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

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2014



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For the Year Ended December 31, 2014**

Prepared by:
Department of Finance

**ST. BERNARD PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2014**

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Independent Auditors' Report

The Members of the 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, each major fund, and the aggregate remaining fund information of the St. Bernard Parish Government (the Parish) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Parish's primary government 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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.

Basis for Adverse Opinion on Aggregately Presented Component Units

The financial statements referred to above include only the primary government of the Parish, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Parish's legal entity. The financial statements do not include financial data for the Parish's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for the Parish's legally separate component units to be reported with the financial data of the Parish's primary government. The amount which this departure would affect the assets, liabilities, net position, revenues, and expenses of the government-wide financial statements has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregately Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Parish as of December 31, 2014, or the changes in financial position or cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Parish as of December 31, 2014, 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 (pages 4 through 14), budgetary comparison information (pages 57 through 60), schedule of funding progress (page 56), notes to required supplemental information (page 61), and reconciliation of the proprietary funds statement of net position to the government-wide statement of net position (page 62) 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 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 other supplemental information (pages 63 through 97) is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates 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 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. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015, 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 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 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.

Postlethwaite & Netterville

New Orleans, Louisiana
June 29, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2014**

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, 2014. 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 \$614,100,355 at December 31, 2014.
- The government-wide statement of activities reported an increase in net position of \$18,683,150.
- 2014 general fund tax revenues increased by \$112,704 compared to 2013.
- The general fund reported an excess of revenues and other financing sources over expenses and other financing uses of \$1,232,356 for a total ending fund balance at December 31, 2014 of \$4,090,710. \$3,503,389 of fund balance is restricted or non-spendable, while \$587,321 is assigned for possible contingencies.
- Total governmental funds reported an excess of revenues and other financing sources over expenses and other financing uses of \$5,556,349 for the year ended December 31, 2014.
- Total cash and cash equivalents of governmental funds amounted to \$33,608,059 at December 31, 2014, an increase of \$2,128,293 compared to December 31, 2013.

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 two 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.

The statement of activities presents information showing how the Parish's net position changed during the year ended December 31, 2014. 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.

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

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, health and human services, culture and recreation, urban development and housing, and economic development. 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 60 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for its four major funds: the General Fund, CDBG Disaster 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.

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. All other Water and Sewer District funds and events facilities are combined into a single, aggregated presentation in the proprietary

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

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 21-23 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.

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.

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 63-95 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 exceeded liabilities by \$614,100,355 at December 31, 2014.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 77,414,669	\$ 71,598,175	\$ 18,765,642	\$ 22,538,614	\$ 96,180,311	\$ 94,136,789
Capital assets	384,857,910	386,140,491	217,482,729	204,966,155	602,340,639	591,106,646
Total assets	462,272,579	457,738,666	236,248,371	227,504,769	698,520,950	685,243,435
Other liabilities	36,044,198	40,089,532	2,447,928	2,915,124	38,492,126	43,004,656
Long-term liabilities	41,416,563	39,249,239	4,511,906	7,572,335	45,928,469	46,821,574
Total liabilities	77,460,761	79,338,771	6,959,834	10,487,459	84,420,595	89,826,230
Net position:						
Invested of capital assets, net of related debt	347,417,372	350,256,061	213,189,989	204,966,155	560,607,361	555,222,216
Restricted	15,937,711	9,470,377	7,531,203	857,133	23,468,914	10,327,510
Unrestricted (deficit)	21,456,735	18,673,457	8,567,345	11,194,022	30,024,080	29,867,479
Total net position	\$ 384,811,818	\$ 378,399,895	\$ 229,288,537	\$ 217,017,310	\$ 614,100,355	\$ 595,417,205

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 \$560,607,361 at December 31, 2014. 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.

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

Debt service funds have accumulated \$6,313,520 at December 31, 2014 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 \$156,601, which is primarily due to the change in net position described below.

Government-wide Activities

Table 2
Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,032,385	\$ 4,799,254	\$ 5,875,915	\$ 5,748,284	\$ 8,908,300	\$ 10,547,538
Operating grants and contributions	10,370,636	23,905,810	31,560	12,550	10,402,196	23,918,360
Capital grants and contributions	38,860,849	55,330,827	-	5,690,363	38,860,849	61,021,190
General revenues:						
Ad valorem taxes	13,387,595	12,941,340	-	-	13,387,595	12,941,340
Sales taxes	16,096,696	15,844,744	4,024,174	3,961,184	20,120,870	19,805,928
Other taxes	1,677,378	1,462,117	-	-	1,677,378	1,462,117
Unrestricted grants and investment earnings	187,198	195,208	39,188	37,106	226,386	232,314
Gain/(Loss) on disposal of assets	83,974	(149,742)	11,100	-	95,074	(149,742)
Forgiveness of debt	-	5,403,510	-	-	-	5,403,510
Other general revenues	2,429,117	1,168,627	262,529	330,835	2,691,646	1,499,462
Total revenues	86,125,828	120,901,695	10,244,466	15,780,322	96,370,294	136,682,017
Program expenses:						
General government	23,738,873	30,485,143	-	-	23,738,873	30,485,143
Public safety	10,242,189	10,548,513	-	-	10,242,189	10,548,513
Public works	15,580,221	14,751,885	-	-	15,580,221	14,751,885
Sanitation	4,769,494	4,682,338	-	-	4,769,494	4,682,338
Culture and recreation	3,787,646	2,889,701	-	-	3,787,646	2,889,701
Health and welfare	6,832,287	6,692,893	-	-	6,832,287	6,692,893
Interest on long-term debt	1,328,696	1,860,282	240,516	494,988	1,569,212	2,355,270
Water and sewer	-	-	11,165,143	10,153,902	11,165,143	10,153,902
Events facilities	-	-	2,079	-	2,079	-
Total expenses	66,279,406	71,910,755	11,407,738	10,648,890	77,687,144	82,559,645
Net (expense) revenue before transfers	19,846,422	48,990,940	(1,163,272)	5,131,432	18,683,150	54,122,372
Transfers in (Out)	(219,376)	(14,209,856)	219,376	14,209,856	-	-
Capital contributions	(13,215,123)	-	13,215,123	-	-	-
Change in Net Position	6,411,923	34,781,084	12,271,227	19,341,288	18,683,150	54,122,372
Net Position - beginning	378,399,895	343,618,811	217,017,310	197,676,022	595,417,205	541,294,833
Net Position - ending	\$ 384,811,818	\$ 378,399,895	\$ 229,288,537	\$ 217,017,310	\$ 614,100,355	\$ 595,417,205

Total revenue decreased by \$40,311,723 or 29.49% from \$136,682,017 in 2013 to \$96,370,294 in 2014. This decrease is primarily attributable to the decrease in capital grants and contributions of \$22,160,341 in 2014 and the decrease in operating grants and contributions of \$13,516,164 in 2014. These decreases in capital and operating grants are due to the decline of federal funding for the purpose of rebuilding the Parish after several hurricanes caused major damage to the Parish.

Total expenses were \$77,687,144 in 2014, a decrease of \$4,872,501, or 5.90%, compared to \$82,559,645 in 2013. General government expense decreased \$6,746,270 or 22.13% from \$30,485,143 in 2013 to \$23,738,873 in 2014 primarily due to the decrease of the self-insurance liability by \$1,462,012. Public

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

safety expense decreased \$306,324 or 2.90% from \$10,548,513 in 2013 to \$10,242,189 in 2014 due primarily to do the Parish reimbursing citizens during 2013 for a fire fee collected during 2012 in the amount of \$917,522. There was also an increase in fire salaries and pension expense of \$573,587 or 9.21%. Public works expense increased \$828,336 or 5.62% from \$14,751,885 in 2013 to \$15,580,221 in 2014.

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, 2014, the Parish's governmental funds reported a combined fund balance of \$19,653,990, an increase of \$5,556,349 in comparison with the prior year restated amounts. Included in this amount is a deficit of \$4,681,726 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 (\$188,274), 2) restricted for particular purposes (\$15,937,711), 3) committed for particular purposes (\$956,733), or 4) assigned for particular purposes (\$7,252,998).

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 \$8,020,168.

General Fund

The general fund is the chief operating fund of the Parish. During the year ended December 31, 2014, the general fund's fund balance increased by \$1,232,356 from \$2,858,354, as restated, to \$4,090,710. Key factors relative to this change are as follows:

- Total revenues increased by \$2,197,431 from 2013 to 2014. Federal grant revenue increased by \$2,191,955 as compared to the prior year due to the LLT program, in which the Parish is reimbursed for all grass cutting fees, associated with the LLT properties.
- Expenditures increased in 2014 to \$17,632,384 compared to \$14,942,335 in 2013, an increase of \$2,690,049, which represents an 18.00% increase in expenditures. This increase is a result of the increase in federal grants, in particular the new LLT program, which are expenditure driven.
- Other financing sources (uses), net, totaled (\$3,226,066) in 2014 representing an increase of \$2,165,925 or 40.17% in comparison to 2013.

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

- Charges for services increased by \$185,791 or 15.14% compared to 2013 due primarily to grass cutting revenues which increased by \$27,482 and video service franchise fees which increased \$29,916 during year ended December 31, 2014.
- Taxes increased by \$112,704 or 0.81% as compared to 2013 primarily due to an increase in sales tax collections of 1.59%.
- Federal funds increased \$2,191,555 or 75.35% due to the approval of the LLT program.
- Miscellaneous and other revenues decreased from \$623,566 in 2013 to \$375,586 in 2014, a decrease of \$247,980 or 39.77% due to the receipt of a one time insurance settlement during the year ended December 31, 2013.

The accompanying table shows the amount of general fund revenues by source for 2014 and 2013.

Revenues	2014	% of	Increase	2013	% of
	Actual	Total	(Decrease) Over 2013	Actual	Total
Taxes	\$ 14,003,814	63.39%	\$ 112,704	\$ 13,891,110	69.83%
Licenses and permits	1,168,116	5.29%	(38,121)	1,206,237	6.06%
Intergovernmental	5,124,800	23.20%	2,180,137	2,944,663	14.80%
Charges for services	1,412,760	6.40%	185,791	1,226,969	6.17%
Fines and forfeitures	4,872	0.02%	4,872	-	-
Use of money and property	858	0.00%	28	830	0.00%
Other revenues	375,586	1.70%	(247,980)	623,566	3.14%
	<u>\$ 22,090,806</u>	<u>100%</u>	<u>\$ 2,197,431</u>	<u>\$ 19,893,375</u>	<u>100%</u>

The accompanying table shows the amount of general fund expenditures by source for 2014 and 2013.

Expenditures	2014	% of	Increase	2013	% of
	Actual	Total	(Decrease) Over 2013	Actual	Total
General government	\$ 16,893,573	74.87%	\$ 2,778,823	\$ 14,114,750	69.41%
Capital outlay	738,811	3.27%	(88,774)	827,585	4.07%
Operating transfers out, net	4,930,146	21.85%	(461,845)	5,391,991	26.52%
	<u>\$ 22,562,530</u>	<u>100%</u>	<u>\$ 2,228,204</u>	<u>\$ 20,334,326</u>	<u>100%</u>

CDBG Fund

This special revenue fund is used to account for funding from the Department of Housing and Urban Development (HUD), primarily CDBG funding for Hurricanes Katrina, Rita, and Gustav reconstruction. The CDBG grants are reimbursement basis grants where expenditures and related revenues have been accrued. The deficit in the CDBG Disaster fund at December 31, 2014 of \$2,478,001 is partially attributable to \$2,330,543 of revenue that has been deferred and will be collected by the Parish in 2015 and cash advances received for which expenditures will be incurred in future years. Revenue amounted to \$5,306,155 in 2014 compared to \$9,918,489 in 2013, while expenditures totaled \$5,157,419 in 2014 compared to \$10,608,114 in 2013. Revenues and expenditures for Hurricanes Katrina, Rita and Gustav in the CDBG Disaster fund are decreasing as funding for the emergencies comes to an end and projects are closed out.

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

Disaster Recovery Fund

The Disaster Recovery Fund primarily accounts for grants received as a result of Hurricanes Katrina, Rita and Gustav from the Federal government. FEMA, as authorized by the Stafford Act, assists 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, 2014 of \$2,100,595 is partially attributable to \$9,838,302 of revenue that has been deferred and will be collected by the Parish in 2015 and cash advances received for which expenditures will be incurred in future years. Revenue amounted to \$22,945,193 in 2014 compared to \$50,337,469 in 2013, while expenditures totaled \$18,233,579 in 2014 compared to \$13,370,632 in 2014. 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. During the years ended December 31, 2014 and 2013, the Fire District received additional funding through a federal grant in the amount of \$1,744,864 and \$1,764,809, respectively. The Fire District's fund balance at December 31, 2014 amounted to \$3,586,724 which was an increase of \$1,760,082. This increase was due to the issuance of debt in the amount of \$2,200,000 for the purpose of acquiring, constructing and improving fire protection facilities and purchasing fire trucks and other firefighting equipment. Revenue amounted to \$10,955,082 in 2014 compared to \$10,466,434 in 2013, while expenditures totaled \$9,052,136 in 2014 compared to \$9,639,792 in 2013.

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 \$4,469,979 at December 31, 2014, which was a \$1,323,136 decrease compared to the prior year fund balance of \$5,793,115, as restated. Revenues during the year ended December 31, 2014 decreased by \$15,776,463 primarily due to the Fire District becoming a major fund in 2014. This decreased property tax revenues by \$8,309,485 or 69.87%. Expenditures during the year ended December 31, 2014 decreased by \$11,857,763 as a result the Fire District becoming a major fund and its \$9,052,136 of public safety expenditures not included in total special revenue funds – non-major. There was also a decrease in expenditures in Workforce Investment Act Fund of \$1,187,544 when compared to 2013 due to a decrease in funding in 2014.

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 \$3,472,975 at December 31, 2014, which was a \$2,240,751 increase compared to the prior year balance of \$1,232,224. The increase in fund balance is due to an increase in sinking requirements which are satisfied via transfers in. Transfers, net were \$4,018,357 for the year ended December 31, 2014, which was a \$2,308,227 increase compared to prior year activity of \$1,710,130. Expenditures during the year ended December 31, 2014 increased by \$196,130 primarily as a result of interest and principal payments for the 2012 Sales Tax Refunding Bonds.

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

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 and CDBG. Total fund balance for the Capital Project Funds was \$8,612,198, at December 31, 2014, an increase of \$823,940 from the prior year, as restated. Capital projects fund expenditures during 2014 totaled \$3,438,439; an increase of \$3,230,042 from the prior year due to the Parish establishing a new general capital projects fund which accounted for \$3,413,688 in capital outlay in 2014. A one-time transfer of \$2,152,706 to capital projects funds from the fire department and Water and Sewer one-time transfer of \$1,528,316 occurred during the year ended December 31, 2014, which attributed to the increase in transfers of \$3,950,578.

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 \$228,741,360 at December 31, 2014, an increase of \$12,228,018 from the prior year due to increased capital projects funding for rebuilding of the Parish's water and sewer facilities. Total operating revenues increased \$251,426 or 4.47% to \$5,875,915 for the year ended December 31, 2014. Total operating expenses increased \$1,160,437 or 11.73% to \$11,049,463 for the year ended December 31, 2014. The increase in operating expenses is primarily due to additional depreciation expense of \$243,830, an increase of \$157,206 in personal services and related benefit and increase of \$116,688 in insurance and claims, and an increase of \$550,317 in other expenditures primarily due to an increase in water and sewer lines, lift station pumps, or general repairs within the Parish as system components begin aging.

