension Expense | Amortization | Total |
|-------|---------------------|-----------------------|---------------------|
| FRS | \$ 1,973,748 | \$ (1,321,006) | \$ 652,742 |
| PERS | 2,391,770 | (1,511,771) | 879,999 |
| RVERS | 4,995 | (6,544) | (1,549) |
| DARS | 85,438 | (619) | 84,819 |
| | <u>\$ 4,455,951</u> | <u>\$ (2,839,940)</u> | <u>\$ 1,616,011</u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

At December 31, 2017, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>FRS</u> | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 716,546 |
| Changes in assumptions | 537,412 | 3,064 |
| Net difference between projected and actual earnings on pension plan investments | 1,105,379 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 4,491 | 1,346,402 |
| Employer contributions subsequent to the measurement date | 662,922 | - |
| Total FRS | \$ 2,310,204 | \$ 2,066,012 |

| <u>PERS</u> | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 705,480 |
| Changes in assumptions | 3,128,617 | - |
| Net difference between projected and actual earnings on pension plan investments | 765,409 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | 114,164 |
| Employer contributions subsequent to the measurement date | 1,419,746 | - |
| Total PERS | \$ 5,313,772 | \$ 819,644 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

RVERS

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 9,588 |
| Changes in assumptions | 5,801 | - |
| Net difference between projected and actual earnings on pension plan investments | 4,954 | 1,667 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 10,263 | 331 |
| Employer contributions subsequent to the measurement date | 2,315 | - |
| Total RVERS | \$ 23,333 | \$ 11,586 |

DARS

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 59,142 |
| Changes in assumptions | 100,860 | 26,549 |
| Net difference between projected and actual earnings on pension plan investments | 90,282 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 23,958 | 2,011 |
| Employer contributions subsequent to the measurement date | - | - |
| Total DARS | \$ 215,100 | \$ 87,702 |

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------|--------------------------------------|-------------------------------------|
| FRS | \$ 2,310,204 | \$ 2,066,012 |
| PERS | 5,313,772 | 819,644 |
| RVERS | 23,333 | 11,586 |
| DARS | 215,100 | 87,702 |
| | \$ 7,862,409 | \$ 2,984,944 |

Deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

| | Subsequent Contributions |
|-------|-------------------------------------|
| FRS | \$ 662,922 |
| PERS | 1,419,746 |
| RVERS | 2,315 |
| DARS | - |
| | \$ 2,084,983 |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending December 31: | FRS | PERS | RVERS | DARS | Total |
|-------------------------------------|--------------|--------------|--------------|-------------|--------------|
| 2018 | \$ 198,799 | \$ 1,122,977 | \$ 4,997 | \$ 9,393 | \$ 1,336,166 |
| 2019 | 420,145 | 1,228,195 | 1,783 | 53,831 | 1,703,954 |
| 2020 | (70,280) | 807,736 | 5,145 | 27,933 | 770,534 |
| 2021 | (632,566) | (84,526) | (2,493) | 8,931 | (710,654) |
| 2022 | (192,695) | - | - | 13,094 | (179,601) |
| 2023 | (142,133) | - | - | 14,216 | (127,917) |
| Total | \$ (418,730) | \$ 3,074,382 | \$ 9,432 | \$ 127,398 | \$ 2,792,482 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

| | FRS | PERS |
|--|--|---|
| Valuation Date | June 30, 2017 | December 31, 2016 |
| Actuarial Cost Method | Entry Age Normal Cost | Entry Age Normal Cost |
| Actuarial Assumptions: | | |
| Expected Remaining Service Lives | 7 years | 4 years |
| Investment Rate of Return | 7.400% per annum (net of investment expenses, including inflation) (decreased from 7.50% in 2016) | 7.00%, net of investment expense, including inflation. |
| Inflation Rate | 2.775% per annum (decreased from 2.875% in 2016) | 2.50% per annum. |
| Salary Increases | Vary from 15.0% in the first two years of service to 4.75% after 25 years includes inflation and merit increases | 5.25% (2.5% Inflation, 2.75% Merit) |
| Cost of Living Adjustments | For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included. | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |
| Mortality | The pre and postmortality life expectancies of participants based on the RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality. The RP-2000 Disabled Lives Mortality table set back 5 years for males and set back 3 years for females was selected for disabled annuitants. | The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used. |
| Termination, Disability, and Retirement | Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data. | Termination, disability, and retirement assumptions were projected based on a five-year (2010-2014) experience study on plan data. |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

| | RVERS | DARS |
|--|---|--|
| Valuation Date | June 30, 2017 | June 30, 2017 |
| Actuarial Cost Method | Entry Age Normal Cost | Entry Age Normal Cost |
| Actuarial Assumptions: | | |
| Expected Remaining Service Lives | 5 years | 7 years |
| Investment Rate of Return | 6.75%, net of investment expense. | 6.75%, net of investment expense. |
| Inflation Rate | 2.50% per annum. | 2.50% per annum. |
| Salary Increases | 6.0% (2.5% Inflation, 3.5% Merit). | 5.50% (2.50% Inflation, 3.00% Merit). |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. | Only those previously granted. |
| Mortality | RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants. The mortality was projected forward to a period equivalent to the estimated duration of the System's liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement. | The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement. |
| Termination, Disability, and Retirement | Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data. | Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data. |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

| FRS | PERS | RVERS | DARS |
|---|---|---|---|
| The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75% | The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing diversification. | The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. | The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. |

Best estimates of the arithmetic real rates of return for each major asset class included in the PERS' target asset allocation as of December 31, 2016 is summarized in the following table:

| PERS | | |
|------------------------------------|-------------------|-----------------------------------|
| Asset Class | Target Allocation | Long-Term Expected Rate of Return |
| Fixed Income | 35% | 1.24% |
| Equity | 52% | 3.63% |
| Alternatives | 11% | 0.67% |
| Real assets | 2% | 0.12% |
| Totals | 100% | 5.66% |
| Inflation | | 2.00% |
| Expected Arithmetic Nominal Return | | 7.66% |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Best estimates of the arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocations as of June 30, 2017 is summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | | | <u>Long-Term Expected Portfolio Real Rate of Return</u> | | |
|------------------------------------|--------------------------|--------------|-------------|---|--------------|-------------|
| | <u>FRS</u> | <u>RVERS</u> | <u>DARS</u> | <u>FRS</u> | <u>RVERS</u> | <u>DARS</u> |
| Domestic equities | 27.0% | 40.0% | 61.72% | 6.15% | 3.00% | 11.31% |
| International equities | 30.0% | 15.0% | - | 14.3% | 1.28% | - |
| Domestic fixed income | 23.0% | 20.0% | 28.95% | 2.04% | 0.50% | 6.84% |
| International fixed income | - | 10.0% | - | - | 0.35% | - |
| Alternative investments | 10.0% | 5.0% | 8.85% | 13.35% | 0.31% | 10.50% |
| Global asset allocation | - | - | - | - | - | - |
| Real assets | - | 10.0% | 0.48% | - | 0.45% | 0.50% |
| Other | 10.0% | - | - | 19.19% | - | - |
| Total | 100.0% | 100.0% | 100.0% | 5.54% | 5.89% | 6.56% |
| Inflation | | | | 2.75% | 2.50% | 2.50% |
| Expected Arithmetic Nominal Return | | | | 8.29% | 8.39% | 9.06% |

Discount Rate

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of each of the system's actuary. Based on those assumptions, each of the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for PERS was 7.0% for the year ended December 31, 2016. The discount rate used to measure the total pension liability for FRS was 7.4% and for DARS and RVERS was 6.75% for the year ended June 30, 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate.

The following presents the Parish’s proportionate share of the Net Pension Liability using the discount rate, as well as what the Parish’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

| | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|-------------------------------------|--------------------------|----------------------------------|--------------------------|
| FRS | | | |
| Discount rate | 6.4% | 7.4% | 8.4% |
| Parish’s proportionate share of NPL | \$ 18,463,426 | \$ 12,848,937 | \$ 8,129,152 |
| PERS | | | |
| Discount rate | 6.0% | 7.0% | 8.0% |
| Parish’s proportionate share of NPL | \$ 12,059,925 | \$ 4,031,530 | \$ (2,756,722) |
| RVERS | | | |
| Discount rate | 5.75% | 6.75% | 7.75% |
| Parish’s proportionate share of NPL | \$ 78,822 | \$ 51,569 | \$ 28,113 |
| DARS | | | |
| Discount rate | 5.75% | 6.75% | 7.75% |
| Parish’s proportionate share of NPL | \$ 642,859 | \$ 224,963 | \$ (130,149) |

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Parish recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities.

During the year ended December 31, 2017, the Parish recognized revenue as a result of support received from non-employer contributing entities for the following amounts for each pension plan:

| | <u>Non-employer Contributing Entity Revenue</u> |
|-------|---|
| FRS | \$ 114,629 |
| PERS | 144,600 |
| RVERS | 6,645 |
| DARS | 68,554 |
| | <u>\$ 334,428</u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Pension Plan Fiduciary Net Position

FRS, PERS, RVERS, and DARS issue publicly available financial reports that include financial statements and required supplementary information for the systems. Detailed information about each system’s fiduciary net position is available in these separately issued financial reports. These reports may be obtained by visiting the Louisiana Legislative Auditor’s website at www.lla.la.gov and searching under the Reports section.

Payables to the Pension Plan

At December 31, 2017, the Parish had payables to the pension plans totaling \$- for the December 2017 employee and employer legally required contributions. Outstanding balances will be applied to the Parish’s required monthly contribution. The amounts due are included in liabilities under the amounts reported as salaries and payroll deductions payable. The balance due to each of the pension plans is as follows:

| | Payables |
|--------------|-----------------|
| FRS | \$ - |
| PERS | - |
| RVERS | - |
| DARS | - |
| | \$ - |

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description – St. Bernard Parish’s medical benefits are provided to employees upon actual retirement.

The retirement eligibility (D.R.O.P. entry) provisions (other than firefighters) are as follows for employees hired prior to January 1, 2007: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 (other than firefighters), the provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. The retirement eligibility (D.R.O.P. entry) provisions for firefighters are as follows: age 55 and 12 years of service; age 50 and 20 years of service; 25 years of service at any age.

Life insurance coverage is available to retirees by election and based on a blended rate (active and retired). Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 12 – POST-EMPLOYMENT BENEFITS – (CONTINUED)

Fund Policy – Until 2007, St. Bernard Parish recognized the cost of providing post-employment medical and life insurance benefits (St. Bernard Parish’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, St. Bernard Parish’s portion of health care and life insurance funding cost for retired employees totaled \$1,114,107 and \$1,031,581, respectively.

Effective January 1, 2007, St. Bernard Parish implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – St. Bernard Parish’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

| | 2017 | 2016 |
|------------------------------------|--------------|--------------|
| Normal cost | \$ 887,277 | \$ 853,151 |
| 30-year UAL amortization amount | 1,659,151 | 1,595,337 |
| Annual required contribution (ARC) | \$ 2,546,428 | \$ 2,448,488 |

Net Post-employment Benefit Obligation (Asset) – The table below shows St. Bernard Parish’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

| | 2017 | 2016 |
|-----------------------------------|--------------|--------------|
| Beginning Net OPEB Obligation | \$ 4,195,483 | \$ 2,829,018 |
| Annual required contribution | 2,546,428 | 2,448,488 |
| Interest on Net OPEB Obligation | 167,818 | 113,160 |
| ARC Adjustment | (242,625) | (163,602) |
| OPEB Cost | 2,471,621 | 2,398,046 |
| Contribution to Irrevocable Trust | - | - |
| Current year retiree premium | (1,114,107) | (1,031,581) |
| Change in Net OPEB Obligation | 1,357,514 | 1,366,465 |
| Ending Net OPEB Obligation | \$ 5,552,997 | \$ 4,195,483 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 12 – POST-EMPLOYMENT BENEFITS – (CONTINUED)

The following table shows St. Bernard Parish’s annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual Cost Contributed</u> | <u>Net OPEB Liability (Asset)</u> |
|--------------------------|-------------------------|--|-----------------------------------|
| December 31, 2017 | \$ 2,471,622 | 45.08% | \$ 5,552,997 |
| December 31, 2016 | \$ 2,398,046 | 43.02% | \$ 4,195,483 |

Funded Status and Funding Progress – In 2017 and 2016, St. Bernard Parish made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$29,837,763 which is defined as that portion, as determined by a particular actuarial cost method (St. Bernard Parish uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Actuarial Accrued Liability (AAL) | \$ 29,837,763 | \$ 28,690,157 |
| Actuarial Value of Plan Assets (AVP) | - | - |
| Unfunded Act. Accrued Liability (UAAL) | <u>\$ 29,837,763</u> | <u>\$ 28,690,157</u> |
| Funded Ratio (AVP/AAL) | 0.00% | 0.00% |
| Covered Payroll (active plan members) | \$ 18,013,335 | \$ 17,398,366 |
| UAAL as a percentage of covered payroll | 165.64% | 164.90% |

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by St. Bernard Parish and its employee plan members) at the time of the valuation and on the pattern of sharing costs between St. Bernard Parish and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between St. Bernard Parish and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 12 – POST-EMPLOYMENT BENEFITS – (CONTINUED)

valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 9%. Based on past history, it has been assumed that 13% of retirees decline coverage when first eligible and 18% decline at Medicare eligibility.

Post-employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence four years after retirement eligibility (D.R.O.P. entry), as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits (for the retiree only), except firefighters. For retired firefighters, the employer pays 70% of the cost of medical benefits for both retiree and dependents. The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the total "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. The unblended rates which were provided were used for after Medicare eligibility. It was assumed that 50% of post-age 65 retirees elected the Humana Medicare Advantage HMO program.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 12 – POST-EMPLOYMENT BENEFITS – (CONTINUED)

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

| | OPEB Costs and Contributions | | |
|--|------------------------------|--------------|--------------|
| | 2017 | 2016 | 2015 |
| OPEB Cost | \$ 2,471,621 | \$ 2,398,046 | \$ 1,541,089 |
| Contribution | - | - | - |
| Retiree premium | 1,114,107 | 1,031,581 | 1,039,040 |
| Total contribution and premium | 1,114,107 | 1,031,581 | 1,039,040 |
| Change in net OPEB obligation | \$ 1,357,514 | \$ 1,366,465 | \$ 502,049 |
| | | | |
| % of contribution to cost | 0.00% | 0.00% | 0.00% |
| % of contribution plus premium to cost | 45.08% | 43.02% | 45.08% |

NOTE 13 – SELF-INSURANCE/RISK MANAGEMENT

The Parish Government is exposed to various risks of loss related to general liability, auto liability, workers' compensation, unemployment compensation, property, and group health benefits. Various suits and claims arising from personal injury and property damage, some for substantial amounts, are pending against the Parish Government, its insurers and others. In accordance with the in Governmental Accounting Standards Board Codification Section C50 - Claims and Judgments, the Parish Government's Internal Service Fund and the Division have provided for, in their financial statements, estimated losses from the aforementioned pending suits and claims based on the estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expense, salvage and subrogation. The Parish Government believes the ultimate settlement cost will not materially exceed the amounts provided for the claims.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 13 – SELF-INSURANCE/RISK MANAGEMENT (CONTINUED)

The following table represents the amounts recorded in the financial statements as of and for the year ended December 31, 2017.

| | Balance 12/31/2016 | New Claims and Changes in Estimates | Benefits/ Losses Paid | Balance 12/31/2017 |
|---|-----------------------|---|-----------------------------|-----------------------|
| <u>Governmental Activities:</u> | | | | |
| Automobile/General Liability | \$ 1,458,244 | \$ 9,774 | \$ (194,801) | \$ 1,273,217 |
| Workers Compensation | 542,626 | 1,284,313 | (1,113,782) | 713,157 |
| Total Governmental Activities | <u>\$ 2,000,870</u> | <u>\$ 1,294,087</u> | <u>\$ (1,308,583)</u> | <u>\$ 1,986,374</u> |
| <u>Business-type Activities:</u> | | | | |
| Automobile/General Liability | \$ 266,338 | \$ 528,585 | \$ (205,889) | \$ 589,034 |
| Workers Compensation | 117,835 | 223,581 | (102,889) | 238,527 |
| Total Business-type Activities | <u>\$ 384,173</u> | <u>\$ 752,166</u> | <u>\$ (308,778)</u> | <u>\$ 827,561</u> |

NOTE 14 – CRIMINAL COURT FUND

Louisiana Revised Statutes, at LSA-R.S. 15:571.11 require that one-half of any surplus remaining in the Criminal Court Fund at year-end shall be transmitted to the Parish's General Fund. The Parish Government did not transfer any of the surplus during the year ended December 31, 2017; however, \$21,032 was transferred to the General Fund subsequent to the year then ended.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grant Programs

The Parish participates in a number of state and federally-assisted grant programs. The programs are subject to compliance audits under the Uniform Guidance. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Parish management believes that the amount of disallowances, if any, which may arise from future audits, will not be material its financial position.

In August and September 2005, the Parish suffered significant damage from Hurricanes Katrina and Rita. The Parish recovered damages from Katrina and Rita from the Federal Emergency Management Agency (FEMA). The audits of these funds and claims recovered from FEMA are still subject to final audit and close out of the respective projects. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Parish. These amounts are uncertain as of the report date and therefore no amounts are recorded in the financial statements.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 15 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Contracts in Progress

The Parish had several construction contracts in progress during the year ended December 31, 2017.

| | Governmental Activities | Business-type Activities |
|-----------------------------------|----------------------------|-----------------------------|
| Total amount of contracts | \$ 67,159,475 | \$ 66,559,456 |
| Completed as of December 31, 2017 | (28,546,108) | (25,537,103) |
| Outstanding contracts | \$ 38,613,367 | \$ 41,022,353 |

During 2012, the St. Bernard Parish Department of Public Works Water and Sewer Division received an administrative order from the United States Environmental Protection Agency (EPA). The orders stated that the Division has violated its National Pollutant Discharge Permit and the Clean Water Act. The EPA amended the administrative order during 2013 and further amended the administrative order in 2015. The Division has completed all the improvements required under the two original administrative orders however, the Parish is still awaiting for final permits to be received before the Parish is officially cleared of the violations.

During 2015, the St. Bernard Parish Department of Public Works Water and Sewer Division received an administrative order from the United States Environmental Protection Agency (EPA). The orders stated that the Division has violated its National Pollutant Discharge Permit and the Clean Water Act. The EPA amended the administrative order during 2016. The Division is currently under construction and improvements have been completed in June 2018.

There have been no assessments by the EPA or penalties accrued in these financial statements.

NOTE 16 – LITIGATION

The Parish and Water and Sewer Division are named as defendants in a number of lawsuits arising principally from claims related to personal injury, negligence, wrongful demolition of property, and property damage. As discussed in Note 13, the Parish and Water and Sewer Division are primarily self-insured with respect to claims of these types. The Parish's insurance department and its attorneys have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Parish and to arrive at an estimate, if possible, of the amount or range of potential loss to the Parish.

As a result of such a review, loss contingencies, which could be reasonably estimated, have been categorized as "probable", "reasonably possible", and "remote", as defined in Governmental Accounting Standards Board Codification Section C50 - Claims and Judgments. Loss contingencies for the Parish amounting to \$1,986,374 categorized as "probable" have been accrued in the Self-Insurance Internal Service Fund. Loss contingencies for the Water and Sewer Division for "probable" cases amounting to \$827,561 have been accrued in the Water and Sewer Internal Service Fund. The Parish is subject to several other lawsuits arising in the normal course of business which are adequately covered by insurance where a range of loss cannot be reasonably determined. These "reasonably possible" loss contingencies are not reflected in these financial statements.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 16 – LITIGATION (CONTINUED)

The Parish had been named as defendant in three lawsuits alleging damage to properties (primarily removing mud, clay etc. from the properties) adjoining levees following Hurricane Katrina in 2005 for use in rebuilding levees. Two of the three lawsuits were resolved without the Parish paying any funds as a result of the Parish filing suits in the U.S. Court of Claims against the Corps and the Corps ultimately bore all costs. The Parish has filed a lawsuit in the U.S. Court of Claims for the last of the three lawsuits, seeking an order requiring the U.S. Army Corp of Engineers to pay all amounts that are owed to property owners, which was the result in the previous two cases. That suit is pending and the Parish and the Parish's attorney believe that this lawsuit will result in the Corps also bearing all costs and liability.

During 2017, the Parish settled a lawsuit for \$21,000,000. The litigation cost the Parish a total of \$13,799,251 which included attorney fees, attorney expenses and interest.

NOTE 17 – DEFICIT FUND BALANCES

The following funds have deficit fund balances at December 31, 2017.

| Fund Description | Fund Balance (deficit) |
|---------------------------------|------------------------|
| Hazard Mitigation Grant Program | \$ (210,539) |
| Disaster Recovery Fund | (6,666,103) |
| CDBG Disaster Fund | (903,153) |
| Federal & State Grants | (356,983) |

At December, 31, 2017, Hazard Mitigation Grant Program, the Disaster Recovery Fund (FEMA), the CDBG Disaster Fund and Federal & State Grants fund had deficit fund balances. The deficit fund balances these funds results primarily from expenditures incurred for which the related revenue is deferred at December 31, 2017. The Parish is currently working on obtaining increased collections from FEMA. The deficit fund balances described above will be funded through future revenues of the Parish or through the release of deferred revenues.

NOTE 18 – LOAN RECEIVABLE

At December 31, 2017, the Parish has an outstanding note receivable of \$600,000 plus accrued interest of \$288,000 due from the St. Bernard Hospital Service District. The note was issued on January 13, 2009, has an interest rate of 6%, and matures on January 1, 2019.

In August 2011, the Parish entered into a leverage loan agreement with SBPH NMTC Investment Fund, LLC in the amounts of \$33,028,779 which was subsequently used by SBP Redevelopment II, LLC to make a loan to St. Bernard Hospital Foundation, Inc. for the purposes of funding a portion of the construction and development of a public hospital and related facilities. The loan has a 40 year term and pays interest semi-annually at 1.24%. The loan agreement calls for interest-only payments until 2019, at which point principal payments will be made semi-annually until the maturity date.

Pursuant to a Cooperative Endeavor Agreement entered into in August 2011 with the Hospital Service District of the Parish of St. Bernard (the "District"), the Parish agreed to execute the loan above using \$33,028,779 of Community Development Block Grant proceeds. The Parish also agreed to contribute the amount of the interest earned on the leverage loan to the District each year beginning with fiscal year 2012. Therefore, no interest income related to the loan receivable was recognized on the Parish's financial statements.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 19 – TAX ABATEMENTS

The St. Bernard Parish Assessor (the “Assessor”) negotiates property tax abatement agreements on the Parish’s behalf on an individual basis. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The Assessor has tax abatement agreements with five entities as of December 31, 2017:

Five oil and gas companies, through an agreement negotiated with the Industrial Tax Exemption program has property assessed at \$97,890,372 with exempt property taxes of \$4,081,589.

The Industrial Tax Exemption program may be granted to manufacturers located within the Parish. The Industrial Tax Exemption program abates, up to ten years, local property taxes on a manufacturer’s new investment and annual capitalized additions related to the manufacturing sale.

The Assessor has not made any commitments as part of the agreements other than to reduce taxes. The Parish is not subject to any tax abatement agreements entered into by other governmental entities other than the Assessor.

NOTE 20 – SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS

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

A. Cash, Cash Equivalents, and Investments

The discretely presented component units are required to invest idle funds within the same state statute as the primary government. Component unit deposits at their respective year ends are categorized below:

| | Demand Deposits | Demand Deposits, Restricted | Total |
|-------------------------------------|----------------------------|--|--------------|
| St. Bernard Library | \$ 9,839,968 | \$ - | \$ 9,839,968 |
| St. Bernard Home Mortgage Authority | 121,966 | 372 | 122,338 |
| Total Cash and Cash Equivalents | \$ 9,961,934 | \$ 372 | \$ 9,962,306 |

At year end the Component Units’ deposits were not exposed to any custodial credit risk.

Credit Risk and Concentration of Credit Risk

The Authority’s deposit policy for custodial credit risk conforms to state law. At March 31, 2017, cash balances were entirely covered by federal deposit insurance.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 20 – SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

The Library’s investments in United States Treasury are not exposed to custodial credit risk because the principal and interest are fully guaranteed by the government of the United States.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less than 1</u> | <u>1 – 5</u> | <u>5 or more</u> |
|--------------------------|-------------------|--------------------|--------------|------------------|
| U.S. Treasury Securities | \$ 3,728,175 | \$ 2,493,969 | \$ 1,234,206 | \$ - |

B. Capital Assets

A summary of changes in capital assets for the Parish’s component units are as follows:

Governmental Activities:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--------------------------------------|------------------------------|------------------|------------------|---------------------------|
| St. Bernard Parish Library | | | | |
| Non-depreciable capital assets: | | | | |
| Land | \$ 1,084,398 | \$ - | \$ - | \$ 1,084,398 |
| Total Non-depreciable capital assets | 1,084,398 | - | - | 1,084,398 |
| Depreciable capital assets: | | | | |
| Building | 262,910 | - | - | 262,910 |
| Furniture and equipment | 1,726,321 | 1,951 | - | 1,728,272 |
| Library collections | 3,746,119 | 159,673 | (2,425) | 3,903,367 |
| Total acquisition costs | 5,735,350 | 161,624 | (2,552) | 5,894,549 |
| Less: accumulated depreciation | (3,584,960) | (935,140) | 2,425 | (4,517,675) |
| Capital assets, net | \$ 3,234,788 | \$ (773,516) | \$ - | \$ 2,461,272 |

C. Long-Term Debt

St. Bernard Mortgage Authority

On March 30, 2017 the Authority defeased it’s Series 2007 A-2 Single Family Mortgage Revenue Bonds for advance refunding. The Authority sold mortgage-backed securities, and the proceeds were used to purchase \$1,158,846 in U.S. treasury bills yielding 1%. These securities were deposited with an escrow agent to provide for future debt service on the defeased bonds. Accordingly, the escrow account and the liability for the defeased bonds are not included in the Authority’s financial statements. At March 31, 2017 \$1,075,000 of the defeased debt was outstanding, and the \$1,158,918 is held by an escrow agent in an irrevocable trust fund to provide for future debt service payments on the refunded bonds. This is no economic gain or loss as a result of the defeasance of debt.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE 21 – SUBSEQUENT EVENTS

The Parish has evaluated subsequent events through June 29, 2018, the date the financial statements were available to be issued, and no subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On March 6, 2018, the Parish paid in full the 2017 Limited Certificates of Indebtedness in the amount of \$4,100,000.

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS
For the Year Ended December 31, 2017

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b- a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as of Percentage of Covered Payroll ((b-a)/c) |
|---|--|--|---|-----------------------------------|--------------------------------|---|
| 12/31/2017 | - | \$29,837,763 | \$29,837,763 | 0.0% | \$18,013,335 | 165.64% |
| 12/31/2016 | - | \$28,690,157 | \$28,690,157 | 0.0% | \$17,398,366 | 164.90% |
| 12/31/2015 | - | \$19,441,376 | \$19,441,376 | 0.0% | \$17,771,627 | 109.40% |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF ST. BERNARD PARISH GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2017

| Fiscal Year Ended | St. Bernard's Proportion of the Net Pension Liability (asset) | St. Bernard's Proportionate Share of the Net Pension Liability (asset) | St. Bernard's Covered- Payroll | St. Bernard's Proportionate Share of the Net Pension Liability (asset) as a Percentage of its Covered- Payroll | Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability |
|--|--|---|--------------------------------------|---|---|
| For the Year Ended June 30: | | | | | |
| <i>Firefighters' Retirement System:</i> | | | | | |
| 2017 | 2.246174% | \$ 12,848,937 | \$ 5,033,035 | 255.29% | 68.16% |
| 2016 | 2.473977% | 16,182,046 | 5,576,007 | 290.21% | 68.16% |
| 2015 | 2.514685% | 13,572,038 | 5,343,468 | 253.99% | 72.45% |
| 2014 | 2.550226% | 11,348,285 | 5,252,694 | 216.04% | 76.02% |
| <i>Registrar of Voters Employees' Retirement System:</i> | | | | | |
| 2017 | 0.234926% | 51,569 | 32,174 | 160.28% | 80.51% |
| 2016 | 0.234222% | 66,461 | 32,174 | 206.57% | 73.98% |
| 2015 | 0.235990% | 57,795 | 32,011 | 180.55% | 76.80% |
| 2014 | 0.142920% | 33,043 | 33,359 | 99.05% | 77.70% |
| <i>District Attorney's Retirement System:</i> | | | | | |
| 2017 | 0.834054% | 224,963 | 506,853 | 44.38% | 95.09% |
| 2016 | 0.676158% | 129,422 | 395,668 | 32.71% | 95.09% |
| 2015 | 0.618792% | 33,331 | 316,501 | 10.53% | 98.60% |
| 2014 | 0.520183% | 10,374 | 258,077 | 4.02% | 99.40% |
| For the Year Ended December 31: | | | | | |
| <i>Parochial Employees' Retirement System:</i> | | | | | |
| 2016 | 1.957516% | 4,031,530 | 11,174,575 | 36.08% | 94.15% |
| 2015 | 1.983008% | 5,219,847 | 10,999,376 | 47.46% | 92.20% |
| 2014 | 1.932327% | 528,314 | 10,253,649 | 5.16% | 99.15% |
| 2013 | 1.952921% | 138,782 | 9,808,904 | 1.41% | 99.80% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF ST. BERNARD PARISH GOVERNMENT'S CONTRIBUTIONS
For the Year Ended December 31, 2017

| Year Ended December 31: | (a) Statutorily Required Contribution | (b) Contributions in relation to the statutorily Required Contribution | (a-b) Contribution Deficiency (Excess) | Agency's Covered- Payroll | Contributions as a Percentage of Covered- Payroll |
|--|--|---|---|---------------------------------|---|
| <i>Firefighters' Retirement System:</i> | | | | | |
| 2017 | \$ 1,326,433 | \$ 1,326,433 | \$ - | \$ 4,927,629 | 26.92% |
| 2016 | 1,433,895 | 1,433,895 | - | 5,453,732 | 26.29% |
| 2015 | 1,519,450 | 1,519,450 | - | 5,469,568 | 27.78% |
| 2014 | 1,563,013 | 1,563,013 | - | 5,281,367 | 29.59% |
| <i>Registrar of Voters Employees' Retirement System:</i> | | | | | |
| 2017 | 5,532 | 5,532 | - | 29,703 | 18.62% |
| 2016 | 6,837 | 6,837 | - | 32,174 | 21.25% |
| 2015 | 7,521 | 7,521 | - | 32,174 | 23.38% |
| 2014 | 7,610 | 7,610 | - | 31,382 | 24.25% |
| <i>District Attorney's Retirement System:</i> | | | | | |
| 2017 | - | - | - | 541,094 | 0.00% |
| 2016 | 7,672 | 7,672 | - | 458,398 | 1.67% |
| 2015 | 18,530 | 18,530 | - | 352,980 | 5.25% |
| 2014 | 22,486 | 22,486 | - | 270,121 | 8.32% |
| <i>Parochial Employees' Retirement System:</i> | | | | | |
| 2017 | 1,419,746 | 1,419,746 | - | 11,357,930 | 12.50% |
| 2016 | 1,452,695 | 1,452,695 | - | 11,174,575 | 13.00% |
| 2015 | 1,589,308 | 1,589,308 | - | 10,999,376 | 14.45% |
| 2014 | 1,637,704 | 1,637,704 | - | 10,235,649 | 16.00% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION PLAN SCHEDULES
For the Year Ended December 31, 2017

NOTE A – PENSION PLAN SCHEDULES

Change of Benefit Terms Include:

Firefighters' Retirement System– No Changes

Parochial Employees' Retirement System – No Changes

Registrar of Voters Employees' Retirement System – No Changes

District Attorney's Retirement System – No Changes

Change of Assumptions Include:

For the Firefighters' Retirement System for the valuation year ended June 30, 2017, the investment rate of return decreased from 7.50% to 7.40% and the inflation rate decreased from 2.875% to 2.775%. For the valuation year ended June 30, 2015, the inflation rate decreased from 3% to 2.875%.

For the Parochial Employees' Retirement System for the valuation year ended December 31, 2015, the investment rate of return decreased from 7.25% to 7.00%, projected salary increases decreased from 5.75% to 5.25% and inflation decreased from 3.00% to 2.50%

For the Registrar of Voters Employees' Retirement System, the investment rate of return decreased from 7.00% to 6.75% for the valuation year ended June 30, 2017. The expected remaining service lives were increased from 4 years to 5 years for the year ended June 30, 2015.

For District Attorneys' Retirement System, the investment rate of return was decreased from 7.00% to 6.75% for the valuation year ended June 30, 2017. The expected remaining service lives were increased from 6 years to 7 years for the year ended June 30, 2016.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance With</u> <u>Final Budget -</u> <u>Over/ (Under)</u> |
|--------------------------------------|-------------------------|--------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 889,548 | \$ 875,426 | \$ 875,426 | \$ - |
| Sales and use taxes | 11,700,000 | 12,525,251 | 12,525,251 | - |
| Other | 684,000 | 546,106 | 548,433 | 2,327 |
| Licenses and permits | 1,571,790 | 1,409,270 | 1,414,075 | 4,805 |
| Intergovernmental: | | | | |
| Federal funds | 439,807 | 227,964 | 227,964 | - |
| State revenue sharing (unrestricted) | 12,600 | 14,023 | 14,023 | - |
| Other state funding | 77,000 | 3,630 | 3,630 | - |
| Charges for services | 3,307,000 | 2,197,567 | 2,171,992 | (25,575) |
| Fines and forfeitures | 32,400 | 19,655 | 39,925 | 20,270 |
| Use of money and property | - | 68,355 | 66,028 | (2,327) |
| Other revenues | 512,463 | 892,270 | 904,963 | 12,693 |
| Total revenues | 19,226,608 | 18,779,517 | 18,791,710 | 12,193 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Judicial | | | | |
| 34th judicial court | 2,724,610 | 2,748,581 | 2,748,582 | (1) |
| Other general government | | | | |
| Parish council | 666,333 | 14,582,694 | 14,592,372 | (9,678) |
| Cabel station | 96,084 | 77,274 | 71,588 | 5,686 |
| JPs and constables | 298,276 | 292,204 | 292,204 | - |
| Office of motor vehicles | 60,500 | 54,744 | 54,744 | - |
| Registrar of voters | 69,700 | 63,754 | 63,754 | - |
| Administration | 1,410,342 | 1,747,797 | 1,747,796 | 1 |
| Purchasing | 173,850 | 171,510 | 170,921 | 589 |
| Public hearing officer | 31,000 | 24,835 | 24,835 | - |
| Information technology | 342,003 | 346,376 | 337,793 | 8,583 |
| Finance | 1,157,839 | 1,201,444 | 1,182,470 | 18,974 |
| Personnel department | 280,500 | 275,423 | 133,387 | 142,036 |
| Physical plant and maintenance | 1,092,679 | 1,040,185 | 991,146 | 49,039 |
| LA Department of Veteran Affairs | 11,604 | 11,604 | 11,604 | - |
| Parks and Parkways Commission | 25,000 | 10,868 | 10,868 | - |
| Economic development | 150,000 | 150,000 | 150,000 | - |
| Sales tax | 880,000 | 1,094,842 | 1,094,842 | - |
| Civic center | 122,990 | 107,533 | 107,533 | - |
| Community development | 2,122,345 | 2,123,089 | 2,025,431 | 97,658 |
| Public safety | | | | |
| Jail | 1,741,285 | 1,873,830 | 1,873,833 | (3) |
| Health and welfare | | | | |
| Coroner | 160,979 | 186,551 | 186,551 | - |
| Animal control | 410,587 | 433,735 | 395,811 | 37,924 |
| Capital outlay | | | | |
| Parish council | 175,000 | 156,747 | 145,069 | 11,678 |
| Cable station | - | - | 5,686 | (5,686) |
| Information technology | - | - | 8,583 | (8,583) |
| Finance | - | - | 18,477 | (18,477) |
| Jail | 50,000 | - | - | - |
| Animal control | 135,000 | 69,522 | 75,460 | (5,938) |
| Physical plant and maintenance | - | 7,798 | 56,300 | (48,502) |
| Community development | - | 5,000 | 102,658 | (97,658) |
| Total expenditures | 14,388,506 | 28,857,940 | 28,680,298 | 177,642 |
| Excess of Revenues Over Expenditures | 4,838,102 | (10,078,423) | (9,888,588) | 189,835 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|--|-------------------------|----------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from insurance settlements | \$ - | \$ 16 | \$ 16 | \$ - |
| Proceeds from the litigation settlements | - | 21,000,000 | 21,000,000 | - |
| Transfer in | - | 922,210 | 922,512 | 302 |
| Transfer out | (7,844,809) | (7,968,019) | (7,926,867) | 41,152 |
| Total other financing sources (uses) | <u>(7,844,809)</u> | <u>13,954,207</u> | <u>13,995,661</u> | <u>41,454</u> |
| Changes in fund balance | (3,006,707) | 3,875,784 | 4,107,073 | 231,289 |
| Fund balance | 12,402,051 | 12,402,051 | 12,402,051 | - |
| Fund balance - end of year | <u>\$ 9,395,344</u> | <u>\$ 16,277,835</u> | <u>\$ 16,509,124</u> | <u>\$ 231,289</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HAZARD MITIGATION GRANT FUND
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 24,920,100 | \$ 18,070,879 | \$ 18,070,879 | \$ - |
| Total revenues | <u>24,920,100</u> | <u>18,070,879</u> | <u>18,070,879</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Other general government | 2,645,100 | 2,159,094 | 1,548,655 | 610,439 |
| Capital outlay | <u>22,275,000</u> | <u>16,736,906</u> | <u>10,469,545</u> | <u>6,267,361</u> |
| Total expenditures | <u>24,920,100</u> | <u>18,896,000</u> | <u>12,018,200</u> | <u>6,877,800</u> |
| Excess of Revenues | | | | |
| Over Expenditures | - | (825,121) | 6,052,679 | 6,877,800 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | - | 475,000 | 475,000 | - |
| Transfer out | - | - | (6,877,802) | (6,877,802) |
| Total other financing sources (uses) | <u>-</u> | <u>475,000</u> | <u>(6,402,802)</u> | <u>(6,877,802)</u> |
| Changes in fund balance | | | | |
| Fund balance - beginning of year | 139,584 | 139,584 | 139,584 | - |
| Fund balance (deficit) - end of year | <u>\$ 139,584</u> | <u>\$ (210,537)</u> | <u>\$ (210,539)</u> | <u>\$ (2)</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DISASTER RECOVERY FUND
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance With</u> <u>Final Budget -</u> <u>Over/ (Under)</u> |
|--|-------------------------|-----------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 25,576,084 | \$ 5,523,938 | \$ 5,354,368 | \$ (169,570) |
| Other revenues | - | - | 169,594 | 169,594 |
| Total revenues | <u>25,576,084</u> | <u>5,523,938</u> | <u>5,523,962</u> | <u>24</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Other general government | | | | |
| Katrina | 9,369,000 | 3,670,698 | 298,628 | 3,372,070 |
| Gustav | 600,000 | 2,367 | 2,367 | - |
| Isaac | 400,000 | 108,196 | 18,378 | 89,818 |
| Ike | 500,000 | 3,656 | 3,656 | - |
| Capital outlay | | | | |
| Katrina | 14,638,903 | 1,724,817 | 4,228,101 | (2,503,284) |
| Isaac | - | - | 7,707 | (7,707) |
| Total expenditures | <u>25,507,903</u> | <u>5,509,734</u> | <u>4,558,837</u> | <u>950,897</u> |
| Excess of Revenues Over Expenditures | 68,181 | 14,204 | 965,125 | 950,921 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer out | (68,181) | (90,874) | (1,041,793) | (950,919) |
| Total other financing sources (uses) | <u>(68,181)</u> | <u>(90,874)</u> | <u>(1,041,793)</u> | <u>(950,919)</u> |
| Changes in fund balance | - | (76,670) | (76,668) | 2 |
| Fund balance (deficit) - beginning of year | (6,589,435) | (6,589,435) | (6,589,435) | - |
| Fund balance (deficit) - end of year | <u>\$ (6,589,435)</u> | <u>\$ (6,666,105)</u> | <u>\$ (6,666,103)</u> | <u>\$ 2</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSOLIDATED FIRE PROTECTION DISTRICT NO. 1-2
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance With</u> <u>Final Budget -</u> <u>Over/ (Under)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 8,894,854 | \$ 8,701,270 | \$ 8,701,270 | \$ - |
| Other | 12,000 | 18,848 | 18,848 | - |
| Licenses and permits | 25,000 | 15,665 | 15,665 | - |
| Intergovernmental: | | | | |
| Federal funds | - | 486,591 | 486,591 | - |
| State revenue sharing (unrestricted) | 13,197 | 14,486 | 14,486 | - |
| Other state funding | 179,950 | 193,998 | 193,998 | - |
| Charges for services | 30,325 | 28,270 | 28,270 | - |
| Other revenues | 25,000 | 121,419 | 121,419 | - |
| Total revenues | <u>9,180,326</u> | <u>9,580,547</u> | <u>9,580,547</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 11,176,956 | 10,277,219 | 10,358,952 | (81,733) |
| Capital outlay | - | 598,275 | 516,545 | 81,730 |
| Total expenditures | <u>11,176,956</u> | <u>10,875,494</u> | <u>10,875,497</u> | <u>(3)</u> |
| Deficiency of Revenues | | | | |
| Over Expenditures | (1,996,630) | (1,294,947) | (1,294,950) | (3) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | 800,000 | 554,000 | 554,000 | - |
| Transfer out | (278,139) | (278,204) | (278,204) | - |
| Total other financing sources (uses) | <u>521,861</u> | <u>275,796</u> | <u>275,796</u> | <u>-</u> |
| Changes in fund balance | (1,474,769) | (1,019,151) | (1,019,154) | (3) |
| Fund balance - beginning of year | 2,127,455 | 2,127,455 | 2,127,455 | - |
| Fund balance - end of year | <u>\$ 652,686</u> | <u>\$ 1,108,304</u> | <u>\$ 1,108,301</u> | <u>\$ (3)</u> |

The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON
December 31, 2017

NOTE A – BUDGETARY BASIS OF ACCOUNTING

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

NOTE B – LEGAL LEVEL OF BUDGETARY CONTROL

Budgets are presented at the lowest level at which the Parish's management may not reallocate resources without special approval. For further details, the 2017 Adopted Budget may be viewed on the Parish's website.



OTHER SUPPLEMENTARY INFORMATION

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
December 31, 2017

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Criminal Court Fund – This fund was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950. Fines and forfeitures imposed by the District Court and District Attorney’s conviction fees in criminal cases are transferred to the Parish treasurer and deposited into a special “Criminal Court Fund” account. These funds are used for expenses of the criminal court of the Parish Government. Expenditures are made from this fund on motion of the District Attorney and approval by the District Judges.

Council on Aging Fund – This fund is used to account for the receipt and disbursement of a one-mill property tax levy for the maintenance and operation of the Senior Citizens Center.

Recreation Fund – This fund is used to account for the maintenance and operations of the recreation facilities within the Parish. Revenues are derived from ad valorem taxes and state revenue sharing.

Public Works Fund – This fund is used to account for the operations and maintenance of all parish infrastructure (roads, bridges, rights of way, neutral grounds, including ditches and drainage, and operation of the mosquito control program). Revenues of this fund are substantially derived from the Parish Transportation Fund, Parish Road Royalty Fund, and a Parish ad valorem tax.

Road Lighting District No. 1 Fund – This fund is used to account for the maintenance of the lighting facilities of the roads, alleys, and public places within the Parish. Revenues are derived from ad valorem taxes and state revenue sharing.

Workforce Investment Act Fund – This fund, formerly known as the Jobs Training Partnership Act Fund (JTPA), is used to account for the collection and payment of Jobs Training Partnership Act funds and Workforce Investment Act funds on behalf of other agencies, governing bodies, and/or other funds.

Health Fund – This fund is used to account for the activities that contribute to the health monitoring services provided by the state health unit within the Parish. Revenues are derived from ad valorem taxes and state revenue sharing.

Communications Fund – This fund is used to account for the cost of the 911 Emergency Service number. Revenues are derived from a telephone tax.

Housing and Redevelopment Fund – This fund was established to administer St. Bernard Parish’s public housing assistance program.

Urban Mass Transportation Administration Fund – This fund is used to account for the operations of the public transit system. The system is partly funded by an operating grant received from the Federal Transit Authority.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
December 31, 2017

SPECIAL REVENUE FUNDS (CONTINUED)

Garbage District #1 Fund – This fund is used to account for the Parish’s garbage collection and disposal system. These services are presently being contracted out to private firms. Revenues are derived from ad valorem taxes, state revenue sharing, and ½% dedicated sales tax for garbage collection.

Deputy Witness Fee Fund – This fund is used to account for the fees paid to deputies for court appearances. The fund is financed from court costs collected by the clerk of court and remitted to the Parish Government.

Assessor’s Fund – This fund was established under Louisiana Revised Statute 33:471, which requires that the Parish shall provide and bear the expense of such offices, furniture and equipment as may be needed by the Assessor of the Parish. This expense shall be proportionately divided by all tax recipient bodies within the parish based on the proportion ad valorem taxes received.

CDBG Disaster Fund – This special revenue fund is used to track Community Development Block Grant revenues and expenditures.

Federal & State Grants – This fund is used to account for the proceeds and expenditures associated with federal and state funds, along with the cost to administer the grant.

Tree Fund – This fund was established by Ordinance SBPC #1993-08-17 to account for all fees and fines involving tree cutting and or trimming as well as any donations collected. The proceeds from this fund can only be used on planting new trees or for the beautification of St. Bernard Parish by recommendation of the Parks and Parkways Commission and final approval of the Council.

DEBT SERVICE FUNDS

Debt service funds are used to account for the payment of interest and principal on all general obligation debt. They do not include debt issued by the Proprietary Funds.

Versailles Industrial Park Sinking Fund – This fund is used to accumulate monies for the payment of special assessment bonds. These bonds were used to finance public improvements deemed to benefit the properties against which the costs are assessed. The costs of the project are estimated and property owners are assessed their proportionate share. The property owner either pays the assessment within 60 days or over a 10-year period. Interest is charged on the unpaid assessments at the rate of 6.25%. Bond principal and interest are paid with the monies provided by payments on the assessments and related interest.

2012 Sales Tax Reserve – This fund is used to accumulate monies for the payment of bonds dated March 2014 to March 2024. The 2012 Sales Tax Bonds were used for the purpose of general fund capital outlay projects. The bonds are secured by sales tax revenue.

2012 Sales Tax Refunding Fund – This fund is used to accumulate monies for the payment of bonds dated July 17, 2012, which were issued in part to refund the 2003 Sales Tax Refunding Bonds and 2004 Sales Tax Bonds. The bonds are secured from the proceeds of three separate special one-half of 1 percent sales and use taxes effective July 13, 1965, July 15, 1969, and December 7, 1976.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
December 31, 2017

DEBT SERVICE FUNDS (CONTINUED)

2014 Fire Sinking Fund – This fund is used to accumulate monies for the payment of the limited tax certificates of indebtedness, series 2014, dated March 18, 2014, which were issued for the purpose of acquiring, constructing and improving fire protection facilities and purchasing fire trucks and other firefighting equipment.