Non-operating revenues and expenses decreased \$5,320,630 or 57.29% to \$3,967,067 for the year ended December 31, 2014. The decrease in non-operating revenues is due to a decrease in federal funding of \$5,671,353 awarded in prior years related to reconstruction of Sewer and Water facilities. Sales tax revenues increased by \$62,990 or 1.59% to \$4,024,174 for the year ended December 31, 2014.

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 \$1,647,723, at December 31, 2014, an increase of \$2,398,913 from the prior year. Premium revenue increased by \$2,371,439 from \$1,268,882 to \$3,640,321 during the year ended December 31, 2014 due to a change in the actuarial calculations. Total operating expenses increased by \$121,215 from \$1,508,458 to \$1,629,673 during the year ended December 31, 2014.

General Fund Budgetary Highlights

Variances between general fund amended budget and actual are delineated in the schedule below. Total revenues are \$22,090,806 or 2.75% over variance. Actual expenditures were 12.08% less than budgeted.

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

	2014		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Taxes	\$ 14,338,296	\$ 14,003,814	\$ (334,482)
Licenses and permits	1,165,827	1,168,116	2,289
Intergovernmental	5,230,903	5,124,800	(106,103)
Charges for services	1,586,960	1,412,760	(174,200)
Fines and forfeitures	2,493	4,872	2,379
Use of money and property	29	858	829
Other revenues	374,544	375,586	1,042
Total Revenues	22,699,052	22,090,806	(608,246)
Expenditures	20,055,468	17,632,384	2,423,084
Other Financing Sources (Uses), net	(4,286,940)	(3,226,066)	1,060,874
Net Change in Fund Balance	\$ (1,643,356)	\$ 1,232,356	\$ 2,875,712

Capital Assets

Capital assets at December 31, 2014 and 2013 are as follows (net of depreciation):

The Parish's net investment in capital assets as of December 31, 2014, amounts to \$602,340,639 (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.

	2014	2013
Land	\$ 20,047,075	\$ 19,466,837
Construction in progress	71,848,807	74,487,266
Buildings and improvements	220,232,292	203,694,075
Furniture, machinery and equipment	21,263,668	19,764,232
Infrastructure	450,215,191	435,810,260
Accumulated depreciation	(181,266,394)	(162,116,024)
	<u>\$ 602,340,639</u>	<u>\$ 591,106,646</u>

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

- Road way packages funded by FEMA were completed and put into service in the amount of \$14,240,017.
- Construction in progress was completed on different Water and Sewer projects in the amount of \$13,215,123, including the waste water plant and clear well, funded by FEMA and Hazard Mitigation transferred to Water and Sewer at year end.
- Depreciation expense for the year amounted to \$19,150,370.

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

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

Debt Administration

Total outstanding debt at December 31, 2014 totaled \$46,560,932, which is secured by specific revenue sources (property or sales taxes). During 2014, the Parish issued \$6,760,932 of Limited Tax Certificates of Indebtedness, Series 2014.

	Outstanding Debt	
	<u>2014</u>	<u>2013</u>
2012 Sales Tax Refunding bonds	\$ 33,415,000	\$ 33,885,000
2004 Sales Tax bonds	520,000	2,935,000
2008 Sales Tax Refunding bonds	<u>3,665,000</u>	<u>4,305,000</u>
Total bonds	37,600,000	41,125,000
Limited Tax Certificates of Indebtedness, Series 2014	2,200,000	-
Certificates of Indebtedness	<u>6,760,932</u>	<u>9,356,000</u>
Total outstanding debt	<u>\$ 46,560,932</u>	<u>\$ 50,481,000</u>

The following is a summary of debt transactions:

Balance at January 1, 2014	\$ 50,481,000
New issues	8,960,932
Payments	<u>(12,881,000)</u>
Balance at December 31, 2014	<u>\$ 46,560,932</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, 2014 include the following:

- Total Other Post-Employment benefits increased \$527,552 during the fiscal year.
- During the year ended December 31, 2014, the Parish issued \$2,200,000 of limited tax certificates of indebtedness Series 2014.
- The Parish paid in full the 2013 certificates of indebtedness in the amount of \$9,356,000 in March 2014. The Parish issued 2014 certificates of indebtedness in the amount of \$6,760,932 in July 2014 and paid the certificates in full March 2015.

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

**ST. BERNARD PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2014**

Economic Factors and Next Year's Budget and Rates

The Parish's primary recurring funding sources are Sales Tax and Ad Valorem Tax. In 2014, actual Sales Tax collections were \$20,120,870 which was \$251,186 or 1.26% in excess of the originally budgeted amount. The Parish estimates a 6.00% increase in Sales Tax revenues in 2015 over 2014 and thereafter due to continually improving economic conditions and the post-storm related recovery. In 2014, actual Ad Valorem Tax collections were \$13,387,595 and the Parish estimates a 2.00% increase in Ad Valorem revenues in 2015.

Expectation is such that by the end of 2015, it is estimated that the Parish will be substantially complete in its storm related recovery efforts that will total in excess of \$1 billion. 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 therefore realize increases in collections of Sales Taxes and various other taxes. A new state of the art Hospital should continue to grow the area's medical care services and offer competitive job opportunities. Real estate values are increasing as evident by the recent auction of Parish owned vacant lots. The average lot price is up significantly when compared to the previous auctions. The Parish continues to apply for federal and state grants in order to improve the quality of life for its residents. Examples of this include federal and state grants that will fund a bike trail along the Mississippi River levee, new turf for at the recreation fields, the construction of the new boat house which will be used for fishing and kayaking rentals, and the anticipation of new bike paths connecting the current paths together throughout the Parish.

Over the last year or two, the Parish has seen a significant increase in the numbers of movies being filmed.

The Parish hosts many fairs and festivals with the annual Knights of Columbus Crawfish Festival itself bringing in over 100,000 patrons. The eastern end of the Parish is a favorite saltwater fishing destination for the entire Greater New Orleans metropolitan area.

Based on the factors stated above and the continued growth in population, Parish management anticipates an increase in its taxable base and continuity and growth in the services offered to its residents.

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
STATEMENT OF NET POSITION
December 31, 2014

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 35,522,122	\$ 4,274,873	\$ 39,796,995
Investments	1,065,661	-	1,065,661
Investments - land held for sale	4,229,000	-	4,229,000
Receivables:			
Sales and use taxes	2,629,527	657,382	3,286,909
Property taxes	13,179,754	-	13,179,754
Cable franchise fees	92,741	-	92,741
Customer	-	304,054	304,054
Intergovernmental	22,465,426	-	22,465,426
Other	1,047,399	11,006	1,058,405
Unbilled charges	-	581,796	581,796
Internal balances	(3,031,265)	3,031,265	-
Prepaid	214,304	89,375	303,679
Inventory	-	317,247	317,247
Restricted assets - cash and cash equivalents	-	8,718,644	8,718,644
Loan and interest receivable	-	780,000	780,000
Capital assets:			
Land, improvements and construction in progress	36,755,816	55,140,066	91,895,882
Other capital assets, net of depreciation	348,102,094	162,342,663	510,444,757
Total assets	\$ 462,272,579	\$ 236,248,371	\$ 698,520,950
LIABILITIES			
Accounts payables	\$ 19,365,175	\$ 183,135	\$ 19,548,310
Claims payable	2,113,560	542,214	2,655,774
Retainage payable	5,463,276	-	5,463,276
Salaries and payroll deductions payable	1,836,737	258,326	2,095,063
Customer deposits	-	1,218,437	1,218,437
Accrued interest payable	435,330	160,937	596,267
Advance collections	69,188	84,879	154,067
Certificates of indebtedness	6,760,932	-	6,760,932
Long-term non-current liabilities:			
Due within one year	3,915,948	855,624	4,771,572
Due in more than one year	37,500,615	3,656,282	41,156,897
Total liabilities	\$ 77,460,761	\$ 6,959,834	\$ 84,420,595
NET POSITION			
Net investment in capital assets	\$ 347,417,372	\$ 213,189,989	\$ 560,607,361
Restricted for:			
Capital projects	989,788	4,715,133	5,704,921
Debt service	3,497,452	2,816,068	6,313,520
Federal programs	5,370,629	-	5,370,629
Public safety	3,586,724	-	3,586,724
Other purposes	2,493,118	2	2,493,120
Unrestricted	21,456,735	8,567,345	30,024,080
Total net position	\$ 384,811,818	\$ 229,288,537	\$ 614,100,355

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH GOVERNMENT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government							
Judicial	\$ 796,068	\$ 42,220	\$ -	\$ -	\$ (753,848)	\$ -	\$ (753,848)
Other general government	22,942,805	2,680,931	3,388,211	37,841,076	20,967,413	-	20,967,413
Public safety	10,242,189	73,169	1,744,864	-	(8,424,156)	-	(8,424,156)
Public works	15,580,221	92,360	544,224	391,086	(14,552,551)	-	(14,552,551)
Sanitation	4,769,494	-	-	-	(4,769,494)	-	(4,769,494)
Culture and recreation	3,787,646	143,705	137,022	628,687	(2,878,232)	-	(2,878,232)
Health and welfare	6,832,287	-	4,556,315	-	(2,275,972)	-	(2,275,972)
Interest on long-term debt	1,328,696	-	-	-	(1,328,696)	-	(1,328,696)
Total governmental activities	66,279,406	3,032,385	10,370,636	38,860,849	(14,015,536)	-	(14,015,536)
Business-Type Activities							
Water and sewer	11,165,143	5,873,182	31,560	-	-	(5,260,401)	(5,260,401)
Events facilities	2,079	2,733	-	-	-	654	654
Interest on long-term debt	240,516	-	-	-	-	(240,516)	(240,516)
Total business-type activities	11,407,738	5,875,915	31,560	-	-	(5,500,263)	(5,500,263)
Total	\$ 77,687,144	\$ 8,908,300	\$ 10,402,196	\$ 38,860,849	(14,015,536)	(5,500,263)	(19,515,799)
General Revenues							
Taxes:							
Property taxes					13,387,595	-	13,387,595
Sales and use taxes					16,096,696	4,024,174	20,120,870
Severance					985,553	-	985,553
E telephone					451,084	-	451,084
Other					240,741	-	240,741
Fines and forfeitures					151,781	-	151,781
State revenue sharing (unrestricted)					92,912	-	92,912
Parish road royalty					935,697	-	935,697
Other general revenues (expenses)					640,021	262,529	902,550
Interest and investment earnings					187,198	39,188	226,386
Gain on sale of capital assets					83,974	11,100	95,074
Gain on sale of investments held for sale					546,240	-	546,240
Proceeds from insurance settlement					62,466	-	62,466
Transfers					(219,376)	219,376	-
Capital Contributions from governmental activities to business-type activities					(13,215,123)	13,215,123	-
Total general revenues and transfers					20,427,459	17,771,490	38,198,949
Change in net position					6,411,923	12,271,227	18,683,150
Net position - beginning of year					378,399,895	217,017,310	595,417,205
Net position - end of year					\$ 384,811,818	\$ 229,288,537	\$ 614,100,355

The accompanying notes are an integral part of this statement.

**ST. BERNARD PARISH GOVERNMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014**

	Special Revenue Funds					Total
	General Fund	CDBG Disaster Fund	Disaster Recovery Fund	Consolidated Fire Protection District No. 1 - 2	Non-Major Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 6,265,640	\$ 276,311	\$ 10,022,048	\$ 969,513	\$ 16,074,547	\$ 33,608,059
Investments - land held for sale	4,229,000	-	-	-	-	4,229,000
Receivables						
Sales and use taxes	1,972,145	-	-	-	657,382	2,629,527
Property taxes	878,056	-	-	8,775,527	3,526,171	13,179,754
Cable franchise fees	92,741	-	-	-	-	92,741
Intergovernmental	868,332	2,349,717	13,607,598	385,738	5,254,041	22,465,426
Grass liens receivable	74,702	-	-	-	-	74,702
Other	56,105	-	-	-	543,718	599,823
Due from other funds	4,549,014	-	12,450,962	-	3,599,138	20,599,114
Prepaid	98,722	-	-	20,296	89,552	208,570
Total assets	<u>\$ 19,084,457</u>	<u>\$ 2,626,028</u>	<u>\$ 36,080,608</u>	<u>\$ 10,151,074</u>	<u>\$ 29,744,549</u>	<u>\$ 97,686,716</u>
LIABILITIES						
Accounts payable	\$ 1,548,427	994,984	\$ 12,042,292	\$ 459,178	\$ 4,249,881	\$ 19,294,762
Retainage payable	21,091	1,564,987	3,786,329	-	90,869	5,463,276
Salaries and payroll deductions payable	573,408	-	-	519,387	450,588	1,543,383
Due to other funds	6,171,546	213,515	12,514,280	615,248	4,335,331	23,849,920
Advance collections	69,188	-	-	-	-	69,188
Short-term certificates of indebtedness	1,984,485	-	-	4,776,447	-	6,760,932
Total liabilities	<u>10,368,145</u>	<u>2,773,486</u>	<u>28,342,901</u>	<u>6,370,260</u>	<u>9,126,669</u>	<u>56,981,461</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	4,625,602	2,330,543	9,838,302	194,090	4,062,728	21,051,265
Total deferred inflows of resources	<u>4,625,602</u>	<u>2,330,543</u>	<u>9,838,302</u>	<u>194,090</u>	<u>4,062,728</u>	<u>21,051,265</u>
FUND BALANCE						
Nonspendable						
Prepaid items	98,722	-	-	-	89,552	188,274
Restricted						
Mortgage refunding	91,185	-	-	-	-	91,185
Debt service	-	-	-	-	3,497,452	3,497,452
Federal programs	3,070,696	-	-	-	2,299,933	5,370,629
Council on aging	-	-	-	-	344,708	344,708
Road lighting	-	-	-	-	48,163	48,163
Health	-	-	-	-	946,612	946,612
Communication	-	-	-	-	514,849	514,849
Garbage	-	-	-	-	263,046	263,046
Court operations	-	-	-	-	41,769	41,769
Public safety	-	-	-	3,586,724	-	3,586,724
Capital outlay	-	-	-	-	989,788	989,788
BP oil spill	242,786	-	-	-	-	242,786
Committed						
Capital outlay	-	-	-	-	956,733	956,733
Assigned						
Contingency	587,321	-	-	-	-	587,321
Capital outlay	-	-	-	-	887,488	887,488
Recovery	-	-	-	-	5,778,189	5,778,189
Unassigned	-	(2,478,001)	(2,100,595)	-	(103,130)	(4,681,726)
Total fund balance	<u>4,090,710</u>	<u>(2,478,001)</u>	<u>(2,100,595)</u>	<u>3,586,724</u>	<u>16,555,152</u>	<u>19,653,990</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 19,084,457</u>	<u>\$ 2,626,028</u>	<u>\$ 36,080,608</u>	<u>\$ 10,151,074</u>	<u>\$ 29,744,549</u>	<u>\$ 97,686,716</u>

The accompanying notes are an integral part of this statement.

**ST. BERNARD PARISH GOVERNMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2014**

Fund balances - total governmental funds \$ 19,653,990

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	\$ 451,576,366	
Accumulated depreciation	<u>(66,718,456)</u>	384,857,910

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.		21,051,265
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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.		(435,330)
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Long-term liabilities consist of:		
Bonds payable, net of premium/discount	\$ (37,440,538)	
Net other post-employment benefit	(2,326,969)	
Compensated absences	<u>(1,649,056)</u>	(41,416,563)

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.