CAPITAL PROJECT FUNDS

The capital projects funds account for all resources used for the acquisition and/or construction of capital facilities of the Parish, including those financed by special assessments. These funds do not include acquisitions and/or construction for Proprietary Funds.

Urban System Roadway Reconstruction Fund – This fund is used to account for the costs associated with roadway reconstruction in various areas of the Parish. The transfers from the general fund financed the reconstruction.

Hurricane Reconstruction Fund – This fund is used to account for funds received thru insurance settlements to reconstruct the Parish due to Hurricane Katrina.

Courthouse Capital Fund – This fund is used to account and pay for the cost associated with improvements and maintenance to the Courthouse. The source of funding for the improvements will be from transfers from the Criminal Court Fund.

2003 Sales Tax Bond Fund – This fund is used to account for costs of construction for concrete street repairs, a new animal shelter, and other various improvements.

Rebuild St. Bernard Fund – This fund is used to account for funds received to rebuild the Parish after Hurricane Katrina.

General Capital Projects Fund – This fund is used to track and pay for costs of capital projects. The source of funding for the projects will be from federal and state grants and transfers from general fund, special revenue fund, or internal service operating fund.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2017

Non-Major Special Revenue Funds

| | Criminal Court | Council on Aging | Recreation Department | Public Works | Road Lighting District No. 1 | Workforce Investment Act | Health | Communications | Housing and Redevelopment |
|--|------------------|-------------------|-----------------------|---------------------|------------------------------|--------------------------|-------------------|-------------------|---------------------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 42,064 | \$ 28,806 | \$ 92,514 | \$ 1,272,585 | \$ 178,021 | \$ 116,386 | \$ 814,978 | \$ 688,917 | \$ 1,012,757 |
| Receivables: | | | | | | | | | |
| Sales and use taxes | - | - | - | - | - | - | - | - | - |
| Property taxes | - | 266,850 | 616,029 | 865,847 | 344,379 | - | 176,009 | - | - |
| Intergovernmental | - | - | 7,308 | 552,706 | 4,100 | 22,121 | 2,088 | - | 27,141 |
| Other | 8,152 | - | - | - | - | - | - | 81,188 | 90 |
| Due from other funds | - | - | 64,288 | 323,563 | - | - | 1,213 | - | - |
| Prepaid | - | 2,209 | 53,397 | 22,036 | - | - | - | 3,007 | - |
| Inventory | - | - | 12,356 | - | - | - | - | - | - |
| Total assets | <u>\$ 50,216</u> | <u>\$ 297,865</u> | <u>\$ 845,892</u> | <u>\$ 3,036,737</u> | <u>\$ 526,500</u> | <u>\$ 138,507</u> | <u>\$ 994,288</u> | <u>\$ 773,112</u> | <u>\$ 1,039,988</u> |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ - | \$ 9,184 | \$ 127,724 | \$ 599,363 | \$ 371,516 | \$ 32,078 | \$ 289,314 | \$ 1,614 | \$ 134,502 |
| Retainage payable | - | - | - | - | - | - | - | - | - |
| Salaries and payroll deductions payable | - | - | 27,432 | 78,123 | - | 417 | - | - | 17,681 |
| Due to other funds | - | - | - | 1,520,204 | - | 50,000 | - | 1,130 | 749,385 |
| Total liabilities | - | 9,184 | 155,156 | 2,197,690 | 371,516 | 82,495 | 289,314 | 2,744 | 901,568 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable revenues | - | 3,797 | 16,074 | 474,315 | 9,089 | - | 4,600 | - | - |
| Total deferred inflows of resources | - | 3,797 | 16,074 | 474,315 | 9,089 | - | 4,600 | - | - |
| FUND BALANCE | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | - | 2,209 | 53,397 | 22,036 | - | - | - | 3,007 | - |
| Inventory | - | - | 12,356 | - | - | - | - | - | - |
| Restricted: | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - |
| Federal programs | - | - | - | - | - | 56,012 | - | - | 138,420 |
| Council on aging | - | 282,675 | - | - | - | - | - | - | - |
| Road lighting | - | - | - | - | 145,895 | - | - | - | - |
| Health | - | - | - | - | - | - | 700,374 | - | - |
| Communication | - | - | - | - | - | - | - | 767,361 | - |
| Sanitation | - | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | 608,909 | - | - | - | - | - | - |
| Court operations | 50,216 | - | - | - | - | - | - | - | - |
| BP oil spill | - | - | - | - | - | - | - | - | - |
| Committed: | | | | | | | | | |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| Assigned: | | | | | | | | | |
| Capital outlay | - | - | - | 124,041 | - | - | - | - | - |
| Unassigned | - | - | - | 218,655 | - | - | - | - | - |
| Total fund balance | <u>50,216</u> | <u>284,884</u> | <u>674,662</u> | <u>364,732</u> | <u>145,895</u> | <u>56,012</u> | <u>700,374</u> | <u>770,368</u> | <u>138,420</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 50,216</u> | <u>\$ 297,865</u> | <u>\$ 845,892</u> | <u>\$ 3,036,737</u> | <u>\$ 526,500</u> | <u>\$ 138,507</u> | <u>\$ 994,288</u> | <u>\$ 773,112</u> | <u>\$ 1,039,988</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2017

| | <i>Non-Major Special Revenue Funds</i> | | | | | | | <i>Non-Major Debt Service Funds</i> | |
|--|--|---------------------------|------------------------|--------------------|-----------------------|---------------------------|-----------------|--|--|
| | Urban Mass Transportation Administration | Garbage District No. 1 | Deputy Witness Fees | Assessor's Fund | CDBG Disaster Fund | Federal & State Grants | Tree Fund | Total Non- Major Special Revenue Funds | Versailles Industrial Park Sinking |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 253,735 | \$ 1,566,292 | \$ 29,589 | \$ 7,478 | \$ 170,627 | \$ 253,536 | \$ 2,006 | \$ 6,530,291 | \$ 423 |
| Receivables: | | | | | | | | | |
| Sales and use taxes | - | 773,496 | - | - | - | - | - | 773,496 | - |
| Property taxes | - | 865,847 | - | - | - | - | - | 3,134,961 | - |
| Intergovernmental | 340,078 | 11,848 | - | 20,197 | 566,023 | 911,163 | - | 2,464,773 | - |
| Other | - | 242 | 2,043 | - | - | - | - | 91,715 | - |
| Due from other funds | - | - | - | - | - | - | - | 389,064 | - |
| Prepaid | 2,834 | 1,194 | - | - | - | - | - | 84,677 | - |
| Inventory | - | - | - | - | - | - | - | 12,356 | - |
| Total assets | <u>\$ 596,647</u> | <u>\$ 3,218,919</u> | <u>\$ 31,632</u> | <u>\$ 27,675</u> | <u>\$ 736,650</u> | <u>\$ 1,164,699</u> | <u>\$ 2,006</u> | <u>\$ 13,481,333</u> | <u>\$ 423</u> |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 53,663 | \$ 3,133,052 | \$ 650 | \$ 5,163 | \$ 272,804 | \$ 956,075 | \$ - | \$ 5,986,702 | \$ - |
| Retainage payable | - | - | - | - | 49,419 | - | - | 49,419 | - |
| Salaries and payroll deductions payable | 7,653 | 13,103 | - | - | - | 32,785 | - | 177,194 | - |
| Due to other funds | - | - | - | - | 1,060,460 | - | - | 3,381,179 | 24,898 |
| Total liabilities | <u>61,316</u> | <u>3,146,155</u> | <u>650</u> | <u>5,163</u> | <u>1,382,683</u> | <u>988,860</u> | <u>-</u> | <u>9,594,494</u> | <u>24,898</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable revenues | 331,249 | 24,174 | - | 20,197 | 284,120 | 532,822 | - | 1,700,437 | - |
| Total deferred inflows of resources | <u>331,249</u> | <u>24,174</u> | <u>-</u> | <u>20,197</u> | <u>284,120</u> | <u>532,822</u> | <u>-</u> | <u>1,700,437</u> | <u>-</u> |
| FUND BALANCE | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | 2,834 | 1,194 | - | - | - | - | - | 84,677 | - |
| Inventory | - | - | - | - | - | - | - | 12,356 | - |
| Restricted: | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - |
| Federal programs | 201,248 | - | - | - | - | - | - | 395,680 | - |
| Council on aging | - | - | - | - | - | - | - | 282,675 | - |
| Road lighting | - | - | - | - | - | - | - | 145,895 | - |
| Health | - | - | - | - | - | - | - | 700,374 | - |
| Communication | - | - | - | - | - | - | - | 767,361 | - |
| Sanitation | - | 47,396 | - | - | - | - | - | 47,396 | - |
| Culture and recreation | - | - | - | - | - | - | 2,006 | 610,915 | - |
| Court operations | - | - | 30,982 | - | - | - | - | 81,198 | - |
| Assessor | - | - | - | 2,315 | - | - | - | 2,315 | - |
| Committed: | | | | | | | | | |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| Assigned: | | | | | | | | | |
| Capital outlay | - | - | - | - | - | - | - | 124,041 | - |
| Unassigned | - | - | - | - | (930,153) | (356,983) | - | (1,068,481) | (24,475) |
| Total fund balance | <u>204,082</u> | <u>48,590</u> | <u>30,982</u> | <u>2,315</u> | <u>(930,153)</u> | <u>(356,983)</u> | <u>2,006</u> | <u>2,186,402</u> | <u>(24,475)</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 596,647</u> | <u>\$ 3,218,919</u> | <u>\$ 31,632</u> | <u>\$ 27,675</u> | <u>\$ 736,650</u> | <u>\$ 1,164,699</u> | <u>\$ 2,006</u> | <u>\$ 13,481,333</u> | <u>\$ 423</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2017

| | <i>Non-Major Debt Service Funds</i> | | | | <i>Non-Major Capital Project Funds</i> | | | | |
|--|-------------------------------------|--------------------------|------------------------|------------------------------------|--|--------------------------|--------------------|----------------------|---------------------|
| | 2012 Sales Tax Reserve | 2012 Sales Tax Refunding | 2014 Fire Sinking Fund | Total Non-Major Debt Service Funds | Urban System Roadway | Hurricane Reconstruction | Courthouse Capital | 2003 Sales Tax Bonds | Rebuild St. Bernard |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 394,293 | \$ 3,061,395 | \$ 208,528 | \$ 3,664,639 | \$ 782,280 | \$ 3,078,782 | \$ 296,529 | \$ 18,051 | \$ 40,492 |
| Receivables: | | | | | | | | | |
| Sales and use taxes | - | - | - | - | - | - | - | - | - |
| Property taxes | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | 225,000 | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | 2,829,656 | - | - | - |
| Prepaid | - | - | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 394,293</u> | <u>\$ 3,061,395</u> | <u>\$ 208,528</u> | <u>\$ 3,664,639</u> | <u>\$ 782,280</u> | <u>\$ 6,133,438</u> | <u>\$ 296,529</u> | <u>\$ 18,051</u> | <u>\$ 40,492</u> |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 223,782 | \$ 22,124 | \$ 154,227.00 | \$ 18,051 | \$ - |
| Retainage payable | - | - | - | - | - | - | - | - | - |
| Salaries and payroll deductions payable | - | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | 24,898 | - | 202,226 | - | - | - |
| Total liabilities | - | - | - | 24,898 | 223,782 | 224,350 | 154,227 | 18,051 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable revenues | - | - | - | - | - | 225,000 | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - | 225,000 | - | - | - |
| FUND BALANCE | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | - | - | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - | - | - |
| Restricted: | | | | | | | | | |
| Debt service | 394,293 | 3,061,395 | 208,528 | 3,664,216 | - | - | - | - | - |
| Federal programs | - | - | - | - | - | - | - | - | - |
| Council on aging | - | - | - | - | - | - | - | - | - |
| Road lighting | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Communication | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - | - | - |
| Court operations | - | - | - | - | - | - | - | - | - |
| BP oil spill | - | - | - | - | - | - | - | - | - |
| Committed: | | | | | | | | | |
| Capital outlay | - | - | - | - | 558,498 | - | - | - | 40,492 |
| Assigned: | | | | | | | | | |
| Capital outlay | - | - | - | - | - | 5,684,088 | 142,302 | - | - |
| Unassigned | - | - | - | (24,475) | - | - | - | - | - |
| Total fund balance | <u>394,293</u> | <u>3,061,395</u> | <u>208,528</u> | <u>3,639,741</u> | <u>558,498</u> | <u>5,684,088</u> | <u>142,302</u> | <u>-</u> | <u>40,492</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 394,293</u> | <u>\$ 3,061,395</u> | <u>\$ 208,528</u> | <u>\$ 3,664,639</u> | <u>\$ 782,280</u> | <u>\$ 6,133,438</u> | <u>\$ 296,529</u> | <u>\$ 18,051</u> | <u>\$ 40,492</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2017

| | <i>Non-Major Capital Project Funds</i> | | |
|--|--|--------------------------------|---------------------------------------|
| | Capital Projects Fund | Major Capital Project Funds | Total Non-Major Governmental Funds |
| ASSETS | | | |
| Cash and cash equivalents | \$ 192,465 | \$ 4,408,599 | \$ 14,603,529 |
| Receivables: | | | |
| Sales and use taxes | - | - | 773,496 |
| Property taxes | - | - | 3,134,961 |
| Intergovernmental | - | 225,000 | 2,689,773 |
| Other | - | - | 91,715 |
| Due from other funds | - | 2,829,656 | 3,218,720 |
| Prepaid | - | - | 84,677 |
| Inventory | - | - | 12,356 |
| Total assets | <u>\$ 192,465</u> | <u>\$ 7,463,255</u> | <u>\$ 24,609,227</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 2,553 | \$ 420,737 | \$ 6,407,439 |
| Retainage payable | - | - | 49,419 |
| Salaries and payroll deductions payable | - | - | 177,194 |
| Due to other funds | - | 202,226 | 3,608,303 |
| Total liabilities | <u>2,553</u> | <u>622,963</u> | <u>10,242,355</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenues | - | 225,000 | 1,925,437 |
| Total deferred inflows of resources | <u>-</u> | <u>225,000</u> | <u>1,925,437</u> |
| FUND BALANCE | | | |
| Nonspendable: | | | |
| Prepaid items | - | - | 84,677 |
| Inventory | - | - | 12,356 |
| Restricted: | | | |
| Debt service | - | - | 3,664,216 |
| Federal programs | - | - | 395,680 |
| Council on aging | - | - | 282,675 |
| Road lighting | - | - | 145,895 |
| Health | - | - | 700,374 |
| Communication | - | - | 767,361 |
| Sanitation | - | - | 47,396 |
| Culture and recreation | - | - | 610,915 |
| Court operations | - | - | 81,198 |
| BP oil spill | - | - | 2,315 |
| Committed: | | | |
| Capital outlay | - | 598,990 | 598,990 |
| Assigned: | | | |
| Capital outlay | - | 5,826,390 | 5,950,431 |
| Unassigned | 189,912 | 189,912 | (903,044) |
| Total fund balance | <u>189,912</u> | <u>6,615,292</u> | <u>12,441,435</u> |
| Total liabilities, deferred inflows and fund balance | <u>\$ 192,465</u> | <u>\$ 7,463,255</u> | <u>\$ 24,609,227</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

Non-Major Special Revenue Funds

| | <u>Criminal Court</u> | <u>Council on Aging</u> | <u>Recreation Department</u> | <u>Public Works</u> | <u>Road Lighting District No. 1</u> | <u>Workforce Investment Act</u> | <u>Health</u> | <u>Communications</u> |
|--|-----------------------|-------------------------|------------------------------|---------------------|-------------------------------------|---------------------------------|---------------|-----------------------|
| REVENUES | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | \$ - | \$ 292,363 | \$ 674,841 | \$ 948,552 | \$ 377,354 | \$ - | \$ 192,742 | \$ - |
| Sales and use taxes | - | - | - | - | - | - | - | - |
| Other | - | 764 | 1,703 | 2,395 | 584 | - | 443 | 425,602 |
| Licenses and permits | - | - | - | 12,648 | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal funds | - | - | - | 61,483 | - | 1,454,250 | - | - |
| State revenue sharing (unrestricted) | - | - | 10,961 | 15,420 | 6,155 | - | 3,127 | - |
| Other state funding | - | - | 228,183 | 762,848 | - | - | - | - |
| Charges for services | - | - | 720,412 | 107,510 | - | - | - | - |
| Fines and forfeitures | 174,777 | - | - | - | - | - | - | - |
| Use of money and property | - | - | - | - | - | - | - | - |
| Other revenues | 180 | 9,413 | 37,337 | 64,399 | - | - | - | 103 |
| Total revenues | 174,957 | 302,540 | 1,673,437 | 1,975,255 | 384,093 | 1,454,250 | 196,312 | 425,705 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government: | | | | | | | | |
| Judicial | 132,860 | - | - | - | - | - | - | - |
| Other general government | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | 285,268 |
| Public works | - | - | - | 3,881,264 | 1,098,421 | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | 2,425,862 | - | - | - | - | - |
| Health and welfare | - | 324,535 | - | - | - | 1,437,524 | 219,385 | - |
| Capital outlay | - | - | 23,112 | 264,020 | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | 132,860 | 324,535 | 2,448,974 | 4,145,284 | 1,098,421 | 1,437,524 | 219,385 | 285,268 |
| Excess (Deficiency) of Revenues Over Expenditures | 42,097 | (21,995) | (775,537) | (2,170,029) | (714,328) | 16,726 | (23,073) | 140,437 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Proceeds from insurance settlement | - | - | 4,584 | 7,033 | - | - | - | - |
| Transfer in | - | 14,159 | 827,031 | 2,386,490 | 589,823 | 90 | 3,086 | 1,126 |
| Transfer out | - | - | (6,338) | - | (240) | - | (122) | - |
| Total other financing sources (uses) | - | 14,159 | 825,277 | 2,393,523 | 589,583 | 90 | 2,964 | 1,126 |
| Changes in fund balance | 42,097 | (7,836) | 49,740 | 223,494 | (124,745) | 16,816 | (20,109) | 141,563 |
| Fund balance (deficit) - beginning of year | 8,119 | 292,720 | 624,922 | 141,238 | 270,640 | 39,196 | 720,483 | 628,805 |
| Fund balance (deficit) - end of year | \$ 50,216 | \$ 284,884 | \$ 674,662 | \$ 364,732 | \$ 145,895 | \$ 56,012 | \$ 700,374 | \$ 770,368 |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

| | Housing and Redevelopment | Urban Mass Transportation Administration | Garbage District No. 1 | Deputy Witness Fees | Assessor's Fund | CDBG Disaster Fund | Federal & State Grants | Tree Fund | Total Non- Major Special Revenue Funds |
|--|------------------------------|--|---------------------------|------------------------|-----------------|-----------------------|---------------------------|-----------|--|
| REVENUES | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 948,495 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,434,347 |
| Sales and use taxes | - | - | 4,175,085 | - | - | - | - | - | 4,175,085 |
| Other | - | - | 3,299 | - | - | - | - | - | 434,790 |
| Licenses and permits | - | - | - | - | - | - | - | 500 | 13,148 |
| Intergovernmental: | | | | | | | | | |
| Federal funds | 6,538,742 | 42,678 | - | - | - | 1,592,269 | 2,750,976 | - | 12,440,398 |
| State revenue sharing (unrestricted) | - | - | 15,420 | - | - | - | - | - | 51,083 |
| Other state funding | - | 78,411 | - | - | - | - | 8,923 | - | 1,078,365 |
| Charges for services | - | 97,391 | - | 33,772 | - | - | - | - | 959,085 |
| Fines and forfeitures | - | - | - | - | - | - | - | 1,500 | 176,277 |
| Use of money and property | 3,669 | - | - | - | - | - | - | - | 3,669 |
| Other revenues | 87,919 | 26,786 | 7 | 7,705 | - | - | 24,686 | - | 258,535 |
| Total revenues | 6,630,330 | 245,266 | 5,142,306 | 41,477 | - | 1,592,269 | 2,784,585 | 2,000 | 23,024,782 |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| General government: | | | | | | | | | |
| Judicial | - | - | - | 19,205 | - | - | - | - | 152,065 |
| Other general government | - | 481,590 | - | - | 36,086 | 1,094,853 | 2,505,465 | - | 4,117,994 |
| Public safety | - | - | - | - | - | - | - | - | 285,268 |
| Public works | - | - | - | - | - | - | - | - | 4,979,685 |
| Sanitation | - | - | 4,593,206 | - | - | - | - | - | 4,593,206 |
| Culture and recreation | - | - | - | - | - | - | - | - | 2,425,862 |
| Health and welfare | 6,751,891 | - | - | - | - | - | - | - | 8,733,335 |
| Capital outlay | - | 15,153 | 374,872 | - | - | 570,931 | 2,944,873 | - | 4,192,961 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Total expenditures | 6,751,891 | 496,743 | 4,968,078 | 19,205 | 36,086 | 1,665,784 | 5,450,338 | - | 29,480,376 |
| Excess (Deficiency) of Revenues Over Expenditures | (121,561) | (251,477) | 174,228 | 22,272 | (36,086) | (73,515) | (2,665,753) | 2,000 | (6,455,594) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Proceeds from insurance settlement | 4,734 | 40,002 | - | - | - | - | - | - | 56,353 |
| Transfer in | - | 1,397 | 6,630 | - | 28,204 | - | 2,311,389 | 6 | 6,169,431 |
| Transfer out | - | (200,000) | (184,662) | - | - | (7,112) | (2,619) | - | (401,093) |
| Total other financing sources (uses) | 4,734 | (158,601) | (178,032) | - | 28,204 | (7,112) | 2,308,770 | 6 | 5,824,691 |
| Changes in fund balance | (116,827) | (410,078) | (3,804) | 22,272 | (7,882) | (80,627) | (356,983) | 2,006 | (630,903) |
| Fund balance (deficit) - beginning of year | 255,247 | 614,160 | 52,394 | 8,710 | 10,197 | (849,526) | - | - | 2,817,305 |
| Fund balance (deficit) - end of year | \$ 138,420 | \$ 204,082 | \$ 48,590 | \$ 30,982 | \$ 2,315 | \$ (930,153) | \$ (356,983) | \$ 2,006 | \$ 2,186,402 |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

| | <i>Non-Major Debt Service Funds</i> | | | | | <i>Non-Major Capital Project Funds</i> | | |
|--|--|---------------------------|-----------------------------|---------------------------|---|--|-----------------------------|-----------------------|
| | Versailles Industrial Park Sinking | 2012 Sales Tax Reserve | 2012 Sales Tax Refunding | 2014 Fire Sinking Fund | Total Non- Major Debt Service Funds | Urban System Roadway | Hurricane Reconstruction | Courthouse Capital |
| REVENUES | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales and use taxes | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal funds | - | - | - | - | - | - | - | - |
| State revenue sharing (unrestricted) | - | - | - | - | - | - | - | - |
| Other state funding | - | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Use of money and property | - | - | - | - | - | 1,904 | - | - |
| Other revenues | - | - | - | - | - | - | 17,812 | - |
| Total revenues | - | - | - | - | - | 1,904 | 17,812 | - |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government: | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | 154,227 |
| Other general government | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | 361,476 | 20,764 | - |
| Debt service: | | | | | | | | |
| Principal | - | - | 3,135,000 | 230,000 | 3,365,000 | - | - | - |
| Interest | - | - | 1,034,300 | 39,350 | 1,073,650 | - | - | - |
| Total expenditures | - | - | 4,169,300 | 269,350 | 4,438,650 | 361,476 | 20,764 | 154,227 |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | (4,169,300) | (269,350) | (4,438,650) | (359,572) | (2,952) | (154,227) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Proceeds from insurance settlement | - | - | - | - | - | - | - | - |
| Transfer in | 2 | 1,493 | 4,220,227 | 272,673 | 4,494,395 | 1,725 | 101,631 | - |
| Transfer out | - | - | - | - | - | - | (7,780) | - |
| Total other financing sources (uses) | 2 | 1,493 | 4,220,227 | 272,673 | 4,494,395 | 1,725 | 93,851 | - |
| Changes in fund balance | 2 | 1,493 | 50,927 | 3,323 | 55,745 | (357,847) | 90,899 | (154,227) |
| Fund balance (deficit) - beginning of year | (24,477) | 392,800 | 3,010,468 | 205,205 | 3,583,996 | 916,345 | 5,593,189 | 296,529 |
| Fund balance (deficit) - end of year | \$ (24,475) | \$ 394,293 | \$ 3,061,395 | \$ 208,528 | \$ 3,639,741 | \$ 558,498 | \$ 5,684,088 | \$ 142,302 |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

| | <i>Non-Major Capital Projects</i> | | | | |
|--|-----------------------------------|------------------------|----------------------------------|---|--|
| | 2003 Sales Tax Bonds | Rebuild St. Bernard | General Capital Projects Fund | Total Non-Major Capital Project Funds | Total Non-Major Governmental Funds |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 3,434,347 |
| Sales and use taxes | - | - | - | - | 4,175,085 |
| Other | - | - | - | - | 434,790 |
| Licenses and permits | - | - | - | - | 13,148 |
| Intergovernmental: | | | | | |
| Federal funds | - | - | - | - | 12,440,398 |
| State revenue sharing (unrestricted) | - | - | - | - | 51,083 |
| Other state funding | - | - | - | - | 1,078,365 |
| Charges for services | - | - | - | - | 959,085 |
| Fines and forfeitures | - | - | - | - | 176,277 |
| Use of money and property | - | 183 | - | 2,087 | 5,756 |
| Other revenues | - | - | 1,234 | 19,046 | 277,581 |
| Total revenues | - | 183 | 1,234 | 21,133 | 23,045,915 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government: | | | | | |
| Judicial | - | - | - | 154,227 | 306,292 |
| Other general government | - | - | 108 | 108 | 4,118,102 |
| Public safety | - | - | - | - | 285,268 |
| Public works | - | - | - | - | 4,979,685 |
| Sanitation | - | - | - | - | 4,593,206 |
| Culture and recreation | - | - | - | - | 2,425,862 |
| Health and welfare | - | - | - | - | 8,733,335 |
| Capital outlay | 256,808 | - | 1,047,808 | 1,686,856 | 5,879,817 |
| Debt service: | | | | | |
| Principal | - | - | - | - | 3,365,000 |
| Interest | - | - | - | - | 1,073,650 |
| Total expenditures | 256,808 | - | 1,047,916 | 1,841,191 | 35,760,217 |
| Excess (Deficiency) of Revenues Over Expenditures | (256,808) | 183 | (1,046,682) | (1,820,058) | (12,714,302) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from insurance settlement | - | - | - | - | 56,353 |
| Transfer in | 42,442 | - | 1,591,975 | 1,737,773 | 12,401,599 |
| Transfer out | (99,600) | - | - | (107,380) | (508,473) |
| Total other financing sources (uses) | (57,158) | - | 1,591,975 | 1,630,393 | 11,949,479 |
| Changes in fund balance | (313,966) | 183 | 545,293 | (189,665) | (764,823) |
| Fund balance (deficit) - beginning of year | 313,966 | 40,309 | (355,381) | 6,804,957 | 13,206,258 |
| Fund balance (deficit) - end of year | \$ - | \$ 40,492 | \$ 189,912 | \$ 6,615,292 | \$ 12,441,435 |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CRIMINAL COURT
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|--|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 119,000 | \$ 174,777 | \$ 174,777 | \$ - |
| Other revenues | - | 180 | 180 | - |
| Total revenues | <u>119,000</u> | <u>174,957</u> | <u>174,957</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Judicial | 84,000 | 132,858 | 132,860 | 2 |
| Total expenditures | <u>84,000</u> | <u>132,858</u> | <u>132,860</u> | <u>2</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 35,000 | 42,099 | 42,097 | (2) |
| OTHER FINANCING USES | | | | |
| Transfer out | (35,000) | - | - | - |
| Total other financing uses | <u>(35,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Changes in fund balance | - | 42,099 | 42,097 | (2) |
| Fund balance - beginning of year | 8,119 | 8,119 | 8,119 | - |
| Fund balance - end of year | <u>\$ 8,119</u> | <u>\$ 50,218</u> | <u>\$ 50,216</u> | <u>\$ (2)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COUNCIL ON AGING

For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 291,945 | \$ 292,363 | \$ 292,363 | \$ - |
| Use of money and property | - | 764 | 764 | - |
| Other revenues | - | 163 | 9,413 | 9,250 |
| Total revenues | <u>291,945</u> | <u>293,290</u> | <u>302,540</u> | <u>9,250</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and welfare | <u>341,995</u> | <u>324,536</u> | <u>324,535</u> | <u>1</u> |
| Total expenditures | <u>341,995</u> | <u>324,536</u> | <u>324,535</u> | <u>1</u> |
| Deficiency of Revenues Over Expenditures | (50,050) | (31,246) | (21,995) | 9,251 |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | <u>14,050</u> | <u>14,159</u> | <u>14,159</u> | <u>-</u> |
| Total other financing sources | <u>14,050</u> | <u>14,159</u> | <u>14,159</u> | <u>-</u> |
| Changes in fund balance | (36,000) | (17,087) | (7,836) | 9,251 |
| Fund balance - beginning of year | <u>292,720</u> | <u>292,720</u> | <u>292,720</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 256,720</u> | <u>\$ 275,633</u> | <u>\$ 284,884</u> | <u>\$ 9,251</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RECREATION DISTRICT
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 702,082 | \$ 674,841 | \$ 674,841 | \$ - |
| Other | 1,300 | 549 | 1,703 | 1,154 |
| Intergovernmental: | | | | |
| State revenue sharing (unrestricted) | 10,000 | 10,961 | 10,961 | - |
| Other state funding | 227,968 | 228,183 | 228,183 | - |
| Charges for services | 241,985 | 722,116 | 720,412 | (1,704) |
| Other revenues | 30,000 | 36,789 | 37,337 | 548 |
| Total revenues | <u>1,213,335</u> | <u>1,673,439</u> | <u>1,673,437</u> | <u>(2)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and recreation | 1,820,283 | 2,443,324 | 2,425,862 | 17,462 |
| Capital outlay | - | 31,596 | 23,112 | 8,484 |
| Total expenditures | <u>1,820,283</u> | <u>2,474,920</u> | <u>2,448,974</u> | <u>25,946</u> |
| Deficiency of Revenues Over Expenditures | (606,948) | (801,481) | (775,537) | 25,944 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds form insurance settlements | - | 4,584 | 4,584 | - |
| Transfer in | 605,812 | 827,031 | 827,031 | - |
| Transfer out | | (6,338) | (6,338) | - |
| Total other financing sources (uses) | <u>605,812</u> | <u>825,277</u> | <u>825,277</u> | <u>-</u> |
| Changes in fund balance | (1,136) | 23,796 | 49,740 | 25,944 |
| Fund balance - beginning of year | 624,922 | 624,922 | 624,922 | - |
| Fund balance - end of year | <u>\$ 623,786</u> | <u>\$ 648,718</u> | <u>\$ 674,662</u> | <u>\$ 25,944</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PUBLIC WORKS

For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 985,781 | \$ 948,552 | \$ 948,552 | \$ - |
| Other | - | 2,395 | 2,395 | - |
| Licenses and permits | 15,000 | 12,648 | 12,648 | - |
| Intergovernmental: | | | | |
| Federal funds | 453,957 | 61,483 | 61,483 | - |
| State revenue sharing (unrestricted) | 14,079 | 15,419 | 15,420 | 1 |
| Other state funding | 885,000 | 762,850 | 762,848 | (2) |
| Charges for services | 106,500 | 107,510 | 107,510 | - |
| Other revenues | 50,000 | 63,106 | 64,399 | 1,293 |
| Total revenues | <u>2,510,317</u> | <u>1,973,963</u> | <u>1,975,255</u> | <u>1,292</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | 4,287,959 | 4,101,214 | 3,881,264 | 219,950 |
| Capital outlay | 160,000 | 264,020 | 264,020 | - |
| Total expenditures | <u>4,447,959</u> | <u>4,365,234</u> | <u>4,145,284</u> | <u>219,950</u> |
| Deficiency of Revenues Over Expenditures | (1,937,642) | (2,391,271) | (2,170,029) | 221,242 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from insurance settlement | - | 7,033 | 7,033 | - |
| Transfer in | 1,937,642 | 2,427,402 | 2,386,490 | (40,912) |
| Total other financing sources | <u>1,937,642</u> | <u>2,434,435</u> | <u>2,393,523</u> | <u>(40,912)</u> |
| Changes in fund balance | - | 43,164 | 223,494 | 180,330 |
| Fund balance - beginning of year | 141,238 | 141,238 | 141,238 | - |
| Fund balance - end of year | <u>\$ 141,238</u> | <u>\$ 184,402</u> | <u>\$ 364,732</u> | <u>\$ 180,330</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD LIGHTING DISTRICT NO. 1
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 393,096 | \$ 377,354 | \$ 377,354 | \$ - |
| Other | 1,000 | 584 | 584 | - |
| Intergovernmental: | | | | |
| State revenue sharing (unrestricted) | 5,631 | 6,155 | 6,155 | - |
| Total revenues | <u>399,727</u> | <u>384,093</u> | <u>384,093</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | 745,000 | 1,098,421 | 1,098,421 | - |
| Total expenditures | <u>745,000</u> | <u>1,098,421</u> | <u>1,098,421</u> | <u>-</u> |
| Deficiency of Revenues Over Expenditures | (345,273) | (714,328) | (714,328) | - |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | 345,873 | 589,823 | 589,823 | - |
| Transfer out | - | - | (240) | (240) |
| Total other financing sources | <u>345,873</u> | <u>589,823</u> | <u>589,583</u> | <u>(240)</u> |
| Changes in fund balance | 600 | (124,505) | (124,745) | (240) |
| Fund balance - beginning of year | 270,640 | 270,640 | 270,640 | - |
| Fund balance - end of year | <u>\$ 271,240</u> | <u>\$ 146,135</u> | <u>\$ 145,895</u> | <u>\$ (240)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE INVESTMENT ACT
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 1,798,361 | \$ 1,454,249 | \$ 1,454,250 | \$ 1 |
| Total revenues | <u>1,798,361</u> | <u>1,454,249</u> | <u>1,454,250</u> | <u>1</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and welfare | 1,817,506 | 1,437,523 | 1,437,524 | 1 |
| Total expenditures | <u>1,817,506</u> | <u>1,437,523</u> | <u>1,437,524</u> | <u>1</u> |
| Excess of Revenues Over Expenditures | (19,145) | 16,726 | 16,726 | - |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | - | 90 | 90 | - |
| Total other financing sources | <u>-</u> | <u>90</u> | <u>90</u> | <u>-</u> |
| Changes in fund balance | (19,145) | 16,816 | 16,816 | - |
| Fund balance - beginning of year | 39,196 | 39,196 | 39,196 | - |
| Fund balance - end of year | <u>\$ 20,051</u> | <u>\$ 56,012</u> | <u>\$ 56,012</u> | <u>\$ -</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HEALTH
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|--|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 199,589 | \$ 192,742 | \$ 192,742 | \$ - |
| Other | - | 438 | 443 | 5 |
| Intergovernmental: | | | | |
| State revenue sharing (unrestricted) | 2,862 | 3,127 | 3,127 | - |
| Total revenues | <u>202,451</u> | <u>196,307</u> | <u>196,312</u> | <u>5</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and welfare | 188,865 | 219,385 | 219,385 | - |
| Total expenditures | <u>188,865</u> | <u>219,385</u> | <u>219,385</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 13,586 | (23,078) | (23,073) | 5 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | - | 3,086 | 3,086 | - |
| Transfer out | (198) | (122) | (122) | - |
| Total other financing sources (uses) | <u>(198)</u> | <u>2,964</u> | <u>2,964</u> | <u>-</u> |
| Changes in fund balance | 13,388 | (20,114) | (20,109) | 5 |
| Fund balance - beginning of year | 720,483 | 720,483 | 720,483 | - |
| Fund balance - end of year | <u>\$ 733,871</u> | <u>\$ 700,369</u> | <u>\$ 700,374</u> | <u>\$ 5</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNICATIONS

For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Other | \$ 370,080 | \$ 425,602 | \$ 425,602 | \$ - |
| Other revenues | - | 103 | 103 | - |
| Total revenues | <u>370,080</u> | <u>425,705</u> | <u>425,705</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | <u>348,750</u> | <u>285,267</u> | <u>285,268</u> | <u>(1)</u> |
| Total expenditures | <u>348,750</u> | <u>285,267</u> | <u>285,268</u> | <u>(1)</u> |
| Excess of Revenues Over Expenditures | 21,330 | 140,438 | 140,437 | (1) |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | <u>-</u> | <u>1,126</u> | <u>1,126</u> | <u>-</u> |
| Total other financing sources | <u>-</u> | <u>1,126</u> | <u>1,126</u> | <u>-</u> |
| Changes in fund balance | 21,330 | 141,564 | 141,563 | (1) |
| Fund balance - beginning of year | <u>628,805</u> | <u>628,805</u> | <u>628,805</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 650,135</u> | <u>\$ 770,369</u> | <u>\$ 770,368</u> | <u>\$ (1)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HOUSING AND REDEVELOPMENT
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|--|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 6,349,500 | \$ 6,518,352 | \$ 6,538,742 | \$ 20,390 |
| Use of money and property | - | 3,669 | 3,669 | - |
| Other revenues | - | 87,919 | 87,919 | - |
| Total revenues | <u>6,349,500</u> | <u>6,609,940</u> | <u>6,630,330</u> | <u>20,390</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and welfare | <u>6,332,014</u> | <u>6,751,807</u> | <u>6,751,891</u> | <u>(84)</u> |
| Total expenditures | <u>6,332,014</u> | <u>6,751,807</u> | <u>6,751,891</u> | <u>(84)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 17,486 | (141,867) | (121,561) | 20,306 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from insurance settlement | - | 4,734 | 4,734 | - |
| Total other financing sources | <u>-</u> | <u>4,734</u> | <u>4,734</u> | <u>-</u> |
| Changes in fund balance | 17,486 | (137,133) | (116,827) | 20,306 |
| Fund balance - beginning of year | 255,247 | 255,247 | 255,247 | - |
| Fund balance - end of year | <u>\$ 272,733</u> | <u>\$ 118,114</u> | <u>\$ 138,420</u> | <u>\$ 20,306</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
URBAN MASS TRANSPORTATION ADMINISTRATION
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 364,898 | \$ 42,678 | \$ 42,678 | \$ - |
| Other state funding | 80,000 | 78,411 | 78,411 | - |
| Charges for services | 80,000 | 97,391 | 97,391 | - |
| Other revenues | - | 26,786 | 26,786 | - |
| Total revenues | <u>524,898</u> | <u>245,266</u> | <u>245,266</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Other general government | 481,175 | 477,787 | 481,590 | (3,803) |
| Capital outlay | 156,123 | 18,953 | 15,153 | 3,800 |
| Total expenditures | <u>637,298</u> | <u>496,740</u> | <u>496,743</u> | <u>(3)</u> |
| Deficiency of Revenues | | | | |
| Over Expenditures | (112,400) | (251,474) | (251,477) | (3) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from insurance settlement | - | 40,002 | 40,002 | - |
| Transfer in | - | 1,397 | 1,397 | - |
| Transfer out | (200,000) | (200,000) | (200,000) | - |
| Total other financing sources (uses) | <u>(200,000)</u> | <u>(158,601)</u> | <u>(158,601)</u> | <u>-</u> |
| Changes in fund balance | (312,400) | (410,075) | (410,078) | (3) |
| Fund balance - beginning of year | 614,160 | 614,160 | 614,160 | - |
| Fund balance - end of year | <u>\$ 301,760</u> | <u>\$ 204,085</u> | <u>\$ 204,082</u> | <u>\$ (3)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GARBAGE DISTRICT NO. 1
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 945,781 | \$ 948,495 | \$ 948,495 | \$ - |
| Sales and use taxes | 3,666,667 | 4,175,084 | 4,175,085 | 1 |
| Other | - | 3,299 | 3,299 | - |
| Intergovernmental: | | | | |
| State revenue sharing (unrestricted) | 14,079 | 15,420 | 15,420 | - |
| Other revenues | 205,000 | - | 7 | 7 |
| Total revenues | <u>4,831,527</u> | <u>5,142,298</u> | <u>5,142,306</u> | <u>8</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Sanitation | 4,524,874 | 4,583,078 | 4,593,206 | (10,128) |
| Capital outlay | - | 384,997 | 374,872 | 10,125 |
| Total expenditures | <u>4,524,874</u> | <u>4,968,075</u> | <u>4,968,078</u> | <u>(3)</u> |
| Deficiency of Revenues Over Expenditures | 306,653 | 174,223 | 174,228 | 5 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | - | 6,630 | 6,630 | - |
| Transfer out | - | (184,662) | (184,662) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(178,032)</u> | <u>(178,032)</u> | <u>-</u> |
| Changes in fund balance | 306,653 | (3,809) | (3,804) | 5 |
| Fund balance - beginning of year | 52,394 | 52,394 | 52,394 | - |
| Fund balance - end of year | <u>\$ 359,047</u> | <u>\$ 48,585</u> | <u>\$ 48,590</u> | <u>\$ 5</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEPUTY WITNESS FEES
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|--|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 35,000 | \$ 33,772 | \$ 33,772 | \$ - |
| Other revenues | - | 7,705 | 7,705 | - |
| Total revenues | <u>35,000</u> | <u>41,477</u> | <u>41,477</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Judicial | 70,000 | 19,205 | 19,205 | - |
| Total expenditures | <u>70,000</u> | <u>19,205</u> | <u>19,205</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (35,000) | 22,272 | 22,272 | - |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | 35,000 | - | - | - |
| Total other financing sources | <u>35,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Changes in fund balance | - | 22,272 | 22,272 | - |
| Fund balance - beginning of year | 8,710 | 8,710 | 8,710 | - |
| Fund balance - end of year | <u>\$ 8,710</u> | <u>\$ 30,982</u> | <u>\$ 30,982</u> | <u>\$ -</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ASSESSOR'S FUND

For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|----------------------------------|-------------------------|-----------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Other revenues | \$ 32,101 | \$ - | \$ - | \$ - |
| Total revenues | <u>32,101</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Other general government | 52,790 | 36,088 | 36,086 | 2 |
| Total expenditures | <u>52,790</u> | <u>36,088</u> | <u>36,086</u> | <u>2</u> |
| Deficiency of Revenues | | | | |
| Over Expenditures | (20,689) | (36,088) | (36,086) | 2 |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | 20,689 | 28,204 | 28,204 | - |
| Total other financing sources | <u>20,689</u> | <u>28,204</u> | <u>28,204</u> | <u>-</u> |
| Changes in fund balance | - | (7,884) | (7,882) | 2 |
| Fund balance - beginning of year | 10,197 | 10,197 | 10,197 | - |
| Fund balance - end of year | <u>\$ 10,197</u> | <u>\$ 2,313</u> | <u>\$ 2,315</u> | <u>\$ 2</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CDBG DISASTER FUND
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|----------------------------------|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 1,635,800 | \$ 1,592,268 | \$ 1,592,269 | \$ 1 |
| Total revenues | <u>1,635,800</u> | <u>1,592,268</u> | <u>1,592,269</u> | <u>1</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Other general government | 634,600 | 895,622 | 1,094,853 | (199,231) |
| Capital outlay | 1,001,200 | 770,164 | 570,931 | 199,233 |
| Total expenditures | <u>1,635,800</u> | <u>1,665,786</u> | <u>1,665,784</u> | <u>2</u> |
| Deficiency of Revenues | | | | |
| Over Expenditures | - | (73,518) | (73,515) | 3 |
| OTHER FINANCING USES | | | | |
| Transfer out | - | (7,112) | (7,112) | - |
| Total other financing uses | <u>-</u> | <u>(7,112)</u> | <u>(7,112)</u> | <u>-</u> |
| Changes in fund balance | - | (80,630) | (80,627) | 3 |
| Fund balance - beginning of year | (849,526) | (849,526) | (849,526) | - |
| Fund balance - end of year | <u>\$ (849,526)</u> | <u>\$ (930,156)</u> | <u>\$ (930,153)</u> | <u>\$ 3</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FEDERAL & STATE GRANTS
For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal funds | \$ 4,590,857 | \$ 2,750,977 | \$ 2,750,976 | \$ (1) |
| Other state funding | - | 8,923 | 8,923 | - |
| Other revenues | - | 24,721 | 24,686 | (35) |
| Total revenues | <u>4,590,857</u> | <u>2,784,621</u> | <u>2,784,585</u> | <u>(36)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Other general government | 7,476,914 | 2,144,143 | 2,505,465 | (361,322) |
| Capital outlay | 1,233,000 | 3,308,822 | 2,944,873 | 363,949 |
| Total expenditures | <u>8,709,914</u> | <u>5,452,965</u> | <u>5,450,338</u> | <u>2,627</u> |
| Deficiency of Revenues Over Expenditures | (4,119,057) | (2,668,344) | (2,665,753) | 2,591 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | 4,119,057 | 2,311,352 | 2,311,389 | 37 |
| Transfer out | - | - | (2,619) | (2,619) |
| Total other financing sources (uses) | <u>4,119,057</u> | <u>2,311,352</u> | <u>2,308,770</u> | <u>(2,582)</u> |
| Changes in fund balance | - | (356,992) | (356,983) | 9 |
| Fund balance - beginning of year | - | - | - | - |
| Fund balance - end of year | <u>\$ -</u> | <u>\$ (356,992)</u> | <u>\$ (356,983)</u> | <u>\$ 9</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TREE FUND

For the year ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget - Over/ (Under)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ 500 | \$ 500 | \$ - |
| Fines and forfeitures | - | 1,500 | 1,500 | - |
| Total revenues | - | 2,000 | 2,000 | - |
| EXPENDITURES | | | | |
| Current | | | | |
| General government: | | | | |
| Other general government | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess of Revenues | | | | |
| Over Expenditures | - | 2,000 | 2,000 | - |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | - | 6 | 6 | - |
| Total other financing sources (uses) | - | 6 | 6 | - |
| Changes in fund balance | | | | |
| Fund balance - beginning of year | - | 2,006 | 2,006 | - |
| Fund balance - end of year | \$ - | \$ 2,006 | \$ 2,006 | \$ - |

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR PROPRIETARY FUND DESCRIPTIONS
December 31, 2017**

Events Facilities – This fund is used to account for the rental income, concession sales, and operational expenditures for the Fredrick J. Sigur Civic Center and Val Riess Complex.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
December 31, 2017

| | <u>Events Facilities</u> | <u>Total Non- Major Enterprise Fund</u> |
|-----------------------------|------------------------------|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 120,006 | \$ 120,006 |
| Prepays | 12,073 | 12,073 |
| Inventory | 4,637 | 4,637 |
| Other receivable | 11,254 | 11,254 |
| Total assets | <u>\$ 147,970</u> | <u>\$ 147,970</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts and other payables | \$ 13,804 | \$ 13,804 |
| Salaries payable | 16,286 | 16,286 |
| Advance collections | 96,212 | 96,212 |
| Due to other funds | 301,914 | 301,914 |
| Total liabilities | <u>\$ 428,216</u> | <u>\$ 428,216</u> |
| NET POSITION | | |
| Unrestricted | <u>(280,246)</u> | <u>(280,246)</u> |
| Total net position | <u>\$ (280,246)</u> | <u>\$ (280,246)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2017

| | Events Facilities | Total Non- Major Enterprise Fund |
|---|------------------------------|---|
| OPERATING REVENUES | | |
| Charges for service | \$ 311,358 | \$ 311,358 |
| Total operating revenues | 311,358 | 311,358 |
| OPERATING EXPENSES | | |
| Personnel services and related benefits | 184,254 | 184,254 |
| Utilities | 146,764 | 146,764 |
| Contractual services, supplies, and materials | 43,152 | 43,152 |
| Professional services | 27,205 | 27,205 |
| Insurance premiums | 11,058 | 11,058 |
| Other expenses | 22,548 | 22,548 |
| Total operating expenses | 434,981 | 434,981 |
| Operating loss | (123,623) | (123,623) |
| NON-OPERATING REVENUES | | |
| Other nonoperating revenues | 2,933 | 2,933 |
| Total non-operating revenues | 2,933 | 2,933 |
| CHANGE IN NET POSITION | (120,690) | (120,690) |
| NET POSITION - BEGINNING OF YEAR | (159,556) | (159,556) |
| NET POSITION - END OF YEAR | <u>\$ (280,246)</u> | <u>\$ (280,246)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

| | Events Facilities | Total Non- Major Enterprise Fund |
|--|------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers and users | \$ 328,089 | \$ 328,089 |
| Cash paid to suppliers of goods or services | (215,523) | (215,523) |
| Cash paid to employees | (179,461) | (179,461) |
| | (66,895) | (66,895) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Other non-operating revenue | 2,933 | 2,933 |
| Net payments to other funds | 26,503 | 26,503 |
| | 29,436 | 29,436 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | |
| | (37,459) | (37,459) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | | |
| | 157,465 | 157,465 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | |
| | \$ 120,006 | \$ 120,006 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating loss | \$ (123,623) | \$ (123,623) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | | |
| Prepays items | 36,171 | 36,171 |
| Inventory | 1,326 | 1,326 |
| Other recievables | (7,839) | (7,839) |
| Accounts and other payables | (2,293) | (2,293) |
| Salaries payable | 4,793 | 4,793 |
| Advance collections | 24,570 | 24,570 |
| | (66,895) | (66,895) |
| Net cash used in operating activities | \$ (66,895) | \$ (66,895) |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR INTERNAL SERVICE FUNDS DESCRIPTIONS
December 31, 2017

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

Self-Insurance Fund – The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage, and worker’s compensation for which the Parish is self-insured.