		<u>1,100,546</u>
Net position - governmental activities		<u>\$ 384,811,818</u>

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue Funds					Total
	General Fund	CDBG Disaster Fund	Disaster Recovery Fund	Consolidated Fire Protection District No. 1 - 2	Non-major Governmental Funds	
REVENUES						
Taxes						
Property taxes	\$ 894,697	\$ -	\$ -	\$ 8,913,241	\$ 3,583,833	\$ 13,391,771
Sales and use taxes	12,072,522	-	-	-	4,024,174	16,096,696
Other	1,036,595	-	-	12,157	460,339	1,509,091
Licenses and permits	1,168,116	-	-	23,954	5,850	1,197,920
Intergovernmental						
Federal funds	5,101,042	5,306,155	22,934,043	1,744,864	9,518,573	44,604,677
State revenue sharing (unrestricted)	9,175	-	-	9,544	33,729	52,448
Other state funding	14,583	-	-	168,287	2,045,870	2,228,740
Charges for services	1,412,760	-	-	49,215	349,505	1,811,480
Fines and forfeitures	4,872	-	-	-	147,498	152,370
Use of money and property	858	-	-	-	981	1,839
Other revenues	375,586	-	11,150	33,820	129,778	550,334
Total revenues	22,090,806	5,306,155	22,945,193	10,955,082	20,300,130	81,597,366
EXPENDITURES						
Current						
General government						
Judicial	-	-	-	-	212,704	212,704
Other general government	16,893,573	1,860,191	2,760,998	-	2,326,093	23,840,855
Public safety	-	-	-	9,036,806	323,284	9,360,090
Public works	-	-	-	-	4,691,641	4,691,641
Sanitation	-	-	-	-	4,769,494	4,769,494
Culture and recreation	-	-	-	-	2,750,175	2,750,175
Health and welfare	-	-	-	-	6,760,781	6,760,781
Capital outlay	738,811	3,297,228	15,472,581	15,330	6,278,194	25,802,144
Debt service						
Principal	-	-	-	-	470,000	470,000
Interest	-	-	-	-	1,328,696	1,328,696
Total expenditures	17,632,384	5,157,419	18,233,579	9,052,136	29,911,062	79,986,580
Excess (Deficiency) of Revenues						
Over Expenditures	4,458,422	148,736	4,711,614	1,902,946	(9,610,932)	1,610,786
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	-	-	-	-	83,974	83,974
Proceeds from the sale of investments - land held for sale	1,643,740	-	-	-	-	1,643,740
Proceeds from insurance settlements	60,340	-	-	-	563,401	623,741
Proceeds from the issuance of long-term debt	-	-	-	2,200,000	-	2,200,000
Transfer in	166,088	-	-	26	11,072,099	11,238,213
Transfer out	(5,096,234)	-	(4,037,994)	(2,342,890)	(366,987)	(11,844,105)
Total other financing sources (uses)	(3,226,066)	-	(4,037,994)	(142,864)	11,352,487	3,945,563
Changes in fund balance	1,232,356	148,736	673,620	1,760,082	1,741,555	5,556,349
Fund balance (deficit) - beginning of year	2,612,641	(2,626,737)	(2,774,215)	1,826,642	16,472,199	15,510,530
Prior period adjustment	245,713	-	-	-	(1,658,602)	(1,412,889)
Fund balance (deficit) - beginning, as restated	2,858,354	(2,626,737)	(2,774,215)	1,826,642	14,813,597	14,097,641
Fund balance (deficit) - end of year	\$ 4,090,710	\$ (2,478,001)	\$ (2,100,595)	\$ 3,586,724	\$ 16,555,152	\$ 19,653,990

The accompanying notes are an integral part of this statement.

**ST. BERNARD PARISH GOVERNMENT
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, 2014**

Total net changes in fund balances - governmental funds \$ 5,556,349

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	25,802,144	
Depreciation expense	<u>(13,869,602)</u>	11,932,542

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	91,091	
Increase in OPEB	(527,552)	
Increase in compensated absences	(93,378)	
Increase in deferred inflows	<u>1,858,684</u>	1,328,845

Repayment of debt principle 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		470,000
Amortization of bond premium		183,606

The issuance of long-term debt in governmental funds is recorded as revenue. However, the issuance is not recorded in the Statement of Activities but rather is recorded as a liability on the Statement of Net Position.

(2,200,000)

The movement of capital assets from the governmental activities to the business-type activities are not recorded on the Statement of Revenues, Expenditures and Changes in Fund Balances, as it does not require the use of current financial resources. Therefore, the transfer between the activities is recorded as a capital contribution on the Statment of Activities.

(13,215,123)

The net revenue of certain activities of internal service funds is reported with governmental activities.

2,355,704

Change in net position - governmental activities

\$ 6,411,923

ST. BERNARD PARISH GOVERNMENT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2014

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Other Enterprise Funds	Total	Self-Insurance Fund
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 4,142,063	\$ 103,097	\$ 4,245,160	\$ 1,943,776
Investments	-	-	-	1,065,661
Customer receivable, net of allowance	302,366	1,688	304,054	-
Unbilled charges	581,796	-	581,796	-
Due from other funds	12,819,379	-	12,819,379	1,335,581
Prepays	89,375	-	89,375	5,734
Inventory	317,247	-	317,247	-
Loan receivable	600,000	-	600,000	-
Interest receivable	180,000	-	180,000	-
Other receivable	-	-	-	383,880
Restricted assets:				
Cash and cash equivalents	-	353,165	353,165	-
Revenue bond debt service account	185,807	-	185,807	-
Capital renewal and replacement and systems improvement account	388,646	-	388,646	-
Sales tax bond debt service reserve	981,032	-	981,032	-
Sales tax bond debt service account	4,994,271	-	4,994,271	-
Construction fund	1,594,845	-	1,594,845	-
Inflow and infiltration	2	-	2	-
Customer meter deposits	220,876	-	220,876	-
Sales tax receivable	657,382	-	657,382	-
Total current assets	28,055,087	457,950	28,513,037	4,734,632
Capital assets, net of accumulated depreciation	217,482,729	-	217,482,729	-
Total assets	\$ 245,537,816	\$ 457,950	\$ 245,995,766	\$ 4,734,632
LIABILITIES				
Current liabilities				
Accounts and other payables	\$ 183,135	\$ -	\$ 183,135	\$ 70,413
Self insurance claims payable	-	-	-	2,655,774
Salaries payable	258,326	-	258,326	293,354
Advance collections	84,879	-	84,879	-
Due to other funds	10,737,169	99,617	10,836,786	67,368
Total current liabilities	11,263,509	99,617	11,363,126	3,086,909
Current liabilities payable from restricted assets				
Bonds payable, net of amortization	720,000	-	720,000	-
Accrued vacation leave	135,624	-	135,624	-
Accrued interest payable	160,937	-	160,937	-
Customer deposits	1,218,437	-	1,218,437	-
Total current liabilities payable from restricted assets	2,234,998	-	2,234,998	-
Noncurrent liabilities				
Accrued vacation leave	83,542	-	83,542	-
Bonds payable, net of amortization	3,572,740	-	3,572,740	-
Total noncurrent liabilities	3,656,282	-	3,656,282	-
Total liabilities	\$ 17,154,789	\$ 99,617	\$ 17,254,406	\$ 3,086,909
NET POSITION				
Net investment in capital assets	\$ 213,189,989	\$ -	\$ 213,189,989	\$ -
Restricted				
Capital renewal and replacement and system improvements	4,715,133	-	4,715,133	-
Debt service	2,462,903	353,165	2,816,068	-
Inflow and infiltration	2	-	2	-
Unrestricted	8,015,000	5,168	8,020,168	1,647,723
Total net position	\$ 228,383,027	\$ 358,333	\$ 228,741,360	\$ 1,647,723

The accompanying notes are an integral part of this statement.

**ST. BERNARD PARISH GOVERNMENT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 For the Year Ended December 31, 2014**

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Other Enterprise Funds	Total	Self-Insurance Fund
OPERATING REVENUES				
Charges for service	\$ 5,778,467	\$ 2,733	\$ 5,781,200	\$ 3,640,321
Other operating revenues	94,715	-	94,715	-
Total operating revenues	<u>5,873,182</u>	<u>2,733</u>	<u>5,875,915</u>	<u>3,640,321</u>
OPERATING EXPENDITURES				
Personal services and related benefits	2,448,443	36	2,448,479	185,091
Utilities	1,046,169	538	1,046,707	-
Contractual services, supplies, and materials	551,677	610	552,287	-
Professional services	77,457	-	77,457	119,621
Insurance premiums	-	-	-	1,319,300
Insurance and claims	891,624	-	891,624	-
Depreciation and amortization	5,280,768	-	5,280,768	-
Other expenditures	751,246	895	752,141	5,661
Total operating expenditures	<u>11,047,384</u>	<u>2,079</u>	<u>11,049,463</u>	<u>1,629,673</u>
Operating income (loss)	(5,174,202)	654	(5,173,548)	2,010,648
NON-OPERATING REVENUES (EXPENDITURES)				
Sales tax	4,024,174	-	4,024,174	-
Interest earnings				
Restricted assets	3,221	-	3,221	-
Current assets	35,967	-	35,967	1,749
Interest expenditures and bank fees	(240,516)	-	(240,516)	-
Federal grants	31,560	-	31,560	-
Other nonoperating revenues	258,015	4,514	262,529	-
Deductions from taxes	(160,968)	-	(160,968)	-
Gain on disposal of capital assets	11,100	-	11,100	-
Total non-operating revenues (expenditures)	<u>3,962,553</u>	<u>4,514</u>	<u>3,967,067</u>	<u>1,749</u>
CHANGE IN NET POSITION BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS				
	(1,211,649)	5,168	(1,206,481)	2,012,397
Transfer in	4,699,531	-	4,699,531	386,516
Transfer out	(4,480,155)	-	(4,480,155)	-
Capital contributions	13,215,123	-	13,215,123	-
Transfers and capital contributions, net	<u>13,434,499</u>	<u>-</u>	<u>13,434,499</u>	<u>386,516</u>
CHANGE IN NET POSITION	12,222,850	5,168	12,228,018	2,398,913
NET POSITION - BEGINNING OF YEAR	<u>216,160,177</u>	<u>353,165</u>	<u>216,513,342</u>	<u>(751,190)</u>
NET POSITION - END OF YEAR	<u>\$ 228,383,027</u>	<u>\$ 358,333</u>	<u>\$ 228,741,360</u>	<u>\$ 1,647,723</u>

The accompanying notes are an integral part of this statement.

**ST. BERNARD PARISH GOVERNMENT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014**

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Other Enterprise Funds	Total	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 5,229,540	\$ 1,045	\$ 5,230,585	\$ -
Cash paid to suppliers of goods or services	(3,587,869)	(2,043)	(3,589,912)	-
Cash paid to employees	(2,303,365)	(36)	(2,303,401)	(182,861)
Receipts from interfund services provided	-	-	-	3,256,441
Payments for claims	-	-	-	(3,497,505)
Net cash used in operating activities	(661,694)	(1,034)	(662,728)	(423,925)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in, net	219,376	-	219,376	-
Capital contributions	13,215,123	-	13,215,123	-
Other non-operating revenue	97,047	4,514	101,561	-
Net payments to (receipts from) other funds	80,227	99,617	179,844	(35,608)
Net cash provided by (used in) non-capital financing activities	13,611,773	104,131	13,715,904	(35,608)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	31,560	-	31,560	-
Sales tax receipts	3,943,320	-	3,943,320	-
Principal payments on outstanding bonds	(3,055,000)	-	(3,055,000)	-
Interest expense on outstanding bonds	(237,282)	-	(237,282)	-
Purchase of capital assets	(17,797,016)	-	(17,797,016)	-
Net cash used in capital and related financing activities	(17,114,418)	-	(17,114,418)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	(199,585)
Interest received	3,192	-	3,192	-
Net cash provided by (used in) investing activities	3,192	-	3,192	(199,585)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,161,147)	103,097	(4,058,050)	(659,118)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,668,689	353,165	17,021,854	2,602,894
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 12,507,542	\$ 456,262	\$ 12,963,804	\$ 1,943,776
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH USED IN OPERATING ACTIVITIES				
Operating income (loss)	\$ (5,174,202)	\$ 654	\$ (5,173,548)	\$ 2,010,648
Adjustments to reconcile operating income (loss) to net cash used in operating activities				
Depreciation	5,280,768		5,280,768	-
Change in operating assets and liabilities:				
Increase in customer receivable	(151,943)	(1,688)	(153,631)	-
Increase in unbilled charges	(236,432)	-	(236,432)	-
Increase in prepaid	(10,946)	-	(10,946)	(1,531)
Decrease in inventory	50,703	-	50,703	-
Increase in other receivables	-	-	-	(383,880)
Decrease in accounts payable and accrued expenditures	(304,108)	-	(304,108)	1,328
Increase in salaries payable	139,733	-	139,733	2,230
Decrease in customer deposits	(2,123)	-	(2,123)	-
Decrease in self-insurance claims payable	-	-	-	(2,052,720)
Decrease in advance collections	(253,144)	-	(253,144)	-
Net cash used in operating activities	\$ (661,694)	\$ (1,034)	\$ (662,728)	\$ (423,925)

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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.

B. COMPONENT UNITS

In accordance with GASB, the Parish has determined the following component units are part of the reporting entity.

St. Bernard Parish Hospital	December 31, year end
St. Bernard Parish Library	December 31, year end
St. Bernard Parish Home Mortgage Authority	March 31, year end
St. Bernard Recreational Complex, Inc.	December 31, year end

Complete financial statements of the discretely presented component units can be obtained from their administrative offices. The Parish has chosen to issue financial statements of the primary government only; therefore only the funds, organizations, institutions, agencies, departments, and offices that comprise the Parish’s legal entity are included. GASB Codification provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government’s (the Parish) financial statements are not a substitute for the reporting entity’s financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to government entities. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government only of the Parish. Considered in the determination of component units of the reporting entity were the Parish School Board, the Parish Assessor's Office, the Parish Clerk of Court, the Judicial Clerk's Fund

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of the Thirty-Fourth Judicial District Court, the Indigent Defender Board, the Parish Sheriff's Office, and the Council on Aging. It was determined that these governmental entities are not component units of the Parish Government reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Parish Government.

C. 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, cultural and recreation, and health and welfare services are classified as governmental activities. The Parish's water and sewer services 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.

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, cultural 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.

D. 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, fund equity, revenues and expenditures/expenses.

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, liabilities, 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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

F. 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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Water and Sewer enterprise funds operate the Parish’s water distribution system and its sewer system which primarily services the Parish’s residents.
- ***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.

G. 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.

H. 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.

I. 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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

K. 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.

L. Investments

Investments are stated at fair value based on quoted market prices.

M. 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 the lower of cost or fair value and is reported as assets held for sale in the accompanying statement of net position.

N. 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.

O. Inventories and Prepaid Items

The Water and Sewer Division Enterprise Fund maintains an inventory of parts and expendable supplies that is valued at the lower of cost or market. The inventory is recognized as an expense when

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

P. 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 are recorded at their fair value on the date donated. 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. A salvage value of 10% of historical cost is assigned to depreciable assets of the Parish. 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.

Q. Deferred 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.

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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

received within sixty days and the land held for sale not sold within sixty days. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

R. Liability for Claims and Judgments

The Insurance Fund was established to account for the self-insurance of workmen's compensation, unemployment compensation, general, and automobile liability by the Parish Government. The Parish Government is self-insured for claims up to \$250,000 per occurrence.

The Parish Government has an insurance policy for claims between \$250,000 and \$5,000,000 per occurrence. 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, 2014.

S. Annual and Sick Leave

Substantially all employees of the Parish Government earn from 10 to 20 days of annual leave each year depending on length of service. Annual leave accumulated in one year must be used by December 31 of the following 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, 2014, accrued vacation and sick leave was \$1,649,056 for governmental activities.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At December 31, 2014, the accrued vacation and sick leave was \$219,166 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.

T. 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.

U. Net Position Classifications

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

- ***Net investments 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".

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. 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 City 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.
- ***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 not included in other spendable classifications.

W. 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.

X. 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 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.

Y. Budgets

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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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, 2014, the carrying amount of the Parish's deposits was \$48,515,639.

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, 2014, the Parish's bank balances totaled \$50,960,721. 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, 2014.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments - State statutes authorized the Parish Government to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset management pool (LAMP).

The Parish invests monies with the Louisiana Asset Management Pool (LAMP). At December 31, 2014, the Parish held \$290,581 in LAMP in the internal service funds. LAMP is administered by LAMP Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB standards requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7- like investment pool. The following facts are relevant for 2a7 like investment pools:

- **Credit risk:** LAMP is rated AAAM by Standard & Poor's.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- **Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure requirement.
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 52 as of December 31, 2014.
- **Foreign currency risk:** Not applicable to 2a7 -like pools.

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 net asset value of the pool shares.

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

The Parish follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair value, which is based on available market values. The Local Government Investment

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Pool is a “2a-7-like” pool in accordance with GASB Statement No. 31; therefore, it is not presented at fair value but at its actual pooled share price, which approximates fair value.

GASB standards requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of an investment. The Parish manages interest rate risk for investments under the control of the Parish by limiting the maximum maturity of investments in accordance with their investment policy. As stated in its investment policy, the Parish will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, cash will not be invested in securities maturing more than three years from the date of purchase.

At December 31, 2014, the governmental and fiduciary funds, investment balances and maturities for those investments were as follows (amounts in thousands):

	Investment maturity in years	
	Total	Less than one year
LAMP	\$ 290,581	\$ 290,581
Certificate of Deposit	775,080	775,080
Total investments	\$ 1,065,661	\$ 1,065,661

Credit Quality Risk – Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the Parish. The Parish does not have a policy statement concerning credit quality risk in its investment policy. National rating agencies assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not assigned credit quality ratings. Credit quality ratings are reported on obligations of U.S. government agencies not explicitly guaranteed by the U.S. government. LAMP has been rated AAAM by Standard & Poor’s Corporation.

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, 2014 were not subject to custodial credit risk.

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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

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, 2014 is \$4,229,000 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, 2014, 273 properties were sold by the Parish for \$1,643,740.

NOTE 4 – SALES TAX REVENUES

At December 31, 2014, 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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 5 – AD VALOREM TAX (CONTINUED)

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, 2014 are as follows:

General:	
General governmental services	\$ 2.75
Special revenue:	
Fire Protection District No. 1	7.33
Fire Protection District No. 2	8.14
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	20.00
	\$ 49.27

Property taxes levied on November 15, 2014, collected during 2014, or expected to be collected within the first 60 days of 2015, 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	\$ 251,262
Consolidated Fire Protection District No. 1 - 2	271,408
Non-major governmental funds	109,057
 <u>Business-type funds:</u>	
Water and Sewer Division	573,445
Total allowance for uncollectibles	\$ 1,205,172

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 7 – CAPITAL ASSETS

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

	Balance January 1, 2014	Additions	Deletions and adjustments	Balance December 31, 2014
<u>Governmental Activities:</u>				
Nondepreciable capital assets:				
Land	\$ 19,245,801	\$ 580,238	\$ -	\$ 19,826,039
Construction in progress	23,876,204	23,806,841	(30,753,268)	16,929,777
Total nondepreciable capital assets	<u>43,122,005</u>	<u>24,387,079</u>	<u>(30,753,268)</u>	<u>36,755,816</u>
Depreciable capital assets:				
Land improvements	20,167	842,787	-	862,954
Buildings and improvements	129,702,340	2,424,717	-	132,127,057
Furniture, fixtures, and equipment	381,929	58,906	-	440,835
Machinery and equipment	17,732,336	1,386,783	-	19,119,119
Road system	246,667,208	14,240,017	-	260,907,225
Bridges	1,363,360	-	-	1,363,360
Total depreciable capital assets	<u>395,867,340</u>	<u>18,953,210</u>	<u>-</u>	<u>414,820,550</u>
Less: accumulated depreciation	<u>(52,848,854)</u>	<u>(13,869,602)</u>	<u>-</u>	<u>(66,718,456)</u>
Total depreciable capital assets, net	<u>343,018,486</u>	<u>5,083,608</u>	<u>-</u>	<u>348,102,094</u>
Total governmental activities capital assets, net	<u>\$ 386,140,491</u>	<u>\$ 29,470,687</u>	<u>\$ (30,753,268)</u>	<u>\$ 384,857,910</u>
<u>Business-type Activities:</u>				
Nondepreciable capital assets:				
Land	\$ 221,036	\$ -	\$ -	\$ 221,036
Construction in progress	50,611,062	4,307,968	-	54,919,030
Total nondepreciable capital assets	<u>50,832,098</u>	<u>4,307,968</u>	<u>-</u>	<u>55,140,066</u>
Depreciable capital assets:				
Buildings	73,971,568	13,270,713	-	87,242,281
Furniture, fixtures, and equipment	36,492	-	-	36,492
Machinery and equipment	1,613,475	53,747	-	1,667,222
Infrastructure	187,779,692	164,914	-	187,944,606
Total depreciable capital assets	<u>263,401,227</u>	<u>13,489,374</u>	<u>-</u>	<u>276,890,601</u>
Less: accumulated depreciation	<u>(109,267,170)</u>	<u>(5,280,768)</u>	<u>-</u>	<u>(114,547,938)</u>
Total depreciable capital assets, net	<u>154,134,057</u>	<u>8,208,606</u>	<u>-</u>	<u>162,342,663</u>
Total business-type activities capital assets, net	<u>\$ 204,966,155</u>	<u>\$ 12,516,574</u>	<u>\$ -</u>	<u>\$ 217,482,729</u>

At December 31, 2014, construction progress in the business-type activities primarily consists of improvements to the sewer sanitary system.

During the year ended December 31, 2014, the governmental activities recorded a capital contribution in the amount of \$13,215,123 to the business-type activities. The contribution is recorded as an addition to buildings in the business-type activities and a deletion to construction in progress in the governmental activities, which was funded by FEMA and Hazard Mitigation Grant Program.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

<u>Governmental Activities:</u>	
General government	
Judicial	\$ 583,364
Other general government	406,582
Public safety	882,099
Public works	10,888,580
Culture and recreation	1,037,471
Health and welfare	<u>71,506</u>
Total depreciation expense - governmental activities	<u><u>\$ 13,869,602</u></u>
 <u>Business-type Activities:</u>	
Water and sewer	<u><u>\$ 5,280,768</u></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, 2014 comprise the following page:

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 8 – LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>Original issue</u>	<u>Range of average interest rates</u>	<u>Amount outstanding</u>	<u>Due in one year</u>
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%	\$ 33,415,000	\$ 2,955,000
2014 Limited Tax Certificates of Indebtedness, Series 2014 commencing March 2015 through March 2023	\$2,200,000	0.5 - 3.3%	2,200,000	215,000
2014 Limited Tax Certificates of Indebtedness, due in full in March 2015	\$7,800,000	0.6 - 0.98%	<u>6,760,932</u>	<u>6,760,932</u>
			<u>\$ 42,375,932</u>	<u>\$ 9,930,932</u>
			<u>1,825,538</u>	
Bond premium at December 31, 2014			<u>\$ 44,201,470</u>	

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%	\$ 520,000	\$ 45,000
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%	<u>3,665,000</u>	<u>675,000</u>
			<u>4,185,000</u>	<u>\$ 720,000</u>
			<u>107,740</u>	
Bond premium at December 31, 2014			<u>\$ 4,292,740</u>	

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The payment requirements for all bonds and certificates outstanding, including, as of December 31, 2014, are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending December 31:		
2015	\$ 10,650,932	\$ 1,493,329
2016	4,005,000	1,337,740
2017	4,140,000	1,182,877
2018	4,295,000	1,021,433
2019	4,445,000	853,044
2020 - 2024	19,025,000	1,866,755
	<u>\$ 46,560,932</u>	<u>\$ 7,755,178</u>

The Parish’s legal debt limit for General Obligation Bonds is \$32,927,339. At December 31, 2014, Parish’s outstanding debt is funded through sales tax receipts. At December 31, 2014, the Parish has \$32,927,339 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 coverages. At December 31, 2014, management believes it is in compliance with all financial related covenants.

Limited Tax Certificates of Indebtedness

On July 1, 2014, the Parish issued Limited Certificates of Indebtedness totaling \$6,760,932 for the purpose of advance funding in anticipation of the collection of parish wide ad valorem tax revenues. The certificates bear interest at 0.6 – 0.98% and mature on March 3, 2015. Thus, the entire amount of the certificates is included as a current liability in the statement of net position at December 31, 2014. At December 31, 2014, the certificates had a balance of \$6,760,932 which was paid in full in March 2015.

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

	<u>January 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2014</u>	<u>Due in one year</u>
<u>Governmental Activities:</u>					
Accrued annual and sick leave (note 1)	\$ 1,555,678	\$ 980,502	\$ (887,124)	\$ 1,649,056	\$ 745,948
Sales tax bonds	33,885,000	-	(470,000)	33,415,000	2,955,000
Premium on sales tax bonds payable	2,009,144	-	(183,606)	1,825,538	-
Limited tax certificates of indebtedness, Series 2014	-	2,200,000	-	2,200,000	215,000
Post-employment benefits (note 12)	1,799,417	527,552	-	2,326,969	-
	<u>\$ 39,249,239</u>	<u>\$ 3,708,054</u>	<u>\$ (1,540,730)</u>	<u>\$ 41,416,563</u>	<u>\$ 3,915,948</u>
<u>Business-type Activities:</u>					
Accrued annual and sick leave (note 1)	\$ 213,822	\$ 139,929	\$ (134,585)	\$ 219,166	\$ 135,624
Sales tax bonds	7,240,000	-	(3,055,000)	4,185,000	720,000
Premium on sales tax bonds payable	118,514	-	(10,774)	107,740	-
	<u>\$ 7,572,336</u>	<u>\$ 139,929</u>	<u>\$ (3,200,359)</u>	<u>\$ 4,511,906</u>	<u>\$ 855,624</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, 2014, the debt service funds had \$3,472,975 in fund balance reserved to service debt.

NOTE 9 – OPERATING LEASE INCOME

The Parish's governmental activities recorded lease income of \$110,250 from two lease agreements in effect during the year ended December 31, 2014. The Parish's business-type activities recorded lease income of \$63,420 from four lease agreements in effect during the year ended December 31, 2014. 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.

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2015	\$ 110,250	\$ 57,170
2016	110,250	52,994
2017	92,250	56,104
2018	92,250	56,104
2019	92,250	56,104
2020-2022	253,688	86,933
Total	<u>\$ 750,938</u>	<u>\$ 365,409</u>

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

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, 2014, were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds		
Major Funds		
General Fund	\$ 4,549,014	\$ 6,171,546
CDBG Fund	-	213,515
Disaster Recovery Fund	12,450,962	12,514,280
Consolidated Fire Protection		
District No. 1-2	-	615,248
Non-major Funds	<u>3,599,138</u>	<u>4,335,331</u>
Total governmental funds	20,599,114	23,849,920
Business-type Activities		
Water and Sewer Fund	12,819,379	10,737,169
Non-major enterprise Funds	-	99,617
Self-Insurance Internal Service	286,909	67,368
Water and Sewer Self Insurance		
Internal Service	<u>1,048,672</u>	<u>-</u>
Total Business-type Activities	<u>14,154,960</u>	<u>10,904,154</u>
Total	<u>\$ 34,754,074</u>	<u>\$ 34,754,074</u>

Transfers between funds during the year ended December 31, 2014 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
Major Funds		
General Fund	\$ 166,088	\$ 5,096,234
Disaster Recovery Fund	-	4,037,994
Consolidated Fire Protection		
District No. 1-2	26	2,342,890
Non-major Funds	<u>11,072,099</u>	<u>366,987</u>
Total governmental funds	11,238,213	11,844,105
Business-type Activities		
Water and Sewer Fund	4,699,531	4,480,155
Self-Insurance Internal Service	<u>386,516</u>	<u>-</u>
Total Business-type Activities	<u>5,086,047</u>	<u>4,480,155</u>
Total	<u>\$ 16,324,260</u>	<u>\$ 16,324,260</u>

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

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

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

The Parish Government contributes to the Parochial Employees Retirement System of Louisiana, the Firefighters' Retirement System, the District Attorneys' Retirement System of Louisiana, and the Registrar of Voters Retirement System. The Parish's payroll for employees covered by the retirement systems for the year ended December 31, 2014 was \$15,812,081 (which includes a Parish payroll of \$13,796,320 and Water and Sewer Division payroll of \$2,015,761).

Parochial Employees' Retirement System

Employees of the Parish and Water and Sewer Division are members of the Parochial Employees' Retirement System of Louisiana (the System), a multiple-employer (cost sharing), public-employee retirement system (PERS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions.

Plan Description - The Parish and Water and Sewer Division contribute to Plan A of the Parochial Employees' Retirement System of Louisiana (the System), cost-sharing multiple-employer defined benefit public employee retirement system (PERS), which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 205 of the 1952 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1901 through 11:2015, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy - Plan members are required to contribute 9.50% of their annual-covered salary. Employer contributions are actuarially determined every fiscal year according to statutory process. The current rate is 16.00% of annual payroll. The contribution requirements of plan members and the Parish and Water and Sewer Division are established and may be amended by state statute. The Parish Government's contributions to the System for the years ended December 31, 2014, 2013 and 2012 were \$1,314,153, \$1,328,418, and \$1,374,057, respectively, equal to the required contributions for each year. For the year ended December 31, 2014, the total payroll for Water and Sewer Division employees covered by the System under Plan A was \$2,015,761. The Water and Sewer Division's contributions to the System for the years ended December 31, 2014, 2013, and 2012 were \$322,522, \$314,573, and \$293,841, respectively, equal to the required contributions for each year.

Firefighters' Retirement System

Plan Description - The Parish contributes to the Firefighters' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Drive, Suite 210, Baton Rouge, Louisiana 70808-4136.

Funding Policy – During 2014 plan members are required to contribute 10.00% of their earnable compensation and the Parish is required to contribute at an actuarially determined rate. Beginning January 1, 2014, the Parish was paying a rate of 28.25% of annual covered payroll. Effective July 1, 2014, that rate increased to 29.25%. The contribution requirements of plan members and the Parish are established and may be amended by state statute. The Parish's contributions to the System for the years ended December 31, 2014, 2013, and 2012 were \$1,518,005, \$1,336,947, and \$1,196,993, respectively, equal to the required contributions for each year.

District Attorney's Retirement System

Plan Description - The Parish contributes to the District Attorneys' Retirement System (the System), a cost sharing multiple employer public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 56 of the 1956 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1581 through 11: 1702, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to District Attorney Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116.

Funding Policy - Plan members are required to contribute 8.00% of their compensation to the System. Beginning January 1, 2014, the Parish was paying a rate of 9.75% of annual covered payroll. On July 1, 2014, that rate decreased to 7.00%. The contribution requirements of plan members and the Parish are established and may be amended by state statute. The Parish's contributions to the System or the years ended December 31, 2014, 2013, and 2012 were \$22,486, \$25,596, and \$25,181, respectively, equal to the required contributions for each year.