Water & Sewer Self-Insurance Fund – The Water & Sewer Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage, and worker’s compensation for which the Division is self-insured.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2017

| | <u>Self Insurance</u> | <u>Water and Sewer Self Insurance</u> | <u>Total Self Insurance</u> |
|---|-----------------------|---|---------------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 1,017,330 | \$ 934,641 | \$ 1,951,971 |
| Investments | 1,080,083 | - | 1,080,083 |
| Due from other funds | 50,000 | 1,274,325 | 1,324,325 |
| Prepays | 13,893 | - | 13,893 |
| Other receivable | 284 | 11,106 | 11,390 |
| Total assets | <u>\$ 2,161,590</u> | <u>\$ 2,220,072</u> | <u>\$ 4,381,662</u> |
| | | | |
| Accounts and other payables | \$ 3,383 | \$ 150 | \$ 3,533 |
| Self insurance claims payable | 1,986,374 | 827,561 | 2,813,935 |
| Salaries and payroll deductions payable | 8,888 | - | 8,888 |
| Due to other funds | - | 548,346 | 548,346 |
| Total current liabilities | <u>1,998,645</u> | <u>1,376,057</u> | <u>3,374,702</u> |
| | | | |
| Total liabilities | 1,998,645 | 1,376,057 | 3,374,702 |
| NET POSITION | | | |
| Unrestricted | <u>162,945</u> | <u>844,015</u> | <u>1,006,960</u> |
| | | | |
| Total net position | <u>\$ 162,945</u> | <u>\$ 844,015</u> | <u>\$ 1,006,960</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2017

| | <u>Self Insurance</u> | <u>Water and Sewer Self Insurance</u> | <u>Total</u> |
|--|-----------------------|---|---------------------|
| OPERATING REVENUES | | | |
| Charges for service | \$ 1,367,193 | \$ 485,872 | \$ 1,853,065 |
| Total operating revenues | <u>1,367,193</u> | <u>485,872</u> | <u>1,853,065</u> |
| OPERATING EXPENDITURES | | | |
| Personnel services and related benefits | 225,539 | - | 225,539 |
| Professional services | 43,097 | 6,124 | 49,221 |
| Insurance and claims | 1,444,460 | 823,617 | 2,268,077 |
| Other expenditures | 21,346 | - | 21,346 |
| Total operating expenditures | <u>1,734,442</u> | <u>829,741</u> | <u>2,564,183</u> |
| Operating income | (367,249) | (343,869) | (711,118) |
| NON-OPERATING REVENUES (EXPENDITURES) | | | |
| Interest earnings | 4,982 | - | 4,982 |
| Total non-operating revenues | <u>4,982</u> | <u>-</u> | <u>4,982</u> |
| CHANGE IN NET POSITION BEFORE TRANSFERS | | | |
| | (362,267) | (343,869) | (706,136) |
| Transfer in | <u>17,307</u> | <u>-</u> | <u>17,307</u> |
| CHANGE IN NET POSITION | (344,960) | (343,869) | (688,829) |
| NET POSITION - BEGINNING OF YEAR | <u>507,905</u> | <u>1,187,884</u> | <u>1,695,789</u> |
| NET POSITION - END OF YEAR | <u>\$ 162,945</u> | <u>\$ 844,015</u> | <u>\$ 1,006,960</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

| | Self Insurance | Water and Sewer Self Insurance | Total |
|---|-----------------------|---|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from interfund services provided | \$ 1,367,128 | \$ 485,872 | \$ 1,853,000 |
| Payments for claims | (1,597,418) | (386,789) | (1,984,207) |
| Cash paid to employees | (225,351) | - | (225,351) |
| Net cash (used in) provided by operating activities | <u>(455,641)</u> | <u>99,083</u> | <u>(356,558)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Net payments from other funds | (50,061) | - | (50,061) |
| Net cash provided by non-capital financing activities | <u>(50,061)</u> | <u>-</u> | <u>(50,061)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest paid | 65 | - | 65 |
| Net cash used in investing activities | <u>65</u> | <u>-</u> | <u>65</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (505,637) | 99,083 | (406,554) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>1,522,967</u> | <u>835,558</u> | <u>2,358,525</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 1,017,330</u> | <u>\$ 934,641</u> | <u>\$ 1,951,971</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES | | | |
| Operating loss | \$ (367,249) | \$ (343,869) | \$ (711,118) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | | |
| Changes in operating assets and liabilities: | | | |
| Prepaid Items | (3,058) | - | (3,058) |
| Other receivables | (65) | - | (65) |
| Accounts and other payables | (70,961) | (436) | (71,397) |
| Self-insurance claims payable | (14,496) | 443,388 | 428,892 |
| Salaries payable | 188 | - | 188 |
| Net cash (used in) provided by operating activities | <u>\$ (455,641)</u> | <u>\$ 99,083</u> | <u>\$ (356,558)</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF COUNCIL MEMBERS' COMPENSATION
For the Year Ended December 31, 2017

| <u>Council Member</u> | <u>Amount</u> |
|--|-------------------|
| Richard J. Lewis, Councilman at Large West | \$ 17,400 |
| Kerri Callais, Councilman at Large East | 19,800 |
| Gillis McCloskey, Councilman District A | 15,000 |
| Nathan Gorbaty, Councilman District B | 15,000 |
| Howard Luna, Councilman District C | 15,000 |
| Wanda Alcon, Councilman District D | 15,000 |
| Manual "Monty" Montelongo, Councilman District E | 15,000 |
| | <u>\$ 112,200</u> |

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD
For the Year Ended December 31, 2017

Agency Head - Guy McInnis, Parish President

| Purpose | Amount |
|--------------------------------|-------------------|
| Salary | \$ 146,213 |
| Benefits - health insurance | 5,678 |
| Benefits - retirement | 18,277 |
| Benefits - life insurance | 118 |
| Benefits-other (describe) | - |
| Benefits-other (describe) | - |
| Benefits-other (describe) | - |
| Car allowance | - |
| Vehicle provided by government | 730 |
| Cell phone | 646 |
| Air Card | - |
| Dues | 100 |
| Vehicle rental | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | 860 |
| Conference travel | 5,713 |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |
| Gas | 740 |
| | <u>740</u> |
| | <u>\$ 179,075</u> |

See accompanying independent auditors' report.

FINANCIAL DATA SCHEDULES

St. Bernard Parish Government (LA187)

Chalmette, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2017

| | 14 871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|-------------|-------------|
| 111 Cash - Unrestricted | | | |
| 112 Cash - Restricted - Modernization and Development | | | |
| 113 Cash - Other Restricted | \$0 | \$0 | \$0 |
| 114 Cash - Tenant Security Deposits | | | |
| 115 Cash - Restricted for Payment of Current Liabilities | \$794,285 | \$794,285 | \$794,285 |
| 100 Total Cash | \$794,285 | \$794,285 | \$794,285 |
| 121 Accounts Receivable - PHA Projects | \$491,596 | \$491,596 | \$491,596 |
| 122 Accounts Receivable - HUD Other Projects | | | |
| 124 Accounts Receivable - Other Government | | | |
| 125 Accounts Receivable - Miscellaneous | | | |
| 126 Accounts Receivable - Tenants | | | |
| 126 1 Allowance for Doubtful Accounts - Tenants | | | |
| 126 2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | |
| 128 Fraud Recovery | | | |
| 128 1 Allowance for Doubtful Accounts - Fraud | | | |
| 129 Accrued Interest Receivable | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$491,596 | \$491,596 | \$491,596 |
| 131 Investments - Unrestricted | | | |
| 132 Investments - Restricted | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | |
| 142 Prepaid Expenses and Other Assets | | | |
| 143 Inventories | | | |
| 143 1 Allowance for Obsolete Inventories | | | |
| 144 Inter Program Due From | | | |
| 145 Assets Held for Sale | | | |
| 150 Total Current Assets | \$1,285,881 | \$1,285,881 | \$1,285,881 |
| 161 Land | | | |
| 162 Buildings | | | |
| 163 Furniture, Equipment & Machinery - Dwellings | | | |
| 164 Furniture, Equipment & Machinery - Administration | | | |
| 165 Leasehold Improvements | | | |
| 166 Accumulated Depreciation | | | |
| 167 Construction in Progress | | | |
| 168 Infrastructure | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$0 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | |
| 173 Grants Receivable - Non Current | | | |
| 174 Other Assets | | | |
| 176 Investments in Joint Ventures | | | |
| 180 Total Non-Current Assets | \$0 | \$0 | \$0 |
| 200 Deferred Outflow of Resources | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$1,285,881 | \$1,285,881 | \$1,285,881 |

| | | | |
|---|-------------|-------------|-------------|
| 311 Bank Overdraft | | | |
| 312 Accounts Payable <= 90 Days | \$109,270 | \$109,270 | \$109,270 |
| 313 Accounts Payable >90 Days Past Due | | | |
| 321 Accrued Wage/Payroll Taxes Payable | | | |
| 322 Accrued Compensated Absences - Current Portion | | | |
| 324 Accrued Contingency Liability | | | |
| 325 Accrued Interest Payable | | | |
| 331 Accounts Payable - HUD PHA Programs | | | |
| 332 Account Payable - PHA Projects | | | |
| 333 Accounts Payable - Other Government | | | |
| 341 Tenant Security Deposits | | | |
| 342 Unearned Revenue | | | |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | |
| 345 Other Current Liabilities | \$1,015,339 | \$1,015,339 | \$1,015,339 |
| 346 Accrued Liabilities - Other | | | |
| 347 Inter Program - Due To | | | |
| 348 Loan Liability - Current | | | |
| 310 Total Current Liabilities | \$1,124,609 | \$1,124,609 | \$1,124,609 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | |
| 353 Non-current Liabilities - Other | | | |
| 354 Accrued Compensated Absences - Non Current | | | |
| 355 Loan Liability - Non Current | | | |
| 356 FASB 5 Liabilities | | | |
| 357 Accrued Pension and OPEB Liabilities | | | |
| 350 Total Non-Current Liabilities | \$0 | \$0 | \$0 |
| 300 Total Liabilities | \$1,124,609 | \$1,124,609 | \$1,124,609 |
| 400 Deferred Inflow of Resources | | | |
| 508 3 Nonspendable Fund Balance | | | |
| 509 3 Restricted Fund Balance | \$459,870 | \$459,870 | \$459,870 |
| 510 3 Committed Fund Balance | | | |
| 511 3 Assigned Fund Balance | | | |
| 512 3 Unassigned Fund Balance | -298,598 | -\$298,598 | -\$298,598 |
| 513 Total Equity - Net Assets / Position | -161,272 | -\$161,272 | -\$161,272 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$1,285,881 | \$1,285,881 | \$1,285,881 |

FINANCIAL DATA SCHEDULES

St. Bernard Parish Government (LA187)

Chalmette, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2017

| | 14 871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|-------------|-------------|
| 70300 Net Tenant Rental Revenue | | | |
| 70400 Tenant Revenue - Other | | | |
| 70500 Total Tenant Revenue | \$0 | \$0 | \$0 |
| 70600 HUD PHA Operating Grants | \$4,153,431 | \$4,153,431 | \$4,153,431 |
| 70610 Capital Grants | | | |
| 70710 Management Fee | | | |
| 70720 Asset Management Fee | | | |
| 70730 Book Keeping Fee | | | |
| 70740 Front Line Service Fee | | | |
| 70750 Other Fees | | | |
| 70700 Total Fee Revenue | | | |
| 70800 Other Government Grants | | | |
| 71100 Investment Income - Unrestricted | \$3,669 | \$3,669 | \$3,669 |
| 71200 Mortgage Interest Income | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | |
| 71310 Cost of Sale of Assets | | | |
| 71400 Fraud Recovery | \$33,031 | \$33,031 | \$33,031 |
| 71500 Other Revenue | \$2,096,690 | \$2,096,690 | \$2,096,690 |
| 71600 Gain or Loss on Sale of Capital Assets | | | |
| 72000 Investment Income - Restricted | | | |
| 70000 Total Revenue | \$6,286,821 | \$6,286,821 | \$6,286,821 |
| 91100 Administrative Salaries | \$373,401 | \$373,401 | \$373,401 |
| 91200 Auditing Fees | \$21,828 | \$21,828 | \$21,828 |
| 91300 Management Fee | | | |
| 91310 Book-keeping Fee | | | |
| 91400 Advertising and Marketing | | | |
| 91500 Employee Benefit contributions - Administrative | \$50,438 | \$50,438 | \$50,438 |
| 91600 Office Expenses | \$100,737 | \$100,737 | \$100,737 |
| 91700 Legal Expense | | | |
| 91800 Travel | \$3,422 | \$3,422 | \$3,422 |
| 91810 Allocated Overhead | | | |
| 91900 Other | | | |
| 91000 Total Operating - Administrative | \$549,826 | \$549,826 | \$549,826 |
| 92000 Asset Management Fee | | | |
| 92100 Tenant Services - Salaries | | | |
| 92200 Relocation Costs | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | |
| 92400 Tenant Services - Other | | | |
| 92500 Total Tenant Services | \$0 | \$0 | \$0 |
| 93100 Water | | | |
| 93200 Electricity | \$1,003 | \$1,003 | \$1,003 |
| 93300 Gas | \$1,151 | \$1,151 | \$1,151 |
| 93400 Fuel | | | |
| 93500 Labor | | | |
| 93600 Sewer | | | |
| 93700 Employee Benefit Contributions - Utilities | | | |

| | | | |
|---|-------------|-------------|-------------|
| 93800 Other Utilities Expense | \$4,640 | \$4,640 | \$4,640 |
| 93000 Total Utilities | \$6,794 | \$6,794 | \$6,794 |
| 94100 Ordinary Maintenance and Operations - Labor | | | |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$790 | \$790 | \$790 |
| 94300 Ordinary Maintenance and Operations Contracts | | | |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | |
| 94000 Total Maintenance | \$790 | \$790 | \$790 |
| 95100 Protective Services - Labor | | | |
| 95200 Protective Services - Other Contract Costs | | | |
| 95300 Protective Services - Other | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | | |
| 96120 Liability Insurance | | | |
| 96130 Workmen's Compensation | | | |
| 96140 All Other Insurance | \$42,534 | \$42,534 | \$42,534 |
| 96100 Total Insurance Premiums | \$42,534 | \$42,534 | \$42,534 |
| 96200 Other General Expenses | | | |
| 96210 Compensated Absences | | | |
| 96300 Payments in Lieu of Taxes | | | |
| 96400 Bad debt - Tenant Rents | | | |
| 96500 Bad debt - Mortgages | | | |
| 96600 Bad debt - Other | | | |
| 96800 Severance Expense | | | |
| 96000 Total Other General Expenses | \$0 | \$0 | \$0 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | |
| 96730 Amortization of Bond Issue Costs | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$599,944 | \$599,944 | \$599,944 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$5,686,877 | \$5,686,877 | \$5,686,877 |
| 97100 Extraordinary Maintenance | | | |
| 97200 Casualty Losses - Non-capitalized | | | |
| 97300 Housing Assistance Payments | \$3,681,583 | \$3,681,583 | \$3,681,583 |
| 97350 HAP Portability-In | \$2,087,000 | \$2,087,000 | \$2,087,000 |
| 97400 Depreciation Expense | | | |
| 97500 Fraud Losses | | | |
| 97600 Capital Outlays - Governmental Funds | \$0 | \$0 | \$0 |
| 97700 Debt Principal Payment - Governmental Funds | \$0 | \$0 | \$0 |
| 97800 Dwelling Units Rent Expense | | | |
| 90000 Total Expenses | \$6,362,632 | \$6,362,632 | \$6,362,632 |
| 10010 Operating Transfer In | | | |
| 10020 Operating transfer Out | | | |
| 10030 Operating Transfers from/to Primary Government | | | |
| 10040 Operating Transfers from/to Component Unit | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | |
| 10060 Proceeds from Property Sales | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | |
| 10080 Special Items (Net Gain/Loss) | | | |
| 10091 Inter Project Excess Cash Transfer In | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | |
| 10093 Transfers between Program and Project - In | | | |

| | | | |
|---|-----------|-----------|-----------|
| 10094 Transfers between Project and Program - Out | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -81,706 | -81,706 | -81,706 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$242,978 | \$242,978 | \$242,978 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | | | |
| 11050 Changes in Compensated Absence Balance | \$0 | \$0 | \$0 |
| 11060 Changes in Contingent Liability Balance | \$0 | \$0 | \$0 |
| 11070 Changes in Unrecognized Pension Transition Liability | \$0 | \$0 | \$0 |
| 11080 Changes in Special Term/Severance Benefits Liability | \$0 | \$0 | \$0 |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | \$0 | \$0 | \$0 |
| 11100 Changes in Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 |
| 11170 Administrative Fee Equity | -298,598 | -298,598 | -298,598 |
| 11180 Housing Assistance Payments Equity | \$459,870 | \$459,870 | \$459,870 |
| 11190 Unit Months Available | 6468 | 6468 | 6468 |
| 11210 Number of Unit Months Leased | 5915 | 5915 | 5915 |
| 11270 Excess Cash | | | |
| 11610 Land Purchases | | | |
| 11620 Building Purchases | | | |
| 11630 Furniture & Equipment - Dwelling Purchases | | | |
| 11640 Furniture & Equipment - Administrative Purchases | | | |
| 11650 Leasehold Improvements Purchases | | | |
| 11660 Infrastructure Purchases | | | |
| 13510 CFFP Debt Service Payments | | | |
| 13901 Replacement Housing Factor Funds | | | |



**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

This part of St. Bernard Parish Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Parish's overall financial health.

| <u>Contents</u> | <u>Tables</u> |
|---|----------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the | 1 - 5 |
| Revenue Capacity These schedules contain information to help the reader assess the Parish's most significant local revenue sources. | 6 - 12 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the Parish's current levels of outstanding debt and the Parish's ability to issue additional debt in the future. | 13 - 17 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Parish's financial activities take place. | 18 - 19 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Parish's financial report relates to the service the Parish provides and the activities it performs. | 20 - 21 |