Registrar of Voters Retirement System

Plan Description – The Parish contributes to the Registrar of Voters Retirement System (the System), a cost sharing multiple-employer plan (Retirement System Trust Fund) and a Savings Plan (Members' Supplemental Savings Trust Fund) which is controlled and administered by a separate Board of Trustees. The System provides normal retirement, early retirement, disability retirements and death benefits, as specified in the plan. The plan was established as of January 1, 1955 by Act 215 of 1954, under R.S. Title 11:2032, as amended, for the purpose of providing 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 issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Registrars of Voters Employees' Retirement System 300 State Street Room 107 Jennings, Louisiana 70546.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Funding Policy – Plan members are required to contribute 7.00% of their compensation to the System. Beginning January 1, 2014, the Parish was paying a rate of 24.25% of annual covered payroll. The contribution requirements of plan members and the Parish are established and may be amended by state statute. The Parish's contributions to the System for the years ended December 31, 2014, 2013, and 2012 were \$7,610, \$7,876, and \$6,239, respectively, equal to the required contributions for each year.

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description – The St. Bernard Parish Government'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.

Fund Policy – Until 2007, the St. Bernard Parish Government recognized the cost of providing post-employment medical and life insurance benefits (the St. Bernard Parish Government'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 2014 and 2013, the St. Bernard Parish Government's portion of health care and life insurance funding cost for retired employees totaled \$962,074 and \$1,027,316, respectively.

Effective January 1, 2007, the St. Bernard Parish Government implemented Government Accounting Standards Board Statement Number 45, *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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual Required Contribution – The St. Bernard Parish Government’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 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>
Normal cost	\$ 482,226
30-year UAAL amortization amount	<u>1,039,484</u>
Annual required contribution (ARC)	<u>\$ 1,521,710</u>

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

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 1,799,417	\$ 1,562,519
Annual required contribution	1,521,710	1,261,874
Interest on Net OPEB Obligation	71,976	70,313
ARC Adjustment	<u>(104,060)</u>	<u>(67,973)</u>
OPEB Cost	1,489,626	1,264,214
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(962,074)</u>	<u>(1,027,316)</u>
Change in Net OPEB Obligation	<u>527,552</u>	<u>236,898</u>
Ending Net OPEB Obligation	<u>\$ 2,326,969</u>	<u>\$ 1,799,417</u>

The following table shows the St. Bernard Parish Government’s annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for last year and this year:

<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, 2014	\$ 1,489,626	64.58%	\$ 2,326,969
December 31, 2013	\$ 1,264,214	81.26%	\$ 1,799,417

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress – In 2014 and 2013, the St. Bernard Parish Government 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, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2014 was \$18,693,631 which is defined as that portion, as determined by a particular actuarial cost method (the St. Bernard Parish Government 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.

	2014	2013
Actuarial Accrued Liability (AAL)	\$ 18,693,631	\$ 25,280,827
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 18,693,631	\$ 25,280,827
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 16,424,357	\$ 13,617,704
UAAL as a percentage of covered payroll	113.82%	185.65%

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 the St. Bernard Parish Government and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the St. Bernard Parish Government 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 the St. Bernard Parish Government 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 valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should the OPEB obligations be funded, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45 would be used.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Turnover Rate – An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15%. Based on past history, it has been assumed that 16% of retirees decline coverage when first eligible and 21% 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 Statement 45 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.

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
OPEB Cost	\$ 1,489,626	\$ 1,264,214	\$ 1,261,271
Contribution	-	-	-
Retiree premium	962,074	1,027,316	1,011,100
Total contribution and premium	<u>962,074</u>	<u>1,027,316</u>	<u>1,011,100</u>
Change in net OPEB obligation	<u>\$ 527,552</u>	<u>\$ 236,898</u>	<u>\$ 250,171</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	64.58%	81.26%	80.17%

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 Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 450-20-25-2, *Contingencies*, 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.

The following table represents the amounts recorded in the financial statements as of and for the year ended December 31, 2014.

	<u>Balance 12/31/2013</u>	<u>New Claims and Changes in Estimates</u>	<u>Benefits/ Losses Paid</u>	<u>Balance 12/31/2014</u>
<u>Governmental Activities:</u>				
Automobile/General Liability	\$ 2,809,488	\$ (795,709)	\$ (160,242)	\$ 1,853,537
Workers Compensation	1,311,532	(248,261)	(803,248)	260,023
Total Governmental Activities	<u>\$ 4,121,020</u>	<u>\$ (1,043,970)</u>	<u>\$ (963,490)</u>	<u>\$ 2,113,560</u>
<u>Business-type Activities:</u>				
Automobile/General Liability	\$ 288,888	\$ 127,146	\$ (145,548)	\$ 270,486
Workers Compensation	298,586	113,626	(140,484)	271,728
Total Business-type Activities	<u>\$ 587,474</u>	<u>\$ 240,772</u>	<u>\$ (286,032)</u>	<u>\$ 542,214</u>

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

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, 2014; however, \$41,768 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 single audit approach. 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.

In August 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.

Construction Contracts

The Parish had several construction contracts in progress during the year ended December 31, 2014.

	Governmental Activities	Business-type Activities
Total amount of contracts	\$ 156,385,006	\$ 85,704,827
Completed to date	(19,562,386)	(6,363,890)
Outstanding contracts	\$ 136,822,620	\$ 79,340,937

Water and Sewer

During 1996, 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 order stated that the Division has violated its National Pollutant Discharge Permit and the Clean Water Act. The EPA has allowed the Division a reasonable period to take corrective action to eliminate and prevent recurrence of the noncompliant discharges cited in the findings or to submit a comprehensive plan to eliminate and prevent recurrence of violations cited in findings.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 15 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

As of December 31, 2014, the Division has filed a response to the deficiencies cited in the order and has placed into operation all improvements necessary to obtain compliance. However, the EPA has not officially cleared the Division of the violations. The Division can be assessed up to \$27,500 per day in penalties for noncompliance with the order. There have been no assessments by the EPA or penalties accrued in these financial statements.

During 2003, the St. Bernard Parish Department of Public Works Water and Sewer Division received several administrative orders 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 has allowed the Division a reasonable period, for each administrative order, to take corrective action to eliminate and prevent recurrence of the noncompliant discharges cited in the findings or to submit a comprehensive plan to eliminate and prevent recurrence of violations cited in findings.

The Parish has filed a response to the deficiencies cited in the orders to obtain compliance. However, the EPA has not officially cleared the Division of the violations. 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 12, 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 \$2,113,560 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 \$542,214 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.

The Parish has been named as defendant in lawsuits alleging damage to properties adjoining levees following Hurricane Katrina in 2005. The Parish and the Parish's attorney believe any compensation ordered by the Court will ultimately be paid by the U.S. Army Corp of Engineers. The Parish has filed a lawsuit in the U.S. Court of Claims, seeking an order requiring the U.S. Army Corp of Engineers to pay all amounts that are owed to property owners.

**ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014**

NOTE 17 – DEFICIT FUND BALANCES

The following funds have deficit fund balances at December 31, 2014.

Fund Description	Fund Balance (deficit)
CDBG Disaster Fund	\$ (2,478,001)
Disaster Recovery Fund	(2,100,595)

At December, 31, 2014, the CDBG Disaster Fund and the Disaster Recovery Fund (FEMA) had deficit fund balances. The deficit fund balance in the CDBG Disaster Fund and Disaster Recovery Fund results primarily from expenditures incurred for which the related revenue is deferred at December 31, 2014. The Parish is currently working on obtaining increased funding from CDBG and FEMA. The deficit fund balances described above will be funded through the general fund or through future revenues of the Parish.

NOTE 18 – NOTE RECEIVABLE

At December 31, 2014, the Parish has an outstanding note receivable of \$600,000 plus accrued interest of \$180,000 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.

NOTE 19 – NEW PRONOUNCEMENTS

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* in June 2012. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement--determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement is effective for fiscal years beginning after June 15, 2014.

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

Management of the Parish is currently assessing the impact of these new pronouncements on the financial statements.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 20 – RECLASSIFICATIONS

Certain accounts in the financial statements have been reclassified to conform to the current year presentation.

NOTE 21 – PRIOR PERIOD ADJUSTMENT

During the preparation of the financial statements for the year ended December 31, 2014, management of the Parish identified the following prior period adjustments to the fund balances previously reported at December 31, 2013.

	General Fund	CDBG Disaster Fund	Disaster Recovery Fund	Consolidated Fire Protection District No. 1-2	Non-major Governmental Funds	Total
Fund Balance at December 31, 2013 as previously reported	\$ 2,612,641	\$ (2,626,737)	\$(2,774,215)	\$ 1,826,642	\$ 16,472,199	\$15,510,530
Prior Period Adjustment:						
Capital project fund reclassification	245,713	-	-	-	(245,713)	-
Accounts payable	-	-	-	-	(1,412,889)	(1,412,889)
Fund Balance, at December 31, 2013, as restated	<u>\$ 2,858,354</u>	<u>\$ (2,626,737)</u>	<u>\$(2,774,215)</u>	<u>\$ 1,826,642</u>	<u>\$ 14,813,597</u>	<u>\$14,097,641</u>

NOTE 22 – SUBSEQUENT EVENTS

The Parish has evaluated subsequent events through June 29, 2015, the date the financial statements were available to be issued, and noted the following items requiring disclosure.

On January 6, 2015, the Parish Council approved Ordinance #1596-01-15 to increase the water and sewer rates effective March 1, 2015. The new rates will generate approximately \$4,400,000 additional revenues yearly. The Ordinance also states 40% of all revenues collected shall be dedicated to the repair and maintenance of the water and sewer systems.

On March 12, 2015, the Parish paid in full the 2014 Limited Certificates of Indebtedness in the amount of \$6,760,932.

On June 24, 2015, St. Bernard Recreational Complex, Inc.'s (SBPRC, a non-profit) board voted to dissolve the organization, which is currently a component unit of the Parish. SBPRC was formed in 2011 for the purpose of managing, operating and maintaining the Val Reiss Complex and the Hannan Complex. The Parish will regain the ability to manage, operate, and maintain these facilities.

On April 25, 2015, the Parish auctioned one hundred and fifty-three (153) lots through the LLT program for \$866,450.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

NOTE 22 – SUBSEQUENT EVENTS (CONTINUED)

The Parish went before the State of Louisiana Bond Commission to seek approval for the Parish's issuance of Utility Revenue Bonds for Water and Sewer, in the amount not to exceed \$31,000,000. On June 25, 2015 the Parish issued bonds via a DHH loan for Phase 1 in the amount of \$11,000,000, to be paid over a 22 year period, due June 2037, for the purpose of replacing water lines throughout the Parish. Phase 2 of the water supply line replacement is contingent on Phase 1 but the Parish has the ability to issue an additional \$10,000,000, via a DHH loan for Phase 2. In October 2015, the Parish intends issue an additional \$10,000,000 in bonds via a DEQ loan to be repaid over a 22 year period, due June 2037, for the purpose of replacing sewer lines throughout the Parish. Both loans will be secured by a pledge of net revenues of the combined water and sewer system.

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

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS
For the Year Ended December 31, 2014

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)
12/31/2014	-	\$18,693,631	\$18,693,631	0.0%	\$16,424,357	113.82%
12/31/2013	-	25,280,827	25,280,827	0.0%	13,617,704	185.6%
12/31/2012	-	25,280,827	25,280,827	0.0%	13,617,704	185.6%

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2014

	<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	\$ 1,044,547	\$ 942,534	\$ 894,697	\$ (47,837)
Sales and use taxes	11,800,000	12,131,338	12,072,522	(58,816)
Other	1,167,000	1,264,424	1,036,595	(227,829)
Licenses and permits	1,259,500	1,165,827	1,168,116	2,289
Intergovernmental:				
Federal funds	1,873,612	5,204,376	5,101,042	(103,334)
State revenue sharing (unrestricted)	-	6,763	9,175	2,412
Other state funding	35,700	19,764	14,583	(5,181)
Charges for services	1,337,680	1,586,960	1,412,760	(174,200)
Fines and forfeitures	-	2,493	4,872	2,379
Use of money and property	-	29	858	829
Other revenues	394,800	374,544	375,586	1,042
Total revenues	<u>18,912,839</u>	<u>22,699,052</u>	<u>22,090,806</u>	<u>(608,246)</u>
EXPENDITURES				
Current				
General government:				
Other general government	18,132,220	18,951,343	16,893,573	2,057,770
Capital outlay	1,100	1,104,125	738,811	365,314
Total expenditures	<u>18,133,320</u>	<u>20,055,468</u>	<u>17,632,384</u>	<u>2,423,084</u>
Excess of Revenues Over Expenditures	779,519	2,643,584	4,458,422	1,814,838
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of investments	-	-	1,643,740	1,643,740
Proceeds from insurance settlements	-	72,408	60,340	(12,068)
Transfer in	422,542	300,911	166,088	(134,823)
Transfer out	(4,644,819)	(4,660,259)	(5,096,234)	(435,975)
Total other financing sources (uses)	<u>(4,222,277)</u>	<u>(4,286,940)</u>	<u>(3,226,066)</u>	<u>1,060,874</u>
Changes in fund balance	(3,442,758)	(1,643,356)	1,232,356	2,875,712
Fund balance - beginning of year	2,612,641	2,612,641	2,612,641	-
Prior period adjustment	245,713	245,713	245,713	-
Fund balance - beginning, as restated	<u>2,858,354</u>	<u>2,858,354</u>	<u>2,858,354</u>	<u>-</u>
Fund balance - end of year	<u>\$ (584,404)</u>	<u>\$ 1,214,998</u>	<u>\$ 4,090,710</u>	<u>\$ 2,875,712</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CDBG DISASTER FUND
For the year ended December 31, 2014

	<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	\$ 19,319,800	\$ 2,928,218	\$ 5,306,155	\$ 2,377,937
Total revenues	<u>19,319,800</u>	<u>2,928,218</u>	<u>5,306,155</u>	<u>2,377,937</u>
EXPENDITURES				
Current				
General government:				
Other general government	349,400	502,193	1,860,191	(1,357,998)
Capital outlay	-	5,000,000	3,297,228	1,702,772
Total expenditures	<u>349,400</u>	<u>5,502,193</u>	<u>5,157,419</u>	<u>344,774</u>
Excess (Deficiency) of Revenues Over Expenditures	18,970,400	(2,573,975)	148,736	2,722,711
OTHER FINANCING SOURCES (USES)				
Transfer in	-	4,564	-	(4,564)
Transfer out	<u>(18,971,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(18,971,000)</u>	<u>4,564</u>	<u>-</u>	<u>(4,564)</u>
Changes in fund balance	(600)	(2,569,411)	148,736	2,718,147
Fund balance (deficit) - beginning of year	<u>(2,626,737)</u>	<u>(2,626,737)</u>	<u>(2,626,737)</u>	<u>-</u>
Fund balance (deficit) - end of year	<u>\$ (2,627,337)</u>	<u>\$ (5,196,148)</u>	<u>\$ (2,478,001)</u>	<u>\$ 2,718,147</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DISASTER RECOVERY FUND
For the year ended December 31, 2014

	<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	\$ 45,711,100	\$ 22,719,543	\$ 22,934,043	\$ 214,500
Other revenues	-	-	11,150	11,150
Total revenues	<u>45,711,100</u>	<u>22,719,543</u>	<u>22,945,193</u>	<u>225,650</u>
EXPENDITURES				
Current				
General government:				
Other general government	10,252,800	4,558,728	2,760,998	1,797,730
Capital outlay	15,000	17,179,634	15,472,581	1,707,053
Total expenditures	<u>10,267,800</u>	<u>21,738,362</u>	<u>18,233,579</u>	<u>3,504,783</u>
Excess of Revenues Over Expenditures	35,443,300	981,181	4,711,614	3,730,433
OTHER FINANCING SOURCES (USES)				
Transfer out	(35,443,300)	-	(4,037,994)	(4,037,994)
Total other financing sources (uses)	<u>(35,443,300)</u>	<u>-</u>	<u>(4,037,994)</u>	<u>(4,037,994)</u>
Changes in fund balance	-	981,181	673,620	(307,561)
Fund balance (deficit) - beginning of year	(2,774,215)	(2,774,215)	(2,774,215)	-
Fund balance (deficit) - end of year	<u>\$ (2,774,215)</u>	<u>\$ (1,793,034)</u>	<u>\$ (2,100,595)</u>	<u>\$ (307,561)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
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, 2014

	<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	\$ 8,648,500	\$ 8,907,960	\$ 8,913,241	\$ 5,281
Other	-	14,588	12,157	(2,431)
Licenses and permits	12,000	28,372	23,954	(4,418)
Intergovernmental:				
Federal funds	1,745,680	1,745,680	1,744,864	(816)
State revenue sharing (unrestricted)	-	7,034	9,544	2,510
Other state funding	162,897	163,055	168,287	5,232
Charges for services	21,000	59,058	49,215	(9,843)
Other revenues	162,350	22,599	33,820	11,221
Total revenues	<u>10,752,427</u>	<u>10,948,346</u>	<u>10,955,082</u>	<u>6,736</u>
EXPENDITURES				
Current				
Public safety	8,978,639	9,233,136	9,036,806	196,330
Capital outlay	-	-	15,330	(15,330)
Debt service:				
Principal	6,206,000	-	-	-
Total expenditures	<u>15,184,639</u>	<u>9,233,136</u>	<u>9,052,136</u>	<u>181,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,432,212)	1,715,210	1,902,946	187,736
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	-	-	2,200,000	2,200,000
Transfer in	-	-	26	26
Transfer out	-	(490,184)	(2,342,890)	(1,852,706)
Total other financing sources (uses)	<u>-</u>	<u>(490,184)</u>	<u>(142,864)</u>	<u>347,320</u>
Changes in fund balance	(4,432,212)	1,225,026	1,760,082	535,056
Fund balance - beginning of year	1,826,642	1,826,642	1,826,642	-
Fund balance - end of year	<u>\$ (2,605,570)</u>	<u>\$ 3,051,668</u>	<u>\$ 3,586,724</u>	<u>\$ 535,056</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2014

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.