Source: Unless otherwise noted, the information in these tables came from St. Bernard Parish Government's Comprehensive Annual Financial Report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NET POSITION BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014, restated | 2015, restated | 2016 | 2017 |
| Governmental Activities | | | | | | | | |
| Net investment in capital assets | \$ 211,346,057 | \$ 352,867,806 | \$ 344,112,498 | \$ 350,256,061 | \$ 347,417,372 | \$ 357,038,864 | \$ 367,215,411 | \$ 375,168,727 |
| Restricted | 160,407 | (14,520,899) | 7,329,208 | 9,470,377 | 15,937,711 | 15,236,622 | 13,215,014 | 11,726,929 |
| Unrestricted | 32,062,996 | 7,855,068 | (7,822,895) | 18,673,457 | 10,526,002 | 47,873,423 | 44,123,972 | 42,589,258 |
| Total Governmental Activities Net Position | <u>\$ 243,569,460</u> | <u>\$ 346,201,975</u> | <u>\$ 343,618,811</u> | <u>\$ 378,399,895</u> | <u>\$ 373,881,085</u> | <u>\$ 420,148,909</u> | <u>\$ 424,554,397</u> | <u>\$ 429,484,914</u> |
| Business Type Activities | | | | | | | | |
| Net investment in capital assets | \$ 88,588,906 | \$ 112,542,637 | \$ 192,896,426 | \$ 204,966,155 | \$ 213,189,989 | \$ 196,619,074 | \$ 209,192,549 | \$ 210,759,675 |
| Restricted | 7,318,014 | 8,745,110 | 748,861 | 857,133 | 7,531,203 | 5,351,524 | 4,735,936 | 3,392,724 |
| Unrestricted | 2,570,477 | 3,585,621 | 4,030,738 | 11,194,022 | 8,781,027 | 17,827,434 | 8,530,137 | 11,439,216 |
| Total Business Type Activities Net Position | <u>\$ 98,477,397</u> | <u>\$ 124,873,368</u> | <u>\$ 197,676,025</u> | <u>\$ 217,017,310</u> | <u>\$ 229,502,219</u> | <u>\$ 219,798,032</u> | <u>\$ 222,458,622</u> | <u>\$ 225,591,615</u> |
| Primary Government | | | | | | | | |
| Net investment in capital assets | \$ 299,934,963 | \$ 465,410,443 | \$ 537,008,921 | \$ 555,222,216 | \$ 560,607,361 | \$ 553,657,938 | \$ 576,407,960 | \$ 585,928,402 |
| Restricted | 7,478,421 | (5,775,789) | 8,078,069 | 10,327,510 | 23,468,914 | 20,588,146 | 17,950,950 | 15,119,653 |
| Unrestricted | 34,633,473 | 11,440,689 | (3,792,157) | 29,867,479 | 30,024,080 | 65,700,857 | 52,654,109 | 54,028,474 |
| Total Primary Government Net Position | <u>\$ 342,046,857</u> | <u>\$ 471,075,343</u> | <u>\$ 541,294,833</u> | <u>\$ 595,417,205</u> | <u>\$ 614,100,355</u> | <u>\$ 639,946,941</u> | <u>\$ 647,013,019</u> | <u>\$ 655,076,529</u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| Expenses | Fiscal Year | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | | | | | |
| General government | | | | | | | | |
| Judicial | \$ 1,240,694 | \$ 1,255,100 | \$ 1,902,450 | \$ 607,122 | \$ 796,068 | \$ 885,726 | \$ 3,999,898 | \$ 3,865,258 |
| Other general government | 54,558,813 | 71,245,678 | 50,301,853 | 29,878,021 | 22,942,805 | 33,157,803 | 25,705,408 | 38,546,184 |
| Public safety | 14,724,975 | 8,025,968 | 9,231,076 | 10,548,513 | 10,242,189 | 10,872,392 | 14,970,179 | 16,803,400 |
| Public works | 16,780,112 | 17,987,950 | 20,700,870 | 14,751,885 | 15,580,221 | 16,398,444 | 5,816,392 | 6,271,015 |
| Sanitation | - | - | - | 4,682,338 | 4,769,494 | 5,596,379 | 6,143,008 | 5,784,315 |
| Culture and recreation | 16,486,993 | 2,046,703 | 2,475,372 | 2,889,701 | 3,787,646 | 3,010,246 | 2,334,365 | 3,054,936 |
| Health and welfare | 1,525,528 | 6,943,880 | 6,322,104 | 6,692,893 | 6,832,287 | 9,154,803 | 11,491,363 | 11,656,125 |
| Interest on long-term debt | 794,589 | 256,336 | 580,332 | 1,860,282 | 1,328,696 | 1,305,453 | 1,199,102 | 1,073,650 |
| Total Governmental Activities Expenses | <u>106,111,704</u> | <u>107,761,615</u> | <u>91,514,057</u> | <u>71,910,755</u> | <u>66,279,406</u> | <u>80,381,246</u> | <u>71,659,715</u> | <u>87,054,883</u> |
| Business-Type Activities: | | | | | | | | |
| Water and sewer | 9,789,934 | 9,024,042 | 10,195,851 | 10,153,902 | 11,165,143 | 22,753,572 | 13,993,556 | 16,229,635 |
| Event Facilities | - | - | - | - | 2,079 | 938,067 | 1,220,910 | 434,981 |
| Interest on long-term debt | 2,327,328 | 2,040,501 | 756,740 | 494,988 | 240,516 | 164,219 | 178,775 | 390,529 |
| Total Business-Type Activities Expenses | <u>12,117,262</u> | <u>11,064,543</u> | <u>10,952,591</u> | <u>10,648,890</u> | <u>11,407,738</u> | <u>23,855,858</u> | <u>15,393,241</u> | <u>17,055,145</u> |
| Total Primary Government Expenses | <u>\$ 118,228,966</u> | <u>\$ 118,826,158</u> | <u>\$ 102,466,648</u> | <u>\$ 82,559,645</u> | <u>\$ 77,687,144</u> | <u>\$ 104,237,104</u> | <u>\$ 87,052,956</u> | <u>\$ 104,110,028</u> |
| Program Revenues | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Charges for services | \$ 6,593,177 | \$ 4,774,785 | \$ 3,886,902 | \$ 4,799,254 | \$ 3,032,385 | \$ 3,381,027 | \$ 3,346,854 | \$ 4,101,469 |
| Operating grants and contributions | 136,356,968 | 178,346,532 | 17,562,703 | 23,905,810 | 10,370,636 | 21,131,977 | 10,870,638 | 9,068,664 |
| Capital grants and contributions | 9,993,697 | 52,848,455 | 84,179,047 | 55,330,827 | 38,860,849 | 32,249,132 | 28,211,921 | 26,259,675 |
| Total Governmental Activities Program Revenues | <u>152,943,842</u> | <u>235,969,772</u> | <u>105,628,652</u> | <u>84,035,891</u> | <u>52,263,870</u> | <u>56,762,136</u> | <u>42,429,413</u> | <u>39,429,808</u> |
| Business-Type Activities: | | | | | | | | |
| Charges for services | 5,238,160 | 5,977,404 | 5,818,753 | 5,748,284 | 5,875,915 | 12,060,280 | 13,099,159 | 12,441,520 |
| Operating grants and contributions | 602,925 | 6,917,743 | 2,966,919 | 12,550 | 31,560 | 516,129 | - | - |
| Capital grants and contributions | - | - | 40,502,738 | 5,690,363 | - | - | 1,488,453 | 767,508 |
| Total Business-Type Activities Program Revenues | <u>5,841,085</u> | <u>12,895,147</u> | <u>49,288,410</u> | <u>11,451,197</u> | <u>5,907,475</u> | <u>12,576,409</u> | <u>14,587,612</u> | <u>13,209,028</u> |
| Total Primary Government Program Revenues | <u>\$ 158,784,927</u> | <u>\$ 248,864,919</u> | <u>\$ 154,917,062</u> | <u>\$ 95,487,088</u> | <u>\$ 58,171,345</u> | <u>\$ 69,338,545</u> | <u>\$ 57,017,025</u> | <u>\$ 52,638,836</u> |
| Net (Expense)/Revenue | | | | | | | | |
| Governmental activities | \$ 46,832,138 | \$ 128,208,157 | \$ 14,114,595 | \$ 12,125,136 | \$ (14,015,536) | \$ (23,619,110) | \$ (29,230,302) | \$ (47,625,075) |
| Business-type Activity | (6,276,177) | 1,830,604 | 38,335,819 | 802,307 | (5,500,263) | (11,279,449) | (805,629) | (3,846,117) |
| Total Primary Government Net Expense | <u>\$ 40,555,961</u> | <u>\$ 130,038,761</u> | <u>\$ 52,450,414</u> | <u>\$ 12,927,443</u> | <u>\$ (19,515,799)</u> | <u>\$ (34,898,559)</u> | <u>\$ (30,035,931)</u> | <u>\$ (51,471,192)</u> |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
CHANGES IN NET POSITION (CONTINUED)
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| General Revenues and Other Changes in Net Position | Fiscal Year | | | | | | | |
|--|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | | | | | |
| Taxes: | | | | | | | | |
| Ad valorem taxes | \$ 7,611,730 | \$ 7,652,880 | \$ 7,658,899 | \$ 12,941,340 | \$ 13,387,595 | \$ 13,241,834 | \$ 13,258,151 | \$ 12,885,666 |
| Sales taxes | 19,010,239 | 15,901,969 | 13,446,184 | 15,844,744 | 16,096,696 | 14,408,732 | 14,387,437 | 16,700,335 |
| Severance | 907,534 | 922,529 | 951,475 | 971,328 | 985,553 | 622,785 | 431,377 | 506,257 |
| E telephone | 322,638 | 359,703 | 370,042 | 378,840 | 451,084 | 379,001 | 392,760 | 425,602 |
| Other taxes | 39,076 | 51,368 | 109,234 | 111,949 | 240,741 | 328,390 | 277,060 | 264,206 |
| Fines and forfeitures | - | - | - | - | 151,781 | 210,550 | 218,983 | 190,465 |
| State revenue sharing (unrestricted) | - | - | - | - | 92,912 | 72,560 | 76,589 | 79,774 |
| Parish road royalty | - | - | - | - | 935,697 | 426,803 | 241,323 | 287,852 |
| Other general revenues (expenses) | 4,836,771 | 4,479,623 | 647,605 | 1,168,627 | 640,021 | 705,028 | 1,085,110 | 1,282,052 |
| Interest and investment earnings | 3,030,683 | 2,816,336 | 108,213 | 195,208 | 187,198 | 188,079 | 191,898 | 260,371 |
| (Loss)/Gain on Disposal of Assets | (3,741,297) | (6,215,108) | (6,539,142) | (149,742) | 83,974 | (415,762) | - | - |
| Gain on sale of investments land held for sale | - | - | - | - | 546,240 | 282,702 | - | - |
| Forgiveness of CD Loans | 19,820,654 | - | - | 5,403,510 | - | - | - | - |
| Proceeds from insurance settlement | - | - | - | - | 62,466 | 128,930 | 273,541 | - |
| Proceeds from litigation settlement | - | - | - | - | - | 9,359,306 | 1,780,006 | 21,000,000 |
| Transfers | - | - | - | - | (219,376) | 2,306,733 | 458,703 | (2,262,721) |
| Capital contributions | - | - | - | - | (13,215,123) | - | - | - |
| Miscellaneous revenues | - | - | - | - | - | 772,340 | 423,268 | 935,733 |
| Total Governmental Activities | 51,838,028 | 25,969,300 | 16,752,510 | 36,865,804 | 20,427,459 | 43,018,011 | 33,496,206 | 52,555,592 |
| Business-Type Activities: | | | | | | | | |
| Sales taxes | 4,591,379 | 3,774,778 | 3,338,375 | 3,961,184 | 4,024,174 | 3,602,185 | 3,596,859 | 4,175,086 |
| Other general revenues (expenses) | 123,575 | 357,186 | (2,358,661) | 330,835 | 262,529 | 203,078 | 275,318 | 481,928 |
| Interest and investment earnings | 204,672 | 36,706 | 36,852 | 37,106 | 39,188 | 51,670 | 58,245 | 59,375 |
| (Loss)/Gain on Disposal of Assets | - | - | - | - | 11,100 | (10,149) | - | - |
| Proceeds from insurance settlement | - | - | - | - | - | 35,211 | (5,500) | - |
| Transfers | - | - | - | - | 219,376 | (2,306,733) | (458,703) | 2,262,721 |
| Capital contributions | - | - | - | - | 13,215,123 | - | - | - |
| Total Business-Type Activities | 4,919,626 | 4,168,670 | 1,016,566 | 4,329,125 | 17,771,490 | 1,575,262 | 3,466,219 | 6,979,110 |
| Total Primary Government | \$ 56,757,654 | \$ 30,137,970 | \$ 17,769,076 | \$ 41,194,929 | \$ 38,198,949 | \$ 44,593,273 | \$ 36,962,425 | \$ 59,534,702 |
| Changes in Net Position | | | | | | | | |
| Governmental Activities | \$ 98,670,166 | \$ 154,177,457 | \$ 30,867,105 | \$ 48,990,940 | \$ 6,411,923 | \$ 19,398,901 | \$ 4,265,904 | \$ 4,930,517 |
| Business-type activities | (1,356,551) | 5,999,274 | 39,352,385 | 5,131,432 | 12,271,227 | (9,704,187) | 2,660,590 | 3,132,993 |
| Total Primary Government | \$ 97,313,615 | \$ 160,176,731 | \$ 70,219,490 | \$ 54,122,372 | \$ 18,683,150 | \$ 9,694,714 | \$ 6,926,494 | \$ 8,063,510 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Ad Valorem | Sales and Use | Severance | E Telephone | Other | Total |
|--------------------|-------------------|----------------------|------------------|--------------------|--------------|--------------|
| 2008 | 7,002,465 | 13,001,658 | 850,027 | 307,482 | 34,712 | 21,196,344 |
| 2009 | 7,073,024 | 11,042,025 | 907,576 | 307,310 | 55,387 | 19,385,322 |
| 2010 | 7,611,730 | 19,010,239 | 907,534 | 322,638 | 39,076 | 27,891,217 |
| 2011 | 7,652,880 | 15,901,969 | 922,529 | 359,703 | 51,368 | 24,888,449 |
| 2012 | 7,658,899 | 13,446,184 | 951,475 | 370,042 | 109,234 | 22,535,834 |
| 2013 | 12,941,340 | 15,844,744 | 971,328 | 378,840 | 111,949 | 30,248,201 |
| 2014 | 13,387,595 | 16,096,696 | 985,553 | 451,084 | 240,741 | 31,161,669 |
| 2015 | 13,382,777 | 14,408,732 | 622,785 | 379,001 | 328,390 | 29,121,685 |
| 2016 | 13,258,151 | 14,387,437 | 431,377 | 392,760 | 277,060 | 28,746,785 |
| 2017 | 12,885,666 | 16,700,335 | 506,257 | 425,602 | 264,206 | 30,782,066 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ 80,342 | \$ 74,800 | \$ 84,990 | \$ 98,722 | \$ 109,215 | \$ 94,582 | \$ 87,587 |
| Restricted | - | - | - | 161,345 | 91,185 | 91,185 | 3,404,667 | 3,992,868 | 3,970,789 | 3,941,952 |
| Committed | - | - | - | 3,944 | - | - | - | - | - | 343,784 |
| Assigned | - | - | - | 84,639 | - | - | 587,321 | 5,421,492 | 6,891,492 | 12,066,337 |
| Unassigned | - | - | - | 8,223,388 | 2,887,607 | 2,436,466 | - | 733,079 | 1,445,188 | 69,464 |
| Reserved | 50,587 | 50,587 | 20,474 | - | - | - | - | - | - | - |
| Unreserved | 4,904,595 | 759,068 | 8,310,748 | - | - | - | - | - | - | - |
| Total general fund | \$ 4,955,182 | \$ 809,655 | \$ 8,331,222 | \$ 8,553,658 | \$ 3,053,592 | \$ 2,612,641 | \$ 4,090,710 | \$ 10,256,654 | \$ 12,402,051 | \$ 16,509,124 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ 121,171 | \$ 96,690 | \$ 113,744 | \$ 89,552 | \$ 134,009 | \$ 97,018 | \$ 118,382 |
| Restricted | - | - | - | 28,697,633 | 7,328,584 | 9,379,192 | 12,533,044 | 11,243,754 | 9,244,225 | 7,784,977 |
| Committed | - | - | - | 3,078,436 | 2,209,969 | 1,803,029 | 956,733 | 956,564 | 956,654 | 598,990 |
| Assigned | - | - | - | 7,235,508 | 7,749,171 | 7,097,625 | 6,665,667 | 6,363,714 | 6,009,953 | 5,950,431 |
| Unassigned | - | - | - | 229 | (29,138,816) | (5,495,701) | (4,681,726) | (3,547,526) | (7,423,988) | (7,779,686) |
| Reserved | 2,209,406 | 2,209,405 | 139,933 | - | - | - | - | - | - | - |
| Unreserved, undesignated, reported in: | | | | | | | | | | |
| Special revenue funds | 11,557,505 | 23,366,879 | 25,210,058 | - | - | - | - | - | - | - |
| Debt service funds | 1,049,283 | 1,085,006 | 749,826 | - | - | - | - | - | - | - |
| Capital projects funds | 16,589,454 | 14,248,693 | 8,797,149 | - | - | - | - | - | - | - |
| Total all other governmental funds | \$ 31,405,648 | \$ 40,909,983 | \$ 34,896,966 | \$ 39,132,977 | \$ (11,754,402) | \$ 12,897,889 | \$ 15,563,270 | \$ 15,150,515 | \$ 8,883,862 | \$ 6,673,094 |

Note: In 2011, the Parish implemented GASB Statement No. 54 which changed the classification of fund balances. Amounts prior to 2011 have not been restated to reflect the new classifications.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

| REVENUES | Fiscal Year | | | | | | | | | |
|--|----------------------|---------------------|---------------------|---------------------|------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Taxes | | | | | | | | | | |
| Ad valorem | \$ 7,002,465 | \$ 7,073,024 | \$ 7,611,730 | \$ 7,652,880 | \$ 7,481,374 | \$ 12,824,501 | \$ 13,391,771 | \$ 13,382,777 | \$ 13,113,135 | \$ 13,011,043 |
| Sales and use | 13,001,658 | 11,042,025 | 19,010,239 | 15,901,969 | 13,446,184 | 15,844,744 | 16,096,696 | 14,408,732 | 14,387,436 | 16,700,336 |
| Other taxes, penalties, interest, etc | 1,549,464 | 1,451,523 | 1,472,534 | 1,404,946 | 1,430,751 | 1,462,117 | 1,509,091 | 1,130,478 | 921,198 | 1,002,071 |
| Licenses and permits | 1,443,791 | 1,469,853 | 1,229,352 | 1,331,151 | 1,160,616 | 1,243,407 | 1,197,920 | 1,356,425 | 1,353,158 | 1,442,888 |
| Intergovernmental | | | | | | | | | | |
| Federal grants | 125,973,050 | 200,598,673 | 140,865,730 | 246,369,010 | 80,992,837 | 77,288,240 | 44,604,677 | 46,387,297 | 43,562,515 | 36,580,200 |
| State revenue sharing (net) | 31,001 | 97,611 | 13,642 | 18,307 | 14,084 | 39,068 | 52,448 | 64,650 | 71,967 | 79,592 |
| Other state funding | 4,588,003 | 18,424,710 | 3,749,865 | 4,332,734 | 3,034,249 | 2,257,549 | 2,228,740 | 1,514,272 | 1,182,680 | 1,275,993 |
| Fees, charges, and commissions for services | 1,114,508 | 1,111,659 | 3,400,246 | 1,724,358 | 2,726,286 | 3,555,847 | 1,811,480 | 2,001,255 | 2,764,342 | 3,159,347 |
| Fines and forfeitures | 260,359 | 386,834 | 396,925 | 349,220 | 237,132 | 181,524 | 152,370 | 222,793 | 198,657 | 216,202 |
| Use of money and property | 764,076 | 368,795 | 328,051 | 71,224 | 1,114 | 830 | 1,839 | 1,142 | 2,312 | 71,784 |
| Special assessments | - | - | 420 | - | - | - | - | - | - | - |
| Public grants | 395,505 | 42,308 | 6,515 | 30,000 | - | - | - | - | - | - |
| Other revenues | 6,442,562 | 8,268,034 | 9,191,163 | 1,599,078 | 410,474 | 987,103 | 550,334 | 786,362 | 1,598,339 | 1,473,557 |
| Total revenues | 162,566,442 | 250,335,049 | 187,276,412 | 280,784,877 | 110,935,101 | 115,684,930 | 81,597,366 | 81,256,183 | 79,155,739 | 75,013,013 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | | | | | | | | | | |
| Judicial | 1,122,629 | 1,239,869 | 1,240,694 | 1,255,100 | 90,600 | 88,775 | 212,704 | 195,647 | 2,903,611 | 3,054,874 |
| Finance and administration | - | 13,780 | 20 | - | - | - | - | - | - | - |
| Other general government | 70,869,763 | 48,967,159 | 54,495,443 | 69,651,287 | 48,906,737 | 25,843,161 | 23,840,855 | 30,280,681 | 18,484,746 | 29,343,501 |
| Public safety | 5,966,248 | 8,572,283 | 14,724,975 | 8,025,968 | 8,424,249 | 9,718,598 | 9,360,090 | 9,828,930 | 11,601,962 | 12,518,053 |
| Public works | 13,661,024 | 11,881,959 | 12,951,757 | 11,579,754 | 10,728,553 | 9,189,794 | 4,691,641 | 4,338,347 | 4,557,047 | 4,979,685 |
| Sanitation | - | - | - | - | - | - | 4,769,494 | 4,776,040 | 4,812,945 | 4,593,206 |
| Culture and recreation | 4,630,375 | 6,933,377 | 16,486,993 | 2,046,703 | 1,746,805 | 1,913,604 | 2,750,175 | 1,782,990 | 1,828,936 | 2,425,862 |
| Health and welfare | 1,027,186 | 1,232,493 | 1,525,528 | 6,943,880 | 6,269,959 | 6,625,617 | 6,760,781 | 9,070,216 | 9,128,028 | 9,025,270 |
| Economic development | 8,601 | - | - | - | - | - | - | - | - | - |
| Capital outlay | 38,197,576 | 110,035,464 | 72,894,729 | 155,875,749 | 47,475,550 | 22,281,619 | 25,802,144 | 23,380,496 | 21,902,370 | 21,513,948 |
| Debt service | | | | | | | | | | |
| Principal | 540,000 | 565,000 | 595,000 | 260,000 | 270,000 | 280,000 | 470,000 | 3,170,000 | 3,260,000 | 3,365,000 |
| Interest and service charges | (26,278) | 199,176 | 181,143 | 166,134 | 88,860 | 1,322,566 | 1,328,696 | 1,305,453 | 1,199,102 | 1,073,650 |
| Bond issuance costs | - | - | - | - | 417,455 | - | - | - | - | - |
| Total expenditures | 135,997,124 | 189,640,560 | 175,096,282 | 255,804,575 | 124,418,768 | 77,263,734 | 79,986,580 | 88,128,800 | 79,678,747 | 91,893,049 |
| Excess (deficiency) of revenues over (under) expenditures | 26,569,318 | 60,694,489 | 12,180,130 | 24,980,302 | (13,483,667) | 38,421,196 | 1,610,786 | (6,872,617) | (523,008) | (16,880,036) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | 38,957,596 | 27,227,120 | 34,301,482 | 6,594,635 | 14,131,402 | 11,691,952 | 11,238,213 | 10,277,861 | 12,376,168 | 14,353,111 |
| Transfers out | (43,186,608) | (87,562,801) | (44,973,062) | (27,116,490) | (47,581,671) | (25,901,808) | (11,844,105) | (8,293,003) | (11,917,465) | (16,633,139) |
| Proceeds from long-term debt | 8,769,262 | 5,000,000 | - | - | - | - | 2,200,000 | - | - | - |
| Proceeds from bond issuance | - | - | - | - | 33,885,000 | - | - | - | - | - |
| Bond premium | - | - | - | - | 2,433,041 | - | - | - | - | - |
| Payment to escrow agent | - | - | - | - | (3,261,468) | - | - | - | - | - |
| Proceeds from the sales of capital assets | - | - | - | - | - | - | 83,974 | 291,500 | 146,135 | - |
| Proceeds from the sale of investments - land held for sale | - | - | - | - | - | - | 1,643,740 | 861,202 | - | - |
| Proceeds from insurance settlements | - | - | - | - | - | - | 623,741 | 128,930 | 37,180 | 56,369 |
| Proceeds from litigation settlements | - | - | - | - | - | - | - | 9,359,306 | 1,780,006 | 21,000,000 |
| Total other financing sources (uses) | 4,540,250 | (55,335,681) | (10,671,580) | (20,521,855) | (393,696) | (14,209,856) | 3,945,563 | 12,625,796 | 2,422,024 | 18,776,341 |
| Net change in fund balances | \$ 31,109,568 | \$ 5,358,808 | \$ 1,508,550 | \$ 4,458,447 | \$ (13,877,363) | \$ 24,211,340 | \$ 5,556,349 | \$ 5,753,179 | \$ 1,899,016 | \$ 1,896,305 |
| Debt service as a percentage of noncapital expenditures | 0.53% | 0.96% | 0.76% | 0.43% | 1.01% | 2.91% | 3.32% | 6.91% | 7.72% | 6.31% |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Fiscal Year</u> | <u>Real Property Assessed Value</u> | <u>Other Property Assessed Value</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> |
|--------------------|-------------------------------------|--------------------------------------|-------------------------------------|------------------------------|
| 2008 | 124,850,048 | 200,837,534 | 325,687,582 | 30.11 |
| 2009 | 143,915,887 | 195,649,366 | 339,565,253 | 30.11 |
| 2010 | 152,336,273 | 195,854,906 | 348,191,179 | 28.61 |
| 2011 | 162,492,455 | 195,185,678 | 357,678,133 | 29.27 |
| 2012 | 164,635,938 | 207,766,965 | 372,402,903 | 29.03 |
| 2013 | 170,805,390 | 199,367,569 | 370,172,959 | 49.27 |
| 2014 | 169,463,272 | 220,936,376 | 390,399,648 | 49.27 |
| 2015 | 173,343,983 | 209,561,261 | 382,905,244 | 49.27 |
| 2016 | 187,331,162 | 191,676,268 | 379,007,430 | 50.27 |
| 2017 | 195,580,993 | 181,614,308 | 377,195,301 | 50.00 |