**ST. BERNARD PARISH GOVERNMENT
RECONCILIATION OF THE PROPRIETARY FUNDS
STATEMENT OF NET POSITION TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
December 31, 2014**

Net position - total proprietary funds	\$ 228,741,360
Water and Sewer Internal service fund are 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>547,177</u>
Net position - business-type activities	<u><u>\$ 229,288,537</u></u>

OTHER SUPPLEMENTAL INFORMATION

ST. BERNARD PARISH GOVERNMENT
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
December 31, 2014

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
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
December 31, 2014**

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.

Hazard Mitigation Fund – This fund is used to account for the proceeds and expenses associated with Hazard Mitigation Grant Program funds.

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.

Bond Reserve 1996 Fund – This fund was established to comply with the bond resolutions of the Public Improvement Bonds Series 1996. This fund was used to account for a \$274,000 reserve as required by the 1996 issue.

1990 and 1997 General Obligation Bond Fund – This fund is used to accumulate monies for the payment of bonds dated February 1, 1990 and December 1, 1997. The 1990 Bonds were used for the purpose of constructing a jail and detention facility and the acquisition of any necessary equipment and furnishing associated with the facility. The 1997 bonds were used to defease \$4,125,000 of the previously issued 1990 bonds. The bonds are secured by an ad valorem tax.

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.

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.

ST. BERNARD PARISH GOVERNMENT
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
December 31, 2014

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.

1990 General Obligation Bond Fund – This fund is used to account for the construction of a jail and juvenile detention facility and the acquisition of any necessary equipment and furnishings associated with the facility.

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
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2014**

<i>Non-Major Special Revenue Funds</i>								
	Criminal Court	Council on Aging	Recreation Department	Public Works	Road Lighting District No. 1	Workforce Investment Act	Health	Communications
ASSETS								
Cash and cash equivalents	\$ 238,302	\$ 70,055	\$ 156,178	\$ 748,939	\$ -	\$ 88,064	\$ 759,158	\$ 460,619
Receivables:								
Sales and use taxes	-	-	-	-	-	-	-	-
Property taxes	-	300,132	692,857	973,832	387,557	-	197,961	-
Intergovernmental	-	-	5,586	489,239	3,140	71,529	1,596	-
Other	9,102	-	-	246,411	-	-	-	60,400
Due from other funds	-	-	-	294,080	-	-	-	-
Prepaid	-	2,413	57,292	21,361	-	-	-	2,942
Total assets	<u>\$ 247,404</u>	<u>\$ 372,600</u>	<u>\$ 911,913</u>	<u>\$ 2,773,862</u>	<u>\$ 390,697</u>	<u>\$ 159,593</u>	<u>\$ 958,715</u>	<u>\$ 523,961</u>
LIABILITIES								
Accounts payable	\$ 163,867	\$ 9,703	\$ 441,529	\$ 586,321	\$ 82,799	\$ 58,838	\$ 6,291	\$ 6,170
Retainage payable	-	-	-	-	-	-	-	-
Salaries and payroll deductions payable	-	-	72,643	240,883	-	3,184	-	-
Due to other funds	41,768	-	377,398	1,520,204	248,237	83,955	-	-
Total liabilities	<u>205,635</u>	<u>9,703</u>	<u>891,570</u>	<u>2,347,408</u>	<u>331,036</u>	<u>145,977</u>	<u>6,291</u>	<u>6,170</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	15,776	20,343	426,454	11,498	-	5,812	-
Total deferred inflows of resources	<u>-</u>	<u>15,776</u>	<u>20,343</u>	<u>426,454</u>	<u>11,498</u>	<u>-</u>	<u>5,812</u>	<u>-</u>
FUND BALANCE								
Nonspendable:								
Prepaid items	-	2,413	57,292	21,361	-	-	-	2,942
Restricted:								
Debt service	-	-	-	-	-	-	-	-
Federal programs	-	-	-	-	-	13,616	-	-
Council on aging	-	344,708	-	-	-	-	-	-
Road lighting	-	-	-	-	48,163	-	-	-
Health	-	-	-	-	-	-	946,612	-
Communication	-	-	-	-	-	-	-	514,849
Sanitation	-	-	-	-	-	-	-	-
Court operations	41,769	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Committed:								
Capital outlay	-	-	-	-	-	-	-	-
Assigned:								
Capital outlay	-	-	-	-	-	-	-	-
Recovery	-	-	-	-	-	-	-	-
Unassigned	-	-	(57,292)	(21,361)	-	-	-	-
Total fund balance	<u>41,769</u>	<u>347,121</u>	<u>-</u>	<u>-</u>	<u>48,163</u>	<u>13,616</u>	<u>946,612</u>	<u>517,791</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 247,404</u>	<u>\$ 372,600</u>	<u>\$ 911,913</u>	<u>\$ 2,773,862</u>	<u>\$ 390,697</u>	<u>\$ 159,593</u>	<u>\$ 958,715</u>	<u>\$ 523,961</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2014**

	<i>Non-Major Special Revenue Funds</i>						<i>Non-Major Debt Service</i>	
	Housing and Redevelopment	Urban Mass Transportation Administration	Garbage District No. 1	Deputy Witness Fees	Assessor's Fund	Hazard Mitigation	Total Non- Major Special Revenue Funds	Versailles Industrial Park Sinking
ASSETS								
Cash and cash equivalents	\$ 352,951	\$ 1,904,308	\$ 553,213	\$ 71,667	\$ 118,295	\$ 566,058	\$ 6,087,807	\$ 421
Receivables:								
Sales and use taxes	-	-	657,382	-	-	-	657,382	-
Property taxes	-	-	973,832	-	-	-	3,526,171	-
Intergovernmental	274,606	178,851	7,850	-	90,607	3,578,654	4,701,658	-
Other	-	-	-	2,805	-	-	318,718	-
Due from other funds	52	-	-	-	-	475,350	769,482	-
Prepaid	2,232	2,361	951	-	-	-	89,552	-
Total assets	<u>\$ 629,841</u>	<u>\$ 2,085,520</u>	<u>\$ 2,193,228</u>	<u>\$ 74,472</u>	<u>\$ 208,902</u>	<u>\$ 4,620,062</u>	<u>\$ 16,150,770</u>	<u>\$ 421</u>
LIABILITIES								
Accounts payable	\$ 61,486	\$ 99,378	\$ 758,353	\$ 19,700	\$ 118,295	\$ 694,498	\$ 3,107,228	\$ -
Retainage payable	-	2,656	-	-	-	70,400	73,056	-
Salaries and payroll deductions payable	54,066	33,976	23,142	-	-	22,694	450,588	-
Due to other funds	8,288	-	1,119,145	54,772	-	654,440	4,108,207	24,898
Total liabilities	<u>123,840</u>	<u>136,010</u>	<u>1,900,640</u>	<u>74,472</u>	<u>118,295</u>	<u>1,442,032</u>	<u>7,739,079</u>	<u>24,898</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	164,601	28,591	-	90,607	3,178,030	3,941,712	-
Total deferred inflows of resources	<u>-</u>	<u>164,601</u>	<u>28,591</u>	<u>-</u>	<u>90,607</u>	<u>3,178,030</u>	<u>3,941,712</u>	<u>-</u>
FUND BALANCE								
Nonspendable:								
Prepaid items	2,232	2,361	951	-	-	-	89,552	-
Restricted:								
Debt service	-	-	-	-	-	-	-	-
Federal programs	503,769	1,782,548	-	-	-	-	2,299,933	-
Council on aging	-	-	-	-	-	-	344,708	-
Road lighting	-	-	-	-	-	-	48,163	-
Health	-	-	-	-	-	-	946,612	-
Communication	-	-	-	-	-	-	514,849	-
Sanitation	-	-	263,046	-	-	-	263,046	-
Court operations	-	-	-	-	-	-	41,769	-
Capital outlay	-	-	-	-	-	-	-	-
Committed:								
Capital outlay	-	-	-	-	-	-	-	-
Assigned:								
Capital outlay	-	-	-	-	-	-	-	-
Recovery	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(78,653)	(24,477)
Total fund balance	<u>506,001</u>	<u>1,784,909</u>	<u>263,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,469,979</u>	<u>(24,477)</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 629,841</u>	<u>\$ 2,085,520</u>	<u>\$ 2,193,228</u>	<u>\$ 74,472</u>	<u>\$ 208,902</u>	<u>\$ 4,620,062</u>	<u>\$ 16,150,770</u>	<u>\$ 421</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2014**

	<i>Non-Major Debt Service Funds</i>				<i>Non-Major Capital Project Funds</i>			
	Bond Reserve 1996	1990 and 1997 GOB	2012 Sales Tax Refunding	2014 Fire Sinking Fund	Total Non- Major Debt Service Funds	Urban System Roadway	Hurricane Reconstruction	Courthouse Capital
ASSETS								
Cash and cash equivalents	\$ 929	\$ 392,800	\$ 2,930,485	\$ 173,238	\$ 3,497,873	\$ 916,207	\$ 2,984,931	\$ 887,488
Receivables:								
Sales and use taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	225,000	-
Due from other funds	-	-	-	-	-	-	2,829,656	-
Prepaid	-	-	-	-	-	-	-	-
Total assets	<u>\$ 929</u>	<u>\$ 392,800</u>	<u>\$ 2,930,485</u>	<u>\$ 173,238</u>	<u>\$ 3,497,873</u>	<u>\$ 916,207</u>	<u>\$ 6,039,587</u>	<u>\$ 887,488</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,359	\$ -
Retainage payable	-	-	-	-	-	-	17,813	-
Salaries and payroll deductions payable	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	24,898	-	202,226	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,898</u>	<u>-</u>	<u>261,398</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE								
Nonspendable:								
Prepaid items	-	-	-	-	-	-	-	-
Restricted:								
Debt service	929	392,800	2,930,485	173,238	3,497,452	-	-	-
Federal programs	-	-	-	-	-	-	-	-
Council on aging	-	-	-	-	-	-	-	-
Road lighting	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Court operations	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Committed:								
Capital outlay	-	-	-	-	-	916,207	-	-
Assigned:								
Capital outlay	-	-	-	-	-	-	-	887,488
Recovery	-	-	-	-	-	-	5,778,189	-
Unassigned	-	-	-	-	(24,477)	-	-	-
Total fund balance	<u>929</u>	<u>392,800</u>	<u>2,930,485</u>	<u>173,238</u>	<u>3,472,975</u>	<u>916,207</u>	<u>5,778,189</u>	<u>887,488</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 929</u>	<u>\$ 392,800</u>	<u>\$ 2,930,485</u>	<u>\$ 173,238</u>	<u>\$ 3,497,873</u>	<u>\$ 916,207</u>	<u>\$ 6,039,587</u>	<u>\$ 887,488</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2014**

	<i>Non-Major Capital Project Funds</i>					
	2003 Sales Tax Bonds	1990 GOB	Rebuild St. Bernard	Capital Projects Fund	Total Non- Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 452,666	\$ 229	\$ 40,297	\$ 1,207,049	\$ 6,488,867	\$ 16,074,547
Receivables:						
Sales and use taxes	-	-	-	-	-	657,382
Property taxes	-	-	-	-	-	3,526,171
Intergovernmental	-	-	-	552,383	552,383	5,254,041
Other	-	-	-	-	225,000	543,718
Due from other funds	-	-	-	-	2,829,656	3,599,138
Prepaid	-	-	-	-	-	89,552
Total assets	<u>\$ 452,666</u>	<u>\$ 229</u>	<u>\$ 40,297</u>	<u>\$ 1,759,432</u>	<u>\$ 10,095,906</u>	<u>\$ 29,744,549</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 1,101,294	\$ 1,142,653	\$ 4,249,881
Retainage payable	-	-	-	-	17,813	90,869
Salaries and payroll deductions payable	-	-	-	-	-	450,588
Due to other funds	-	-	-	-	202,226	4,335,331
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,101,294</u>	<u>1,362,692</u>	<u>9,126,669</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	121,016	121,016	4,062,728
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,016</u>	<u>121,016</u>	<u>4,062,728</u>
FUND BALANCE						
Nonspendable:						
Prepaid items	-	-	-	-	-	89,552
Restricted:						
Debt service	-	-	-	-	-	3,497,452
Federal programs	-	-	-	-	-	2,299,933
Council on aging	-	-	-	-	-	344,708
Road lighting	-	-	-	-	-	48,163
Health	-	-	-	-	-	946,612
Communication	-	-	-	-	-	514,849
Sanitation	-	-	-	-	-	263,046
Court operations	-	-	-	-	-	41,769
Capital outlay	452,666	-	-	537,122	989,788	989,788
Committed:						
Capital outlay	-	229	40,297	-	956,733	956,733
Assigned:						
Capital outlay	-	-	-	-	887,488	887,488
Recovery	-	-	-	-	5,778,189	5,778,189
Unassigned	-	-	-	-	-	(103,130)
Total fund balance	<u>452,666</u>	<u>229</u>	<u>40,297</u>	<u>537,122</u>	<u>8,612,198</u>	<u>16,555,152</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 452,666</u>	<u>\$ 229</u>	<u>\$ 40,297</u>	<u>\$ 1,759,432</u>	<u>\$ 10,095,906</u>	<u>\$ 29,744,549</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014**