Sources: St. Bernard Parish Assessor's Office and St. Bernard Parish Council

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | St. Bernard Parish | | Overlapping Rates | | | | Total Direct & Overlapping Rates |
|-------------|--------------------|----------------------|---------------------------------|----------------------|----------------------|----------------|----------------------------------|
| | Operating Millage | Total Parish Millage | St. Bernard Parish School Board | | | Other Entities | |
| | | | Operating Millage | Debt Service Millage | Total School Millage | | |
| 2008 | 30.11 | 30.11 | 35.00 | 14.00 | 49.00 | 24.18 | 103.29 |
| 2009 | 30.11 | 30.11 | 33.55 | 12.50 | 46.05 | 22.11 | 98.27 |
| 2010 | 28.61 | 28.61 | 34.84 | 12.00 | 46.84 | 22.11 | 97.56 |
| 2011 | 29.27 | 29.27 | 35.00 | 11.00 | 46.00 | 28.49 | 103.76 |
| 2012 | 29.03 | 29.03 | 35.00 | 10.00 | 45.00 | 32.43 | 106.46 |
| 2013 | 49.27 | 49.27 | 35.00 | 10.00 | 45.00 | 8.38 | 102.65 |
| 2014 | 49.27 | 49.27 | 35.00 | 5.50 | 40.50 | 59.21 | 148.98 |
| 2015 | 49.27 | 49.27 | 35.00 | 5.50 | 40.50 | 59.21 | 148.98 |
| 2016 | 50.27 | 50.27 | 35.72 | 5.50 | 41.22 | 60.17 | 151.66 |
| 2017 | 50.00 | 50.00 | 41.22 | 0.00 | 41.22 | 60.14 | 151.36 |

Source: St. Bernard Assessor's Office

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

| Taxpayer | Type of Business | 2017 | | | 2008 | | |
|---------------------------|--------------------|----------------------------|------|--|----------------------------|------|--|
| | | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| Chalmette Refining | Oil and Gas | \$ 41,058,621 | 1 | 10.89% | \$ 68,934,463 | 1 | 21.17% |
| Valero Refining-Meraux | Oil and Gas | 32,277,692 | 2 | 8.56% | - | - | - |
| Colonial Pipeline Co. | Oil and Gas | 22,314,030 | 3 | 5.92% | 17,357,960 | 3 | 5.33% |
| American Sugar/Domino | Sugar Refinery | 14,856,676 | 4 | 3.94% | 7,516,219 | 6 | 2.31% |
| Southern Natural Gas | Gas Utility | 13,244,110 | 5 | 3.51% | 8,567,980 | 5 | 2.63% |
| Entergy Louisiana, Inc | Electric Utility | 12,340,860 | 6 | 3.27% | 9,440,900 | 4 | 2.90% |
| Moem Pipeline, LLC | Oil and Gas | 4,704,150 | 7 | 1.25% | - | - | - |
| Tennessee Gas Pipeline Co | Oil and Gas | 4,662,780 | 8 | 1.24% | - | - | - |
| CII Carbon, LLC | Refinery | 3,135,038 | 9 | 0.83% | 3,960,890 | 7 | 1.22% |
| Bellsouth | Telephone Utility | 2,529,040 | 10 | 0.67% | 3,419,606 | 9 | 1.05% |
| Murphy Oil | Oil and Gas | - | - | - | 37,031,507 | 2 | 11.37% |
| Capital One Bank | Financial Services | - | - | - | 3,902,921 | 8 | 1.20% |
| Regions Bank | Financial Services | - | - | - | 3,097,160 | 10 | 0.95% |
| | | <u>\$ 151,122,997</u> | | <u>40.06%</u> | <u>\$ 163,229,606</u> | | <u>50.12%</u> |

Source: St. Bernard Assessor's Office

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Subsequent Years Collections | Total Collections to Date | |
|--------------------|---------------------------------------|---|---------------------------|-------------------------------------|----------------------------------|---------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2008 | * | 6,899,868 | * | 102,597 | 7,002,465 | * |
| 2009 | * | 6,935,325 | * | 137,699 | 7,073,024 | * |
| 2010 | * | 7,459,110 | * | 152,620 | 7,611,730 | * |
| 2011 | * | 7,484,779 | * | 168,101 | 7,652,880 | * |
| 2012 | * | 6,895,442 | * | 763,457 | 7,658,899 | * |
| 2013 | 12,886,735 | 12,869,675 | 99.87% | 71,665 | 12,941,340 | * |
| 2014 | 13,587,374 | 12,885,558 | 94.83% | 502,037 | 13,387,595 | 98.53% |
| 2015 | 13,202,176 | 12,656,857 | 95.87% | 525,920 | 13,182,777 | 99.85% |
| 2016 | 13,225,814 | 12,748,443 | 96.39% | 409,708 | 13,158,151 | 99.49% |
| 2017 | 13,047,615 | 12,361,923 | 94.74% | 523,743 | 12,885,666 | 98.76% |

*Information not available

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PRINCIPAL SALES TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

| Taxpayer | 2017 | | | 2008 | | |
|-------------------|----------------------------------|-------------|--|----------------------------------|-------------|--|
| | Sales Tax Collections | Rank | Percentage of Total Sales Tax Collections | Sales Tax Collections | Rank | Percentage of Total Sales Tax Collections |
| Refineries | \$ 9,463,978 | 1 | 22.67% | \$ 5,973,445 | 1 | 18.38% |
| Groceries | 6,034,186 | 2 | 14.45% | 2,265,647 | 4 | 6.97% |
| Motor Vehicles | 3,450,165 | 3 | 8.26% | 2,525,437 | 3 | 7.77% |
| Retail Stores | 2,410,775 | 4 | 5.77% | 2,766,316 | 2 | 8.51% |
| Restaurants | 1,220,534 | 5 | 2.92% | 649,818 | 6 | 2.00% |
| Drugstore/Chain | 812,865 | 6 | 1.95% | 776,335 | 5 | 2.39% |
| Gas/Conv Store | 545,185 | 7 | 1.31% | 301,672 | 7 | 0.93% |
| Auto Retail Store | 272,441 | 8 | 0.65% | 176,843 | 9 | 0.54% |
| Pharmacies/Local | 145,872 | 9 | 0.35% | 200,086 | 8 | 0.62% |
| Hotels | 103,240 | 10 | 0.25% | - | 10 | 0.00% |
| Total | \$ 24,459,241 | | 58.58% | \$ 15,635,599 | | 48.12% |

Source: St. Bernard Parish Sheriff's Office

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SALES AND USE TAX RATES - ALL GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Fiscal Year | Parish Council | Water & Sewer | Law Enforcement | School Board | Total Rate |
|--------------------|-----------------------|--------------------------|------------------------|---------------------|-------------------|
| 2008 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2009 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2010 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2011 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2012 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2013 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2014 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2015 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2016 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |
| 2017 | 2.00% | 0.50% | 0.50% | 2.00% | 5.00% |

Source: St. Bernard Parish Sheriff's Office

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SALES AND USE TAX COLLECTIONS - ALL GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Parish Council | Water and Sewer | Law Enforcement (1) | School Board (1) | Total |
|--------------------|-----------------------|------------------------|----------------------------|-------------------------|---------------|
| 2008 | \$ 13,001,658 | \$ 3,245,832 | \$ 3,245,832 | \$ 13,001,658 | \$ 32,494,980 |
| 2009 | 11,042,025 | 2,757,908 | 2,757,908 | 11,042,025 | 27,599,866 |
| 2010 | 19,010,239 | 4,591,379 | 4,591,379 | 19,010,239 | 47,203,236 |
| 2011 | 15,901,969 | 3,774,778 | 3,774,778 | 15,901,969 | 39,353,494 |
| 2012 | 13,446,184 | 3,338,375 | 3,338,375 | 13,446,184 | 33,569,118 |
| 2013 | 15,844,744 | 3,961,184 | 3,961,184 | 15,844,744 | 39,611,856 |
| 2014 | 16,096,696 | 4,024,174 | 4,024,174 | 16,096,696 | 40,241,740 |
| 2015 | 14,408,732 | 3,602,185 | 3,602,185 | 14,408,732 | 36,021,834 |
| 2016 | 14,387,437 | 3,596,859 | 3,596,859 | 14,387,437 | 35,968,592 |
| 2017 | 16,700,335 | 4,175,086 | 4,175,086 | 16,700,335 | 41,750,842 |

(1) Estimated based on Parish/Water & Sewer taxes collected

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Governmental Activities | | | | | Business Type Activities | | | | Total | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-------------------------|--------------------------|-------------------------|-----------|-------------------------------|--------------------------|-----------------|---------|--------------------------------|------------|-----------------------------------|----------------|
| | Sales Tax Bonds | General Obligation Bonds | Community Disaster Loan | Other | Total Governmental Activities | Sales Tax Bonds | Revolving Loans | Other | Total Business Type Activities | | | |
| 2008 | 4,449,272 | 675,000 | 17,958,524 | - | 23,082,796 | 52,182,055 | - | 370,000 | 52,552,055 | 75,634,851 | 10.71% | 2,262 |
| 2009 | 4,217,057 | 350,000 | 22,958,524 | - | 27,525,581 | 49,041,750 | - | 250,000 | 49,291,750 | 76,817,331 | 8.06% | 2,039 |
| 2010 | 3,975,231 | - | 5,000,000 | - | 8,975,231 | 46,552,685 | - | 130,000 | 46,682,685 | 55,657,916 | 4.63% | 1,369 |
| 2011 | 3,718,128 | - | 5,000,000 | - | 8,718,128 | 43,688,009 | - | - | 43,688,009 | 52,406,137 | 4.67% | 1,460 |
| 2012 | 36,368,269 | - | 5,000,000 | 60,000 | 41,428,269 | 10,304,288 | - | - | 10,304,288 | 51,732,557 | 4.80% | 1,308 |
| 2013 | 35,894,144 | - | - | 9,356,000 | 45,250,144 | 7,358,514 | - | - | 7,358,514 | 52,608,658 | 5.00% | 1,264 |
| 2014 | 35,240,538 | - | - | 8,960,932 | 44,201,470 | 4,292,740 | - | - | 4,292,740 | 48,494,210 | 4.33% | 1,092 |
| 2015 | 32,101,932 | - | - | 4,200,662 | 36,302,594 | 3,561,966 | 703,846 | - | 4,265,812 | 40,568,406 | 3.20% | 893 |
| 2016 | 28,883,326 | - | - | 6,260,000 | 35,143,326 | 2,806,192 | 6,858,195 | - | 9,664,387 | 44,807,713 | 3.37% | 965 |
| 2017 | 25,564,720 | - | - | 5,630,000 | 31,194,720 | 2,020,418 | 17,811,970 | - | 19,832,388 | 51,027,108 | 4.16% | 1,046 |

(1) See the Schedule of Demographic and Economic Statistics, Table 18, for personal income and population data.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Less: Amounts Available in Debt Service Fund</u> | <u>Total</u> | <u>Percentage of Estimated Actual Taxable (1) Value of Property</u> | <u>Per Capita</u> |
|--------------------|---|---|--------------|---|-------------------|
| 2008 | \$ 675,000 | \$ 679,381 | \$ (4,381) | 0.00% | (0.13) |
| 2009 | 350,000 | 675,000 | (325,000) | -0.10% | (8.63) |
| 2010 | - | 350,000 | (350,000) | -0.10% | (9) |
| 2011 | - | - | - | - | - |
| 2012 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2014 | - | - | - | - | - |
| 2015 | - | - | - | - | - |
| 2016 | - | - | - | - | - |
| 2017 | - | - | - | - | 0 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(UNAUDITED)

| Government Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|---|----------------------|---|---|
| Debt repaid with property taxes: | | | |
| St. Bernard Parish School Board | \$ 640,000 | 100% | \$ 640,000 |
| | | | <u>640,000</u> |
| Subtotal, overlapping debt | | | |
| St. Bernard Parish Government direct debt | <u>51,027,108</u> | 100% | 51,027,108 |
| Total direct and overlapping debt | <u>\$ 51,667,108</u> | | <u>\$ 51,667,108</u> |

Source: St. Bernard Parish School Board Comprehensive Annual Financial Report.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the Parish's boundaries and dividing it by the Parish's total taxable assessed value.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Parish. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of St. Bernard Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, is responsible for repaying the debt of each overlapping government.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

| | Fiscal Year | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2017 |
| Debt limit | \$ 113,990,654 | \$ 118,847,839 | \$ 121,866,913 | \$ 125,187,347 | \$ 130,341,016 | \$ 129,560,536 | \$ 136,639,877 | \$ 134,016,835 | \$ 132,652,601 | \$ 132,018,355 |
| Total net debt applicable to limit | 4,381 | 325,000 | 350,000 | - | - | - | - | - | - | - |
| Legal debt margin | 113,995,035 | 119,172,839 | 122,216,913 | 125,187,347 | 130,341,016 | 129,560,536 | 136,639,877 | 134,016,835 | 132,652,601 | 132,018,355 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | -0.27% | -0.29% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Legal debt margin calculation for fiscal year 2015

| | |
|---|----------------|
| Assessed Value | \$ 377,195,301 |
| Debt Limit - 35% of Assessed Value (1) | 132,018,355 |
| Debt applicable to the limit: | |
| General obligation bonds | - |
| Less: Amount set aside for repayment of general obligation debt | - |
| Total net debt applicable to limit | - |
| Legal debt margin | \$ 132,018,355 |

(1) Louisiana R.S. 39.562 allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 PLEDGED - REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

| Fiscal Year | Sales Tax Bonds | | | | |
|----------------|----------------------|--------------|-----------|------------|----------|
| | Sales Tax Revenue | Debt Service | | TOTAL | Coverage |
| | | Principal | Interest | | |
| 2008 | 16,247,490 | 2,614,978 | 2,801,301 | 5,416,279 | 3.00 |
| 2009 | 13,799,933 | 4,222,453 | 2,434,009 | 6,656,462 | 2.07 |
| 2010 | 23,601,618 | 3,334,066 | 2,506,909 | 5,840,975 | 4.04 |
| 2011 | 19,676,747 | 3,163,692 | 2,205,379 | 5,369,071 | 3.66 |
| 2012 | 16,784,559 | 33,300,000 | 621,612 | 33,921,612 | 0.49 |
| 2013 | 19,805,928 | 3,215,000 | 1,708,619 | 4,923,619 | 4.02 |
| 2014 | 20,120,870 | 3,525,000 | 1,565,978 | 5,090,978 | 3.95 |
| 2015 | 18,010,917 | 3,675,000 | 1,296,337 | 4,971,337 | 3.62 |
| 2016 | 17,984,296 | 3,780,000 | 1,429,802 | 5,209,802 | 3.45 |
| 2017 | 20,875,421 | 3,910,000 | 1,143,527 | 5,053,527 | 4.13 |

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Fiscal Year | Population of St. Bernard (1) | St. Bernard Total Personal Income | St. Bernard Per Capita Personal Income | Unemployment Rate (2) | St. Bernard Parish School Enrollment (3) |
|--------------------|--------------------------------------|--|---|------------------------------|---|
| 2008 | 33,439 | 705,878,544 | 21,109 | 4.5 | 4,405 |
| 2009 | 37,669 | 952,757,433 | 25,293 | 6.8 | 4,802 |
| 2010 | 40,655 | 1,201,764,221 | 29,560 | 8.1 | 5,424 |
| 2011 | 35,897 | 1,121,346,210 | 31,238 | 7.8 | 5,950 |
| 2012 | 39,558 | 1,078,592,600 | 27,266 | 8.4 | 6,377 |
| 2013 | 41,635 | 1,051,530,756 | 25,256 | 8.1 | 6,852 |
| 2014 | 44,409 | 1,121,060,256 | 25,244 | 5.6 | 7,132 |
| 2015 | 45,408 | 1,269,300,000 | 27,953 | 6.5 | 7,442 |
| 2016 | 46,450 | 1,329,480,000 | 28,622 | 5.3 | 7,464 |
| 2017 | 48,776 | 1,227,204,160 | 25,160 | 6.2 | 7,538 |

*Information not available

Source (1): St. Bernard Economic Foundation

Source (2): Bureau of Labor Statistics, Survey of Current Business

Source (3): St. Bernard Parish School Board

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

| Employer | Location | 2017 | | | 2008 | | |
|---------------------------------|-------------|--------------|------|--|--------------|------|--|
| | | Employees | Rank | % of Total St. Bernard Parish Employment | Employees | Rank | % of Total St. Bernard Parish Employment |
| St. Bernard Parish School Board | Chalmette | 885 | 1 | 8.05% | 765 | 2 | 8.36% |
| Chalmette Refinery | Chalmette | 605 | 2 | 5.50% | 1,100 | 1 | 12.02% |
| St. Bernard Parish Government | Chalmette | 436 | 3 | 3.96% | 450 | 3 | 4.92% |
| St. Bernard Parish Hospital | Chalmette | 405 | 4 | 3.68% | * | * | * |
| Walmart | Chalmette | 385 | 5 | 3.54% | * | * | * |
| Domino Sugar | Arabi | 300 | 6 | 2.73% | 375 | 4 | 4.10% |
| Valero Oil | Meraux | 280 | 7 | 2.55% | 300 | 5 | 3.28% |
| St. Bernard Parish Sheriff | Chalmette | 270 | 8 | 2.45% | * | * | * |
| Boasso America | Chalmette | 220 | 9 | 2.00% | 180 | 6 | 1.97% |
| SDT Waste and Disposal | Parish wide | | 7 | | 145 | 7 | 1.58% |
| Assoicated Terminals | Chalmette | | 10 | | 130 | 8 | 1.42% |
| TOTAL | | <u>3,786</u> | | <u>34.46%</u> | <u>3,445</u> | | <u>37.65%</u> |

* Information not available

Source: St. Bernard Chamber of Commerce

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 FULL-TIME PARISH EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

| Function | December 31, | | | | | | | | | |
|--------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General government | | | | | | | | | | |
| Judicial | 29 | 29 | 31 | 33 | 30 | 30 | 34 | 36 | 12 | 19 |
| Other general government | 134 | 143 | 148 | 169 | 142 | 146 | 150 | 136 | 155 | 157 |
| Public safety | 95 | 96 | 109 | 117 | 107 | 110 | 109 | 111 | 109 | 110 |
| Public works | 70 | 95 | 90 | 102 | 65 | 62 | 58 | 55 | 47 | 47 |
| Sanitation | - | - | - | 7 | 5 | 4 | 4 | 4 | 8 | 10 |
| Culture and recreation | 14 | 13 | 23 | 27 | 20 | 25 | 22 | 26 | 12 | 9 |
| Health and welfare | 6 | 12 | 13 | 14 | 11 | 10 | 9 | 10 | 7 | 11 |
| Water and sewer | 44 | 53 | 48 | 47 | 46 | 52 | 51 | 54 | 68 | 71 |
| Events facilities | - | - | - | - | - | - | 3 | 3 | 2 | 2 |

Source: St. Bernard Parish Finance Department

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety - Fire | | | | | | | | | | |
| Total number of rolls | 4,171 | 3,764 | 4,064 | 4,353 | 4,272 | 3,901 | 4,088 | 4,047 | 4,039 | 4,185 |
| Number of fires | 392 | 319 | 271 | 306 | 282 | 243 | 302 | 224 | 238 | 242 |
| Number of rescue calls | 3,035 | 2,756 | 3,120 | 3,297 | 3,128 | 2,849 | 3,031 | 2,913 | 2,818 | 2,881 |
| Number of service calls | 189 | 196 | 175 | 186 | 204 | 236 | 198 | 334 | 356 | 363 |
| Public Works | | | | | | | | | | |
| Potholes Repaired | * | * | * | 9 | 39 | 19 | 41 | 28 | 24 | 60 |
| Trees cut | * | * | * | 156 | 208 | 141 | 98 | 91 | 83 | 298 |
| Public Utility | | | | | | | | | | |
| Water & Sewer | | | | | | | | | | |
| Avg number of billed accounts | * | 13,177 | 14,699 | 15,388 | 15,710 | 15,889 | 16,140 | 16,381 | 16,507 | 16,747 |
| Number of billed accounts | * | 13,845 | 15,135 | 15,475 | 15,742 | 15,966 | 16,298 | 16,366 | 16,568 | 16,813 |
| New meter connections | * | 66 | 51 | 57 | 47 | 60 | 42 | 58 | 57 | 64 |
| Building Permits | | | | | | | | | | |
| Residential Construction | * | * | 16 | 60 | 45 | 96 | 57 | 96 | 136 | 132 |
| Commercial Construction | * | * | 11 | 17 | 71 | 58 | 45 | 30 | 42 | 51 |
| Renovations | * | * | 96 | 222 | 162 | 85 | 81 | 93 | 57 | 58 |
| Pools | * | * | 1 | 9 | 12 | 13 | 9 | 13 | 12 | 8 |
| Tents | * | * | 1 | 17 | 20 | 12 | 4 | 15 | 12 | 11 |
| Accessory Structure | * | * | 3 | 47 | 45 | 50 | 61 | 76 | 96 | 46 |
| Elevate Residence | * | * | - | 27 | 54 | 27 | 6 | 11 | 19 | 10 |
| Additions | * | * | 2 | 23 | 11 | 15 | 8 | 22 | 24 | 11 |
| Electrical Permits | * | * | - | 2 | 1 | 2 | 3 | 5 | 1 | - |
| HVAC Permits | * | * | 1 | - | - | - | - | - | - | - |
| Plumbing Permits | * | * | - | - | - | - | - | - | - | - |
| Gas Permits | * | * | 1 | - | - | - | - | - | - | - |
| Office Trailer Permits | * | * | 1 | 6 | - | - | - | - | 1 | - |
| Other | * | * | - | 6 | 31 | 13 | 10 | 30 | 51 | 12 |
| Mobile Homes | * | * | 13 | 28 | 16 | 20 | 14 | 19 | 8 | - |
| Signs | * | * | 3 | 32 | 81 | 52 | 39 | 2 | 3 | 3 |
| Boat Dock | * | * | 1 | 5 | - | 3 | 9 | 4 | 1 | 3 |
| Coastal Use | * | * | 2 | 2 | 5 | 2 | 8 | 9 | 6 | 2 |

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
 OPERATING INDICATORS BY FUNCTION (CONTINUED)
 LAST TEN FISCAL YEARS
 (UNAUDITED)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------|------|------|------|------|-------|-------|-------|-------|-------|
| Building Permits (continued) | | | | | | | | | | |
| Slab Removal | * | * | 4 | 47 | 2 | 2 | 9 | 1 | 4 | - |
| Demolition | * | * | 2 | 9 | 4 | 5 | 6 | 11 | 1 | - |
| Recreation and Culture | | | | | | | | | | |
| Number of players in baseball/softball league | * | * | 540 | 850 | 937 | 1,223 | 1,180 | 1,135 | 1,116 | 1,069 |
| Number of players in football league | * | * | 320 | 346 | 451 | 484 | 376 | 380 | 212 | 141 |
| Number of players in flag football league | * | * | * | * | * | * | * | * | 87 | 71 |
| Number of players in cheerleading | * | * | 29 | 42 | 90 | 103 | 62 | 63 | 69 | 46 |
| Number of players in basketball league | * | * | 292 | 330 | 433 | 553 | 564 | 564 | 491 | 424 |
| Number of players in volleyball league | * | * | * | 40 | 72 | 88 | 80 | 81 | 77 | 97 |
| Number of players in soccer league | * | * | * | 406 | 423 | 624 | 697 | 676 | 704 | 707 |

Source: The following St. Bernard Parish Departments: Fire, Community Development, Recreation, Public Works, and Water and Sewer Department.

*Information not available



**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS AND
UNIFORM GUIDANCE**

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

The Members of the St. Bernard Parish Council
Chalmette, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Bernard Parish Government (the "Parish"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated June 29, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Members of the St. Bernard Parish Council
Chalmette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the St. Bernard Parish Government (the "Parish")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Parish's major federal programs for the year-ended December 31, 2017. The Parish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Parish's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Parish'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Parish's compliance.

Opinion on Each Major Federal Program

In our opinion, the Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year-ended December 31, 2017.