Non-Major Special Revenue Funds

	Criminal Court	Council on Aging	Recreation Department	Public Works	Road Lighting District No. 1	Workforce Investment Act	Health	Communications
REVENUES								
Taxes:								
Property taxes	\$ -	\$ 295,899	\$ 705,955	\$ 992,330	\$ 394,874	\$ -	\$ 201,715	\$ -
Sales and use taxes	-	-	-	-	-	-	-	-
Other	-	644	1,800	2,398	1,253	-	515	451,084
Licenses and permits	-	-	-	5,850	-	-	-	-
Intergovernmental:								
Federal funds	-	-	-	1,100,804	-	1,308,013	-	-
State revenue sharing (unrestricted)	-	-	7,240	10,175	4,070	-	2,069	-
Other state funding	-	-	137,022	1,479,921	-	-	-	-
Charges for services	-	-	143,705	86,510	-	-	-	-
Fines and forfeitures	147,498	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	775	-	-
Other revenues	1,273	-	11,343	8,832	1,224	-	-	1,543
Total revenues	148,771	296,543	1,007,065	3,686,820	401,421	1,308,788	204,299	452,627
EXPENDITURES								
Current								
General government:								
Judicial	139,603	-	-	-	-	-	-	-
Other general government	-	-	-	-	-	1,264,175	-	-
Public safety	-	-	-	-	-	-	-	323,284
Public works	-	-	-	3,910,859	780,782	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	2,750,175	-	-	-	-	-
Health and welfare	-	335,363	-	-	-	-	53,100	-
Capital outlay	39,540	-	867,284	6,991	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	179,143	335,363	3,617,459	3,917,850	780,782	1,264,175	53,100	323,284
Excess (Deficiency) of Revenues Over Expenditures	(30,372)	(38,820)	(2,610,394)	(231,030)	(379,361)	44,613	151,199	129,343
OTHER FINANCING SOURCES (USES)								
Proceeds from the sale of capital assets	-	-	-	83,974	-	-	-	-
Proceeds from insurance settlement	-	-	561,275	2,126	-	-	-	-
Transfer in	2	9	814,778	1,557,819	427,524	4	123	20
Transfer out	(66,768)	-	-	-	-	-	-	-
Total other financing sources (uses)	(66,766)	9	1,376,053	1,643,919	427,524	4	123	20
Changes in fund balance	(97,138)	(38,811)	(1,234,341)	1,412,889	48,163	44,617	151,322	129,363
Fund balance - beginning of year	138,907	385,932	1,234,341	-	-	(31,001)	795,290	388,428
Prior period adjustment	-	-	-	(1,412,889)	-	-	-	-
Fund balance - beginning, as restated	138,907	385,932	1,234,341	(1,412,889)	-	(31,001)	795,290	388,428
Fund balance - end of year	\$ 41,769	\$ 347,121	\$ -	\$ -	\$ 48,163	\$ 13,616	\$ 946,612	\$ 517,791

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014**

	<i>Non-Major Special Revenue Funds</i>						<i>Non-Major Debt Service</i>	
	Housing and Redevelopment	Urban Mass Transportation Administration	Garbage District No. 1	Deputy Witness Fees	Assessor's Fund	Hazard Mitigation	Total Non- Major Special Revenue Funds	Versailles Industrial Park Sinking
REVENUES								
Taxes:								
Property taxes	\$ -	\$ -	\$ 992,711	\$ -	\$ -	\$ -	\$ 3,583,484	\$ -
Sales and use taxes	-	-	4,024,174	-	-	-	4,024,174	-
Other	-	-	2,444	-	-	-	460,138	-
Licenses and permits	-	-	-	-	-	-	5,850	-
Intergovernmental:								
Federal funds	4,556,315	169,451	-	-	-	2,228,908	9,363,491	-
State revenue sharing (unrestricted)	-	-	10,175	-	-	-	33,729	-
Other state funding	-	76,338	-	-	-	-	1,693,281	-
Charges for services	-	77,070	-	42,220	-	-	349,505	-
Fines and forfeitures	-	-	-	-	-	-	147,498	-
Use of money and property	150	-	-	-	-	-	925	-
Other revenues	54,731	5,318	2,865	7,125	-	1,350	95,604	-
Total revenues	4,611,196	328,177	5,032,369	49,345	-	2,230,258	19,757,679	-
EXPENDITURES								
Current								
General government:								
Judicial	-	-	-	73,101	-	-	212,704	-
Other general government	-	628,987	-	-	120,788	287,392	2,301,342	-
Public safety	-	-	-	-	-	-	323,284	-
Public works	-	-	-	-	-	-	4,691,641	-
Sanitation	-	-	4,769,494	-	-	-	4,769,494	-
Culture and recreation	-	-	-	-	-	-	2,750,175	-
Health and welfare	6,372,318	-	-	-	-	-	6,760,781	-
Capital outlay	-	7,825	-	-	-	1,942,866	2,864,506	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	6,372,318	636,812	4,769,494	73,101	120,788	2,230,258	24,673,927	-
Excess (Deficiency) of Revenues Over Expenditures	(1,761,122)	(308,635)	262,875	(23,756)	(120,788)	-	(4,916,248)	-
OTHER FINANCING SOURCES (USES)								
Proceeds from the sale of capital assets	-	-	-	-	-	-	83,974	-
Proceeds from insurance settlement	-	-	-	-	-	-	563,401	-
Transfer in	-	298	93	91,047	120,788	-	3,012,505	-
Transfer out	-	-	-	-	-	-	(66,768)	-
Total other financing sources (uses)	-	298	93	91,047	120,788	-	3,593,112	-
Changes in fund balance	(1,761,122)	(308,337)	262,968	67,291	-	-	(1,323,136)	-
Fund balance - beginning of year	2,267,123	2,093,246	1,029	(67,291)	-	-	7,206,004	(24,477)
Prior period adjustment	-	-	-	-	-	-	(1,412,889)	-
Fund balance - beginning, as restated	2,267,123	2,093,246	1,029	(67,291)	-	-	5,793,115	(24,477)
Fund balance - end of year	\$ 506,001	\$ 1,784,909	\$ 263,997	\$ -	\$ -	\$ -	\$ 4,469,979	\$ (24,477)

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2014

	<i>Non-Major Debt Service Funds</i>				<i>Non-Major Capital Project Funds</i>			
	Bond Reserve 1996	1990 and 1997 GOB	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	\$ -	\$ 349	\$ -	\$ -	\$ 349	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-	-	-	-
Other	-	201	-	-	201	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal funds	-	-	-	-	-	-	-	-
State revenue sharing (unrestricted)	-	-	-	-	-	-	-	-
Other state funding	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	52	-	-
Other revenues	-	-	20,540	-	20,540	13,634	-	-
Total revenues	-	550	20,540	-	21,090	13,686	-	-
EXPENDITURES								
Current								
General government:								
Judicial	-	-	-	-	-	-	-	-
Other general government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	470,000	-	470,000	-	-	-
Interest	-	-	1,311,750	16,946	1,328,696	-	-	-
Total expenditures	-	-	1,781,750	16,946	1,798,696	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	550	(1,761,210)	(16,946)	(1,777,606)	13,686	-	-
OTHER FINANCING SOURCES (USES)								
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from insurance settlement	-	-	-	-	-	-	-	-
Transfer in	-	63	3,828,110	190,184	4,018,357	27,131	85	142
Transfer out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	63	3,828,110	190,184	4,018,357	27,131	85	142
Changes in fund balance	-	613	2,066,900	173,238	2,240,751	40,817	85	142
Fund balance - beginning of year	929	392,187	863,585	-	1,232,224	875,390	5,778,104	887,346
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balance - beginning, as restated	929	392,187	863,585	-	1,232,224	875,390	5,778,104	887,346
Fund balance - end of year	\$ 929	\$ 392,800	\$ 2,930,485	\$ 173,238	\$ 3,472,975	\$ 916,207	\$ 5,778,189	\$ 887,488

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014**

	<i>Non-Major Capital Projects</i>					Total Non-Major Governmental Funds
	2003 Sales Tax Bonds	1990 GOB	Rebuild St. Bernard	General Capital Projects Fund	Total Non-Major Capital Project Funds	
REVENUES						
Taxes:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,583,833
Sales and use taxes	-	-	-	-	-	4,024,174
Other	-	-	-	-	-	460,339
Licenses and permits	-	-	-	-	-	5,850
Intergovernmental:						
Federal funds	-	-	-	155,082	155,082	9,518,573
State revenue sharing (unrestricted)	-	-	-	-	-	33,729
Other state funding	-	-	-	3,52,589	3,52,589	2,045,870
Charges for services	-	-	-	-	-	349,505
Fines and forfeitures	-	-	-	-	-	147,498
Use of money and property	-	-	4	-	56	981
Other revenues	-	-	-	-	13,634	129,778
Total revenues	-	-	4	507,671	521,361	20,300,130
EXPENDITURES						
Current						
General government:						
Judicial	-	-	-	-	-	212,704
Other general government	-	-	-	24,751	24,751	2,326,093
Public safety	-	-	-	-	-	323,284
Public works	-	-	-	-	-	4,691,641
Sanitation	-	-	-	-	-	4,769,494
Culture and recreation	-	-	-	-	-	2,750,175
Health and welfare	-	-	-	-	-	6,760,781
Capital outlay	-	-	-	3,413,688	3,413,688	6,278,194
Debt service:						
Principal	-	-	-	-	-	470,000
Interest	-	-	-	-	-	1,328,696
Total expenditures	-	-	-	3,438,439	3,438,439	29,911,062
Excess (Deficiency) of Revenues Over Expenditures	-	-	4	(2,930,768)	(2,917,078)	(9,610,932)
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	-	-	-	-	-	83,974
Proceeds from insurance settlement	-	-	-	-	-	563,401
Transfer in	57	-	-	4,013,822	4,041,237	11,072,099
Transfer out	-	-	-	(300,219)	(300,219)	(366,987)
Total other financing sources (uses)	57	-	-	3,713,603	3,741,018	11,352,487
Changes in fund balance	57	-	4	782,835	823,940	1,741,555
Fund balance - beginning of year	452,609	229	40,293	-	8,033,971	16,472,199
Prior period adjustment	-	-	-	(245,713)	(245,713)	(1,658,602)
Fund balance - beginning, as restated	452,609	229	40,293	(245,713)	7,788,258	14,813,597
Fund balance - end of year	\$ 452,666	\$ 229	\$ 40,297	\$ 537,122	\$ 8,612,198	\$ 16,555,152

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CRIMINAL COURT
For the year ended December 31, 2014

	<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	\$ 215,000	\$ 147,498	\$ 147,498	\$ -
Other revenues	37,500	1,273	1,273	-
Total revenues	<u>252,500</u>	<u>148,771</u>	<u>148,771</u>	<u>-</u>
EXPENDITURES				
Current				
General government:				
Judicial	43,000	163,388	139,603	23,785
Capital outlay	-	15,756	39,540	(23,784)
Total expenditures	<u>43,000</u>	<u>179,144</u>	<u>179,143</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	209,500	(30,373)	(30,372)	1
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	2	2
Transfer out	(176,987)	(66,768)	(66,768)	-
Total other financing sources (uses)	<u>(176,987)</u>	<u>(66,768)</u>	<u>(66,766)</u>	<u>2</u>
Changes in fund balance	32,513	(97,141)	(97,138)	3
Fund balance - beginning of year	138,907	138,907	138,907	-
Fund balance - end of year	<u>\$ 171,420</u>	<u>\$ 41,766</u>	<u>\$ 41,769</u>	<u>\$ 3</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COUNCIL ON AGING
For the year ended December 31, 2014

	<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	\$ 291,200	\$ 291,964	\$ 295,899	\$ 3,935
Use of money and property	-	-	644	644
Total revenues	<u>291,200</u>	<u>291,964</u>	<u>296,543</u>	<u>4,579</u>
EXPENDITURES				
Current				
General government:				
Other general government	100	-	-	-
Health and welfare	<u>337,050</u>	<u>434,918</u>	<u>335,363</u>	<u>99,555</u>
Total expenditures	<u>337,150</u>	<u>434,918</u>	<u>335,363</u>	<u>99,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(45,950)</u>	<u>(142,954)</u>	<u>(38,820)</u>	<u>104,134</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	9	9
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
Changes in fund balance	(45,950)	(142,954)	(38,811)	104,143
Fund balance - beginning of year	<u>385,932</u>	<u>385,932</u>	<u>385,932</u>	<u>-</u>
Fund balance - end of year	<u>\$ 339,982</u>	<u>\$ 242,978</u>	<u>\$ 347,121</u>	<u>\$ 104,143</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RECREATION DISTRICT
For the year ended December 31, 2014

	<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	\$ 721,450	\$ 743,164	\$ 705,955	\$ (37,209)
Other	-	2,160	1,800	(360)
Intergovernmental:				
State revenue sharing (unrestricted)	-	5,336	7,240	1,904
Other state funding	106,850	164,426	137,022	(27,404)
Charges for services	132,000	150,984	143,705	(7,279)
Other revenues	-	9,993	11,343	1,350
Total revenues	<u>960,300</u>	<u>1,076,063</u>	<u>1,007,065</u>	<u>(68,998)</u>
EXPENDITURES				
Current				
Culture and recreation	1,690,355	2,003,221	2,750,175	(746,954)
Capital outlay	400	1,635,075	867,284	767,791
Total expenditures	<u>1,690,755</u>	<u>3,638,296</u>	<u>3,617,459</u>	<u>20,837</u>
Deficiency of Revenues Over Expenditures	(730,455)	(2,562,233)	(2,610,394)	(48,161)
OTHER FINANCING SOURCES (USES)				
Proceeds form insurance settlements	-	480,456	561,275	80,819
Transfer in	730,455	847,437	814,778	(32,659)
Total other financing sources (uses)	<u>730,455</u>	<u>1,327,893</u>	<u>1,376,053</u>	<u>48,160</u>
Changes in fund balance	-	(1,234,340)	(1,234,341)	(1)
Fund balance - beginning of year	1,234,341	1,234,341	1,234,341	-
Fund balance - end of year	<u>\$ 1,234,341</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PUBLIC WORKS
For the year ended December 31, 2014

	<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	\$ 1,015,300	\$ 1,048,023	\$ 992,330	\$ (55,693)
Other	-	2,877	2,398	(479)
Licenses and permits	-	6,546	5,850	(696)
Intergovernmental:				
Federal funds	-	-	1,100,804	1,100,804
State revenue sharing (unrestricted)	-	7,500	10,175	2,675
Other state funding	1,726,300	1,554,283	1,479,921	(74,362)
Charges for services	86,500	86,509	86,510	1
Other revenues	30,000	8,316	8,832	516
Total revenues	<u>2,858,100</u>	<u>2,714,054</u>	<u>3,686,820</u>	<u>972,766</u>
EXPENDITURES				
Current				
Public works	3,920,749	4,061,312	3,910,859	150,453
Capital outlay	-	-	6,991	(6,991)
Total expenditures	<u>3,920,749</u>	<u>4,061,312</u>	<u>3,917,850</u>	<u>143,462</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,062,649)	(1,347,258)	(231,030)	1,116,228
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of assets	-	100,769	83,974	(16,795)
Proceeds from insurance settlement	-	2,551	2,126	(425)
Transfer in	1,062,649	1,243,944	1,557,819	313,875
Total other financing sources (uses)	<u>1,062,649</u>	<u>1,347,264</u>	<u>1,643,919</u>	<u>296,655</u>
Changes in fund balance	-	6	1,412,889	1,412,883
Fund balance - beginning of year	-	-	-	-
Prior period adjustment	(1,412,889)	(1,412,889)	(1,412,889)	-
Fund balance - beginning, as restated	<u>(1,412,889)</u>	<u>(1,412,889)</u>	<u>(1,412,889)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (1,412,889)</u>	<u>\$ (1,412,883)</u>	<u>\$ -</u>	<u>\$ 1,412,883</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD LIGHTING DISTRICT NO. 1
For the year ended December 31, 2014