Report on Internal Control over Compliance

Management of the Parish is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Parish's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance what we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cam, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2018

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2017

(1) Summary of Auditors' Results

- (a) The type of report issued on the basic financial statements: Unmodified opinion
- (b) Significant deficiencies in internal control were disclosed by the audit of the financial statements: No;
Material Weaknesses: No;
- (c) Noncompliance which is material to the financial statements: No;
- (d) Significant deficiencies in internal control over major programs: No;
Material weakness: No;
- (e) The type of report issued on compliance for major programs: Unmodified opinion;
- (f) Any audit findings which are required to be reported under 2 CFR Section 200.516(a) of Uniform Guidance: No;
- (g) Major programs:

| Name of Federal Program (or Cluster) | <u>CFDA No.</u> |
|---|-----------------|
| CDBG Entitlements Cluster - Community Development | 14.218 |
| Hazard Mitigation Grant Program | 97.039 |
| Housing Vouchers Cluster - Section 8 Housing Choice | 14.871 |
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,345,354;
- (i) Auditee qualified as a low-risk auditee under Section 200.520 of Uniform Guidance: No;

(2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*

None noted

(3) Findings and questioned costs relating to the major federal award program audit:

None noted

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2017

(1) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

2016-001: Oversight and Management of Recovery-Driven Federal Expenditures

Condition: Beginning in late 2005 and continuing through 2016, the Parish has received significant federal financial assistance (including FEMA and Hazard Mitigation) to fund the massive recovery effort to rebuild and repopulate St. Bernard Parish following Hurricane Katrina and other similar disasters. The Parish has outsourced the oversight and management of the entire recovery process to a third party administrator that has acted with the authority of the Parish to approve recovery expenditures and file the required documents for reimbursement from the State of Louisiana Governor's Office of Homeland Security and Emergency Preparedness ("GOHSEP"). As the recovery process has wound down, GOHSEP engaged an outside firm to perform a pre-closeout assessment of the recovery funding process. This assessment has raised questions regarding the process to approve and account for recovery expenditures and the application process for reimbursement. Additionally, the Parish has experienced a delay in the timing of expenses and the requests for reimbursement under these federal grants.

Status: Resolved.

(2) Findings and Questioned Costs - Major Award Programs Audit

2016-002 Financial Management Review Performed by HUD

Condition: The St. Bernard Parish Housing Authority ("SBPHA") failed to submit audited financial reports to HUD through PASS for the fiscal years ended 2007-2014.

Status: Resolved.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/Pass-Through or Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Expenditures |
|--|---------------------------|----------------------------------|-------------------------|
| U.S. Department of Homeland Security | | | |
| <i>Pass - Through Louisiana Military Department Office of Homeland Security and Emergency Preparedness</i> | | | |
| Disaster Grants - Public Assistance (presidentially Declared) | | | |
| Assistance to Firefighters Grant | 97.044 | EMW-2016-FO-06420 | \$ 486,591 |
| Disaster Grants - Public Assistance (presidentially Declared) - Nate | 97.036 | EM 3392 | 81,546 |
| Disaster Grants - Public Assistance (presidentially Declared) - Harvey | 97.036 | EMAC #0817-054 | 4,962 |
| Disaster Grants - Public Assistance (presidentially Declared) - Irma | 97.036 | EMCONSTELLATION#3564 | 7,096 |
| Disaster Grants - Public Assistance (presidentially Declared) - Katrina | 97.036 | FEMA-LA-DR1603 | 5,147,478 |
| Disaster Grants - Public Assistance (presidentially Declared) - Gustav | 97.036 | FEMA-LA-DR1786 | 2,367 |
| Disaster Grants - Public Assistance (presidentially Declared) - Isaac | 97.036 | FEMA-LA-DR4080 | <u>108,197</u> |
| | | | 5,838,238 |
| Hazard Mitigation Grant | 97.039 | 1603C-087-0007 | 18,870,340 |
| State Homeland Security Program 2017 | 97.067 | EMW-2017-SS-00058-S01 | 1,098 |
| State Homeland Security Program 2016 | 97.067 | EMW-2016-SS-00018-S01 | 30,191 |
| State Homeland Security Program 2015 | 97.067 | EMW-2015-SS-00043-S01 | <u>7,075</u> |
| | | | 38,364 |
| Emergency Management Performance 2017 | 97.042 | EMT-2017-EP-00001-S01 | 24,494 |
| Emergency Management Performance 2016 | 97.042 | EMT-2016-EP-00003-S01 | <u>3,537</u> |
| | | | 28,031 |
| Total U.S. Department of Homeland Security Grants | | | <u>24,774,973</u> |
| U. S. Department of Health & Human Services | | | |
| <i>Pass - Through Louisiana State Department of Health and Hospitals Office of Public Health</i> | | | |
| Cities Readiness Initiative 2017 | 93.074 | 061605 | 17,324 |
| 477 Cluster | | | |
| WIOA Strategies to Empower People | 93.558 | 2000224382 | <u>36,020</u> |
| Total 477 Cluster | | | 36,020 |
| Low Income Home Energy Assistance | 93.568 | | 212,061 |
| Community Services Block Grant | 93.569 | 2010P0081 | <u>157,244</u> |
| Total U.S. Department of Health & Human Services | | | <u>422,649</u> |
| U. S. Department of Commerce | | | |
| <i>Pass - Through Louisiana State Department of Natural Resources</i> | | | |
| Coastal Zone Management | 11.419 | 2000275620 | <u>35,260</u> |
| Total U.S. Department of Commerce | | | <u>35,260</u> |
| U.S. Department of Housing and Urban Development | | | |
| Housing Voucher Cluster | | | |
| Section 8 Housing Choice Vouchers | 14.871 | | <u>6,369,186</u> |
| Total Housing Voucher Cluster | | | 6,369,186 |
| <i>Pass - Through State of Louisiana, Division of Administration Office of Community Development</i> | | | |
| CDBG Entitlement Grants Cluster | | | |
| Community Development Block Grant - Entitlement Grant | 14.218 | | <u>1,454,288</u> |
| Total CDBG Entitlement Grants Cluster | | | 1,454,288 |

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/Pass-Through or Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Expenditures |
|--|---------------------------|----------------------------------|-------------------------|
| Community Development Capacity Grant | 14.228 | | 18,890 |
| Integrated Water Resource Management Grant | 14.228 | 44PCPL1017 | 102,188 |
| LLT Program | 14.228 | H44P-00001 | 831,873 |
| | | | <u>952,951</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>8,776,425</u> |
| U.S. Department of Labor | | | |
| <i>Pass - Through Louisiana Department of Labor</i> | | | |
| WIOA Cluster | | | |
| WIOA Adult Program FY | 17.258 | 2000201088 | 386,554 |
| WIOA Adult Program PY | 17.258 | 2000201088 | 53,747 |
| WIOA Youth Activities | 17.259 | 2000201088 | 389,965 |
| WIOA Dislocated Workers FY | 17.278 | 2000201088 | 257,863 |
| WIOA Dislocated Workers PY | 17.278 | 2000201088 | 68,730 |
| Total WIOA Cluster | | | <u>1,156,859</u> |
| WIOA Dislocated Workers - Job Driven NEG | 17.277 | 2000201088 | 188,159 |
| Total U.S. Department of Labor | | | <u>1,345,018</u> |
| U.S. Department of Transportation | | | |
| <i>Pass - Through Louisiana Department of Transportation & Development</i> | | | |
| Highway Planning and Construction Cluster | | | |
| Federal Highway Administration - Submerged Roads | 20.205 | H.009834 | 1,179,962 |
| Federal Highway Administration - Jackson/Pakenham Rdwy Restoration | 20.205 | H.007331 | 1,142,633 |
| Total Highway Planning and Construction Cluster | | | <u>2,322,595</u> |
| Federal Transit Cluster | | | |
| Federal Transit Formula Grant | 20.507 | 1521-2016-1 | 91,241 |
| Total Federal Transit Cluster | | | <u>91,241</u> |
| Total U.S. Department of Transportation | | | <u>2,413,836</u> |
| U. S. Department of the Interior | | | |
| Coastal Impact Assistance Program - Lake Lery Marsh Creation | 15.668 | F12AF01463 | 367,205 |
| Total U.S. Department of the Interior | | | <u>367,205</u> |
| Environmental Protection Agency | | | |
| <i>Pass - Through Louisiana Department of Health and Hospitals</i> | | | |
| Drinking Water State Revolving Fund Cluster | | | |
| Drinking Water Revolving Loan Fund #1 | 66.468 | 1087001-01 | 4,256,961 |
| Drinking Water Revolving Loan Fund #2 | 66.468 | 1087001-02 | 1,135,838 |
| Total Drinking Water State Revolving Fund Cluster | | | <u>5,392,798</u> |
| <i>Pass - Through University of New Orleans Research and Technology Foundation, Inc.</i> | | | |
| Lake Pontchartrain Basin Restoration Program | 66.125 | BR-01F22601 | 27,200 |

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor/Pass-Through or Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Expenditures |
|---|---------------------------|----------------------------------|-------------------------|
| <i>Pass - Through Louisiana Department of Environmental Quality</i> | | | |
| Clean Water State Revolving Fund Cluster | | | |
| Clean Water State Revolving Funds | 66.458 | CS 221310-04 | <u>1,271,108</u> |
| Total Clean Water State Revolving Fund Cluster | | | <u>1,271,108</u> |
| Total Environmental Protection Agency | | | <u>6,691,106</u> |
| Japan U.S. Friendship Commission | | | |
| Delta Area Economic Development | 90.201 | | <u>18,646</u> |
| Total Japan U.S. Friendship Commission | | | <u>18,646</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 44,845,119</u> |

The Parish did not provide any federal funding to a sub-recipient for the year ended December 31, 2017.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
December 31, 2017

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal awards of the St. Bernard Parish Government. The Parish's reporting entity is defined in Note 1 to the financial statements for the year-ended December 31, 2017. All federal awards received from federal agencies are included on the schedule.

NOTE 2 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Parish's financial statements for the year-ended December 31, 2017.

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal awards are included in the Statement of Activities of the Parish as operating and capital grant contributions.

NOTE 4 – NON-CASH ASSISTANCE

CDBG

During the year ended December 31, 2013, the Parish entered into a cooperative endeavor agreement with the State of Louisiana Office of Community Development and the Louisiana Road Home Corporation d/b/a Louisiana Land Trust (LLT), to transfer all the properties within St. Bernard Parish that were being held by LLT to St. Bernard Parish. Included on the statement of net position at December 31, 2017 is \$2,653,000 in land held for sale representing lots throughout St. Bernard Parish. No depreciation is being recorded on the properties being held for sale. During the year ended December 31, 2017, 83 properties were sold by the Parish for \$805,610. As the remaining lots are sold, CDBG program income will be recognized in the financial statements of the Parish. The proceeds from sales of the properties are restricted for use for direct management costs of the properties and for recovery related activities in furtherance of the cooperative endeavor agreement and the eligibility requirements under CDBG guidelines.

NOTE 5 – DE MINIMIS COST RATE

During the year ended December 31, 2017, the Parish did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of
St. Bernard Parish Council
Chalmette, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Members of the Council of St. Bernard Parish Government (the "Parish") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period January 1, 2017 through December 31, 2017. The Parish is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtained the Parish's written policies and procedures and observed that those written policies and procedures address each of the following financial/business functions:

a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were found as a result of applying the procedure.

b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: No exceptions were found as a result of applying the procedure.

c) *Disbursements*, including processing, reviewing, and approving.

Results: No exceptions were found as a result of applying the procedure.

- d) *Receipts*, including receiving, recording, and preparing deposit.
Results: No exceptions were found as a result of applying the procedure.
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Results: No exceptions were found as a result of applying the procedure.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Results: No exceptions were found as a result of applying the procedure.
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
Results: No exceptions were found as a result of applying the procedure.
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Results: No exceptions were found as a result of applying the procedure.
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Parish's ethics policy.
Results: No exceptions were found as a result of applying the procedure.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Results: No exceptions were found as a result of applying the procedure.

Board

- 2. Obtained and inspected the board minutes for the fiscal period and the Board's charter in effect during the fiscal period, and:
 - a) Observed that the managing board met (with a quorum) at least twice monthly, in accordance with the Board's charter.
Results: No exceptions were found as a result of applying the procedure.
 - b) Observed that the minutes obtained and inspected in a) above either referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Parish's prior audit (GAAP-basis).

- 1) If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, observed that there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, observed that the meeting minutes for at least one board meeting during the fiscal period reflected that the board is monitoring the plan.

Results: We noted that the Council minutes did not reference or include monthly budget-to-actual comparisons.

- c) Observed that the minutes obtained and inspected in a) above either referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: No exceptions were found as a result of applying the procedure.

Bank Reconciliations

3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the procedure.

4. Using the listing obtained from management in #3 above, selected 21 bank accounts, which represents one-third of the Parish's bank accounts on a three-year rotating basis. For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and observed that:

- a) Bank reconciliations have been prepared;

Results: No exceptions were found as a result of applying the procedure.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Results: No exceptions were found as a result of applying the procedure.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: No exceptions were found as a result of applying the procedure.

Collections

5. Obtained a listing of cash/check/money order (cash) collection locations for the fiscal period and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the procedure.

6. Using the listing provided by management in #5 above, selected 3 collection locations, which represents one-third of the Parish's collection locations on a three-year rotating basis. For each cash collection location selected:

- a) Determined who is responsible for collecting cash through inquiry with management.

Results: No exceptions were found as a result of applying the procedure.

- b) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and inspected the documentation obtained to determine that each person responsible for collecting cash, as identified in #6a above, is (1) bonded, or there is sufficient general liability insurance covering each person, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and (3) not required to share the same cash register or drawer with another employee.

Results: No exceptions were found as a result of applying the procedure.

- c) Obtained existing written documentation (Finance Policy Manual) and observed that the Parish has a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections in the cash collection location selected.

Results: No exceptions were found as a result of applying the procedure.

- d) Selected the highest (dollar) week of cash collections from the listing provided by management during the fiscal period and:

- 1) Obtained the Parish's collection documentation, deposit slips, and bank statements for each cash collection included in the highest (dollar) week, traced daily collections to the deposit date on the corresponding bank statement, and observed that the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Results: We noted that of the three locations: the Parish Complex location had thirteen (13) deposits that were deposited between two and three days, the Civic location had five (5) deposits deposited within two and three days, and the Recreation department had five (5) deposits within two and three days.

- 2) Obtained deposit slips, system reports, and check copies, and observed that daily cash collections were supported by documentation.

Results: No exceptions were found as a result of applying the procedure.

7. Obtained existing written documentation from management (e.g. policy manual, written procedure) and observed that the written documentation includes a process specifically defined (as identified by management) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: No exceptions were found as a result of applying the procedure.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtained a listing of Parish disbursements for the fiscal period from management. Obtained management's representation that the listing population is complete.

Results: No exceptions were found as a result of applying the procedure.

9. Using the disbursement population from #8 above, randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined that the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Results: No exceptions were found as a result of applying the procedure.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Results: No exceptions were found as a result of applying the procedure.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results: No exceptions were found as a result of applying the procedure.

10. Using Parish documentation (e.g. electronic system control documentation, policy manual, written procedure), observed that the person responsible for processing payments is prohibited from adding vendors to the Parish's purchasing/disbursement system.

Results: No exceptions were found as a result of applying the procedure.

11. Using Parish documentation (e.g. electronic system control documentation, policy manual, written procedure), observed that the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: No exceptions were found as a result of applying the procedure.

12. Inquired of management and observed that the supply of unused checks is maintained in a locked location, with access restricted to those persons (as identified by management) that do not have signatory authority. Alternately, if the checks are electronically printed on blank check stock, inspected Parish documentation (electronic system control documentation) and observed that only the persons with signatory authority have system access to print checks.

Results: No exceptions were found as a result of applying the procedure.

13. Due to a signature machine being used, inquired of the signer to determine that his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquired of the signer to determine that signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results: No exceptions were found as a result of applying the procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) in effect during the fiscal period for all employees/officials, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the procedure.

15. Using the listing obtained by management in #14 above, randomly selected 10 cards. Obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards for the fiscal period. Selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Results: No exceptions were found as a result of applying the procedure.

- b) Observed that no finance charges and/or late fees were assessed on the selected statements.

Results: We noted that a finance charge of \$11.60 was assessed and paid by the Parish on the January 2017 monthly credit card statement for one (1) of the ten (10) credit cards selected.

16. Using the monthly statements or combined statements selected under #15 above, obtained supporting documentation as follows for all transactions for each of the 10 cards selected.

- a) For each transaction, observed that the transaction is supported by:
1) An original itemized receipt (i.e., identifies precisely what was purchased).

Results: No exceptions were found as a result of applying the procedure.

- 2) Documentation of the business/public purpose, if not evident from the receipt. For meal charges, there should also be documentation of the individuals participating.

Results: No exceptions were found as a result of applying the procedure.

- 3) If applicable, other documentation that is required by the written policy obtained in #1g above (e.g., purchase order, written authorization.)

Results: No exceptions were found as a result of applying the procedure.

- b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Parish's written purchasing/disbursement policies obtained in #1b above and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and determined that the transaction complied with the requirements.

Results: No exceptions were found as a result of applying the procedure.

- c) For each transaction, compare the Parish's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and determined that the transaction complied with the requirements (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

Results: No exceptions were found as a result of applying the procedure.

Travel and Expense Reimbursements

17. Obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period. Obtained management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the procedure.

18. Using the Parish's written policies related to travel and expense reimbursements obtained in #1h above, compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined that no amounts exceeded GSA rates.

Results: No exceptions were found as a result of applying the procedure.

19. Using the listing detail from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. Obtained the expense reimbursement reports or prepaid expense documentation of each selected person for the fiscal period, including the supporting documentation, and chose the largest travel expense for each person to inspect. For each of the three travel expenses selected:

- a) Compared expense documentation to the written policies and observed that each expense was reimbursed or prepaid in accordance with the written policy obtained in #1h above (e.g., rates established for meals, mileage, lodging).

Results: No exceptions were found as a result of applying the procedure.

- b) Observed that each expense is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Results: No exceptions were found as a result of applying the procedure.

- 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Results: No exceptions were found as a result of applying the procedure.

- 3) If applicable, other documentation as required by the written policy obtained in #1h above (e.g., authorization for travel, conference brochure, certificate of attendance).

Results: No exceptions were found as a result of applying the procedure.

- c) Compared the Parish's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and determined that the transaction complied with the requirements (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).

Results: No exceptions were found as a result of applying the procedure.

- d) Observed that each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period as well as management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the procedure.

21. Using the listing above, selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to Carr, Riggs & Ingram, LLC). Obtained the related contracts and paid invoices during the fiscal period related to the five vendors selected and:

- a) Observed that there is a formal/written contract that supports the services arrangement and the amount paid.

Results: No exceptions were found as a result of applying the procedure.

- b) Compared each contract's detail to the requirements of Louisiana Public Bid Law. Determined whether each contract is subject to the Louisiana Public Bid and:

- 1) If yes, obtained/compared supporting contract documentation to legal requirements and observed that the Parish complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Results: For the five (5) contracts subject to the Louisiana Public Bid Law, no exceptions were found as a result of applying the procedure.

- 2) If no, obtained supporting contract documentation and observed that the Parish solicited quotes as a best practice.

All of the contracts selected were subject to the Louisiana Public Bid Law; therefore, this procedure is not applicable.

- c) Determined whether the contract was amended. If so, determined the scope and dollar amount of the amendment and observed that the original contract terms contemplated or provided for such an amendment.

Results: No exceptions were found as a result of applying the procedure.

- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms as observed in the contract, and observed that the invoice and related payment complied with the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedure.

- e) Obtained board minutes related to the contract and observed that there is documentation of board approval, as required by the policy obtained in #1f above and state law.

Results: No exceptions were found as a result of applying the procedure.

Payroll and Personnel

- 22. Obtained a listing of employees and elected officials during the fiscal period with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtained their personnel files, and:

- a) Determined compensation paid to each employee during the fiscal period and observed that payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure as observed in the employees' employee personnel files.

Results: No exceptions were found as a result of applying the procedure.

- b) Inspected changes made to hourly pay rates/salaries during the fiscal period and observed that those changes were approved in writing and in accordance with the written policy obtained in #1e above.

Results: No exceptions were found as a result of applying the procedure.

- 23. Obtained attendance and leave records for the fiscal period and selected one pay period in which leave has been taken by at least one employee. Within that pay period, selected 25 employees/officials, and:

- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Results: No exceptions were found as a result of applying the procedure.

- b) Observed that there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Results: No exceptions were found as a result of applying the procedure.

- c) Observed that there is written documentation that the Parish maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: No exceptions were found as a result of applying the procedure.

24. Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If any termination payments were made during the fiscal year, selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files and if applicable, employment contract for the two employees/officials. Observed that the termination payments were made in strict accordance with the policy obtained in #1e above and/or employment contract and approved by management.

Results: No exceptions were found as a result of applying the procedure.

25. Obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to all payroll taxes and retirement contributions during the fiscal period. Observed that the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines (as identified by management).

Results: No exceptions were found as a result of applying the procedure.

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtained ethics compliance documentation from management and observed that the Parish maintained documentation to demonstrate that required ethics training was completed.

Results: No exceptions were found as a result of applying the procedure.

27. Inquired of management whether any alleged ethics violations were reported to the Parish during the fiscal period. If applicable, obtained and inspected documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Parish's ethics policy obtained in #1i above. If management received allegations, observed that management investigated allegations received, and determined that the allegations were addressed in accordance with the policy obtained in #1i above.

Results: No alleged ethics violations were reported to the Parish's management during the fiscal period.

Debt Service

28. If debt was issued during the fiscal period, obtained supporting documentation from the Parish, and observed that State Bond Commission approval was obtained.

Results: No exceptions were found as a result of applying the procedure.

29. If the Parish had outstanding debt during the fiscal period, obtained supporting documentation from the Parish and observed that the Parish made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: No exceptions were found as a result of applying the procedure.

30. If the Parish had tax millages relating to debt service, obtained supporting documentation for the millages levied during the fiscal period and observed that millage collections did not exceed debt service payments by more than 10% during the fiscal period. Also, observed that there are no millages that continue to be received for debt that has been paid off.

Results: This section is not applicable as the Parish had no millages relating to debt service.

Other

31. Inquired of management whether the Parish had any misappropriations of public funds or assets during the fiscal period. If so, obtained/inspected supporting documentation and observed that the Parish reported the misappropriation to the legislative auditor and the district attorney of the Parish in which the Parish is domiciled.

Results: There were no misappropriations of public funds or assets during the fiscal period.

32. Observed that the Parish has posted on its premises and website, the notice required by R.S. 24:523.1.

Results: No exceptions were found as a result of applying the procedure.

33. If the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, reported the nature of each exception.

Results: No exceptions were found regarding management's representations in the procedures above, therefore this procedure is not applicable.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Carly Riggs & Ingram, L.L.C.

June 29, 2018



St. Bernard Parish Government

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Guy McInnis
Parish President

June 29, 2018

Louisiana Legislative Auditor
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Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
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Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
St. Bernard Parish Government

Dear Sirs:

In response to exception 2b1:

On the 20th of every month, the Finance Department provides the Council with monthly financial statements, which include budget to actual comparisons, via email to the Council Clerk. The monthly financial statements are then posted to the Parish's website. This information was provided every month during 2017 with no exceptions. Council members have the opportunity to discuss any financial matters or budget issues with administration at any time. Our process is believed to be effective, efficient and transparent.

In response to exception 6d1:

All cash transactions have been documented and deposited into St. Bernard Parish's bank accounts. No deposits have gone unaccounted. All physical cash transactions tested were deposited within one day. The exceptions were the result of checks collected in different departments and transferred to the Finance Department. We have implemented procedures for all cash transactions to be turned into the finance department by the end of each business day as well as stronger procedures requiring all cash transactions be stamped with the date received. Management will continue to stress the significance of making timely deposits.

In response to exception 15b:

The Parish will continue to emphasize the importance of paying credit card invoices on time.

Sincerely,

A handwritten signature in blue ink, consisting of stylized initials and a surname, followed by a period.

Blair Ellinwood
Director of Finance
St. Bernard Parish Government