	<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	\$ 376,026	\$ 389,720	\$ 394,874	\$ 5,154
Other	-	1,504	1,253	(251)
Intergovernmental:				
State revenue sharing (unrestricted)	-	3,000	4,070	1,070
Other revenues	-	-	1,224	1,224
Total revenues	<u>376,026</u>	<u>394,224</u>	<u>401,421</u>	<u>7,197</u>
EXPENDITURES				
Current				
Public works	<u>803,550</u>	<u>811,539</u>	<u>780,782</u>	<u>30,757</u>
Total expenditures	<u>803,550</u>	<u>811,539</u>	<u>780,782</u>	<u>30,757</u>
Excess (Deficiency) of Revenues Over Expenditures	(427,524)	(417,315)	(379,361)	37,954
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>427,524</u>	<u>417,315</u>	<u>427,524</u>	<u>10,209</u>
Total other financing sources (uses)	<u>427,524</u>	<u>417,315</u>	<u>427,524</u>	<u>10,209</u>
Changes in fund balance	-	-	48,163	48,163
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,163</u>	<u>\$ 48,163</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE INVESTMENT ACT
For the year ended December 31, 2014

	<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	\$ 3,306,300	\$ 1,308,013	\$ 1,308,013	\$ -
Use of money and property	-	-	775	775
Total revenues	<u>3,306,300</u>	<u>1,308,013</u>	<u>1,308,788</u>	<u>775</u>
EXPENDITURES				
Current				
General government:				
Other general government	3,306,300	1,264,234	1,264,175	59
Capital outlay	-	-	-	-
Total expenditures	<u>3,306,300</u>	<u>1,264,234</u>	<u>1,264,175</u>	<u>59</u>
Excess (Deficiency) of Revenues Over Expenditures	-	43,779	44,613	834
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	4	4
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Changes in fund balance	-	43,779	44,617	838
Fund balance - beginning of year	(31,001)	(31,001)	(31,001)	-
Fund balance - end of year	<u>\$ (31,001)</u>	<u>\$ 12,778</u>	<u>\$ 13,616</u>	<u>\$ 838</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HEALTH
For the year ended December 31, 2014

	<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	\$ 192,100	\$ 198,205	\$ 201,715	\$ 3,510
Other	-	618	515	(103)
Intergovernmental:				
State revenue sharing (unrestricted)	-	1,525	2,069	544
Total revenues	<u>192,100</u>	<u>200,348</u>	<u>204,299</u>	<u>3,951</u>
EXPENDITURES				
Current				
Health and welfare	<u>100,700</u>	<u>73,877</u>	<u>53,100</u>	<u>20,777</u>
Total expenditures	<u>100,700</u>	<u>73,877</u>	<u>53,100</u>	<u>20,777</u>
Excess (Deficiency) of Revenues Over Expenditures	91,400	126,471	151,199	24,728
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	123	123
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>123</u>	<u>123</u>
Changes in fund balance	91,400	126,471	151,322	24,851
Fund balance - beginning of year	795,290	795,290	795,290	-
Fund balance - end of year	<u>\$ 886,690</u>	<u>\$ 921,761</u>	<u>\$ 946,612</u>	<u>\$ 24,851</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNICATIONS
For the year ended December 31, 2014

	<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	\$ 365,000	\$ 422,196	\$ 451,084	\$ 28,888
Other revenues	-	-	1,543	1,543
Total revenues	<u>365,000</u>	<u>422,196</u>	<u>452,627</u>	<u>30,431</u>
EXPENDITURES				
Current				
Public safety	385,150	374,986	323,284	51,702
Capital outlay	-	-	-	-
Total expenditures	<u>385,150</u>	<u>374,986</u>	<u>323,284</u>	<u>51,702</u>
Excess (Deficiency) of Revenues Over Expenditures	(20,150)	47,210	129,343	82,133
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	20	20
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>
Changes in fund balance	(20,150)	47,210	129,363	82,153
Fund balance - beginning of year	388,428	388,428	388,428	-
Fund balance - end of year	<u>\$ 368,278</u>	<u>\$ 435,638</u>	<u>\$ 517,791</u>	<u>\$ 82,153</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HOUSING AND REDEVELOPMENT
For the year ended December 31, 2014

	<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	\$ 6,008,145	\$ 3,947,484	\$ 4,556,315	\$ 608,831
Use of money and property	-	180	150	(30)
Other revenues	-	47,544	54,731	7,187
Total revenues	<u>6,008,145</u>	<u>3,995,208</u>	<u>4,611,196</u>	<u>615,988</u>
EXPENDITURES				
Current				
Health and welfare	5,991,504	6,189,734	6,372,318	(182,584)
Capital outlay	2,000	-	-	-
Total expenditures	<u>5,993,504</u>	<u>6,189,734</u>	<u>6,372,318</u>	<u>(182,584)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>14,641</u>	<u>(2,194,526)</u>	<u>(1,761,122)</u>	<u>433,404</u>
Changes in fund balance	14,641	(2,194,526)	(1,761,122)	433,404
Fund balance - beginning of year	2,267,123	2,267,123	2,267,123	-
Fund balance - end of year	<u>\$ 2,281,764</u>	<u>\$ 72,597</u>	<u>\$ 506,001</u>	<u>\$ 433,404</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
URBAN MASS TRANSPORTATION ADMINISTRATION
For the year ended December 31, 2014

	<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	\$ 1,037,750	\$ 169,451	\$ 169,451	\$ -
Other state funding	88,000	76,338	76,338	-
Charges for services	25,000	77,070	77,070	-
Other revenues	-	5,318	5,318	-
Total revenues	<u>1,150,750</u>	<u>328,177</u>	<u>328,177</u>	<u>-</u>
EXPENDITURES				
Current				
General government:				
Other general government	631,975	612,012	628,987	(16,975)
Capital outlay	-	-	7,825	(7,825)
Total expenditures	<u>631,975</u>	<u>612,012</u>	<u>636,812</u>	<u>(24,800)</u>
Excess (Deficiency) of Revenues Over Expenditures	518,775	(283,835)	(308,635)	(24,800)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	298	298
Transfer out	(250,000)	-	-	-
Total other financing sources (uses)	<u>(250,000)</u>	<u>-</u>	<u>298</u>	<u>298</u>
Changes in fund balance	268,775	(283,835)	(308,337)	(24,502)
Fund balance - beginning of year	2,093,246	2,093,246	2,093,246	-
Fund balance - end of year	<u>\$ 2,362,021</u>	<u>\$ 1,809,411</u>	<u>\$ 1,784,909</u>	<u>\$ (24,502)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GARBAGE DISTRICT NO. 1
For the year ended December 31, 2014

	<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	\$ 944,730	\$ 971,288	\$ 992,711	\$ 21,423
Sales and use taxes	4,034,842	4,043,779	4,024,174	(19,605)
Other	-	2,926	2,444	(482)
Intergovernmental:				
State revenue sharing (unrestricted)	-	7,500	10,175	2,675
Other revenues	-	3,438	2,865	(573)
Total revenues	<u>4,979,572</u>	<u>5,028,931</u>	<u>5,032,369</u>	<u>3,438</u>
EXPENDITURES				
Current				
General government:				
Other general government	<u>4,979,572</u>	<u>5,006,976</u>	<u>4,769,494</u>	<u>237,482</u>
Total expenditures	<u>4,979,572</u>	<u>5,006,976</u>	<u>4,769,494</u>	<u>237,482</u>
Excess (Deficiency) of Revenues Over Expenditures	-	21,955	262,875	240,920
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	93	93
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>93</u>	<u>93</u>
Changes in fund balance	-	21,955	262,968	241,013
Fund balance - beginning of year	1,029	1,029	1,029	-
Fund balance - end of year	<u>\$ 1,029</u>	<u>\$ 22,984</u>	<u>\$ 263,997</u>	<u>\$ 241,013</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEPUTY WITNESS FEES
For the year ended December 31, 2014

	<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	\$ 62,000	\$ 42,220	\$ 42,220	\$ -
Other revenues	-	7,125	7,125	-
Total revenues	<u>62,000</u>	<u>49,345</u>	<u>49,345</u>	<u>-</u>
EXPENDITURES				
Current				
General government:				
Judicial	95,600	73,101	73,101	-
Total expenditures	<u>95,600</u>	<u>73,101</u>	<u>73,101</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(33,600)	(23,756)	(23,756)	-
OTHER FINANCING SOURCES (USES)				
Transfer in	69,987	25,000	91,047	66,047
Total other financing sources (uses)	<u>69,987</u>	<u>25,000</u>	<u>91,047</u>	<u>66,047</u>
Changes in fund balance				
Fund balance - beginning of year	(67,291)	(67,291)	(67,291)	-
Fund balance - end of year	<u>\$ (30,904)</u>	<u>\$ (66,047)</u>	<u>\$ -</u>	<u>\$ 66,047.00</u>

See accompanying independent auditors' report.

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

For the year ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government:				
Other general government	-	136,871	120,788	16,083
Total expenditures	-	136,871	120,788	16,083
Excess (Deficiency) of Revenues Over Expenditures	-	(136,871)	(120,788)	16,083
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	120,788	120,788
Total other financing sources (uses)	-	-	120,788	120,788
Changes in fund balance	-	(136,871)	-	136,871
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ (136,871)</u>	<u>\$ -</u>	<u>\$ 136,871</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HAZARD MITIGATION
For the year ended December 31, 2014

	<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	\$ 13,475,555	\$ 653,857	\$ 2,228,908	\$ 1,575,051
Other revenues	-	1,620	1,350	(270)
Total revenues	<u>13,475,555</u>	<u>655,477</u>	<u>2,230,258</u>	<u>1,574,781</u>
EXPENDITURES				
Current				
Other general government	837,848	612,829	287,392	325,437
Capital outlay	-	2,000,000	1,942,866	57,134
Total expenditures	<u>837,848</u>	<u>2,612,829</u>	<u>2,230,258</u>	<u>382,571</u>
Excess (Deficiency) of Revenues Over Expenditures	12,637,707	(1,957,352)	-	1,957,352
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(12,637,707)</u>	-	-	-
Total other financing sources (uses)	<u>(12,637,707)</u>	-	-	-
Changes in fund balance	-	(1,957,352)	-	1,957,352
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ (1,957,352)</u>	<u>\$ -</u>	<u>\$ 1,957,352</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
NON-MAJOR PROPRIETARY FUND DESCRIPTIONS
December 31, 2014**

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

Water District No. 1 – This fund is used to account for prior years collections of ad valorem taxes and state revenue sharing monies received for the maintenance, operations, and debt service of its district.

Water District No. 2 – This fund is used to account for prior years collections of ad valorem taxes and state revenue sharing monies received for the maintenance, operations, and debt service of its district.

Sewer District No. 1 – This fund is used to account for prior years collections of ad valorem taxes and state revenue sharing monies received for the maintenance, operations, and debt service of its district.

Sewer District No. 2 – This fund is used to account for prior years collections of ad valorem taxes and state revenue sharing monies received for the maintenance, operations, and debt service of its district.

ST. BERNARD PARISH GOVERNMENT
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
December 31, 2014

	<u>Events Facilities</u>	<u>Water District No. 1</u>	<u>Water District No. 2</u>	<u>Sewer District No. 1</u>	<u>Sewer District No. 2</u>	<u>Total Non- Major Enterprise Funds</u>
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 103,097	\$ -	\$ -	\$ -	\$ -	\$ 103,097
Customer receivable, net of allowance	1,688	-	-	-	-	1,688
Restricted assets:						
Cash and cash equivalents	-	96,977	133,528	11,164	111,496	353,165
Total current assets	<u>104,785</u>	<u>96,977</u>	<u>133,528</u>	<u>11,164</u>	<u>111,496</u>	<u>457,950</u>
Total assets	<u>\$ 104,785</u>	<u>\$ 96,977</u>	<u>\$ 133,528</u>	<u>\$ 11,164</u>	<u>\$ 111,496</u>	<u>\$ 457,950</u>
LIABILITIES						
Current liabilities						
Due to other funds	<u>\$ 99,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,617</u>
Total current liabilities	<u>99,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,617</u>
Total liabilities	99,617	-	-	-	-	99,617
NET POSITION						
Restricted						
Debt service	-	96,977	133,528	11,164	111,496	353,165
Unrestricted	<u>5,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,168</u>
Total net position	<u>\$ 5,168</u>	<u>\$ 96,977</u>	<u>\$ 133,528</u>	<u>\$ 11,164</u>	<u>\$ 111,496</u>	<u>\$ 358,333</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
 COMBING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 For the Year Ended December 31, 2014

	Events Facilities	Water District No. 1	Water District No. 2	Sewerage District No. 1	Sewerage District No. 2	Total
OPERATING REVENUES						
Charges for service	\$ 2,733	\$ -	\$ -	\$ -	\$ -	\$ 2,733
Total operating revenues	2,733	-	-	-	-	2,733
OPERATING EXPENSES						
Personal services and related benefits	36	-	-	-	-	36
Utilities	538	-	-	-	-	538
Contractual services, supplies, and materials	610	-	-	-	-	610
Other expenses	895	-	-	-	-	895
Total operating expenses	2,079	-	-	-	-	2,079
Operating income (loss)	654	-	-	-	-	654
NON-OPERATING REVENUES (EXPENSES)						
Other nonoperating revenues	4,514	-	-	-	-	4,514
Total non-operating revenues (expenses)	4,514	-	-	-	-	4,514
CHANGE IN NET POSITION	5,168	-	-	-	-	5,168
Net position - beginning of year	-	96,977	133,528	11,164	111,496	353,165
Net position - end of year	\$ 5,168	\$ 96,977	\$ 133,528	\$ 11,164	\$ 111,496	\$ 358,333

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014**

	Events Facilities	Water District No. 1	Water District No. 2	Sewerage District No. 1	Sewerage District No. 2	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers and users	\$ 1,045	\$ -	\$ -	\$ -	\$ -	\$ 1,045
Cash paid to suppliers of goods or services	(2,043)	-	-	-	-	(2,043)
Cash paid to employees	(36)	-	-	-	-	(36)
Net cash used in operating activities	<u>(1,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,034)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Other non-operating revenue	4,514	-	-	-	-	4,514
Net payments from other funds	99,617	-	-	-	-	99,617
Net cash provided by non-capital financing activities	<u>104,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,131</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	103,097	-	-	-	-	103,097
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	96,977	133,528	11,164	111,496	353,165
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 103,097</u>	<u>\$ 96,977</u>	<u>\$ 133,528</u>	<u>\$ 11,164</u>	<u>\$ 111,496</u>	<u>\$ 456,262</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES						
Operating income	\$ 654	\$ -	\$ -	\$ -	\$ -	\$ 654
Adjustments to reconcile operating income to net cash used in operating activities:						
Increase in customer receivable	(1,688)	-	-	-	-	(1,688)
Net cash used in operating activities	<u>\$ (1,034)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,034)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
NON-MAJOR INTERNAL SERVICE FUNDS DESCRIPTIONS
December 31, 2014

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
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2014**

	<u>Self Insurance</u>	<u>Water and Sewer Self Insurance</u>	<u>Total Self Insurance</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,914,063	\$ 29,713	\$ 1,943,776
Investments	1,065,661	-	1,065,661
Due from other funds	286,909	1,048,672	1,335,581
Prepays	5,734	-	5,734
Other receivable	372,874	11,006	383,880
Total assets	<u>\$ 3,645,241</u>	<u>\$ 1,089,391</u>	<u>\$ 4,734,632</u>
Accounts and other payables	\$ 70,413	\$ -	\$ 70,413
Self insurance claims payable	2,113,560	542,214	2,655,774
Salaries and payroll deductions payable	293,354	-	293,354
Due to other funds	67,368	-	67,368
Total current liabilities	<u>2,544,695</u>	<u>542,214</u>	<u>3,086,909</u>
Total liabilities	2,544,695	542,214	3,086,909
NET POSITION			
Unrestricted	<u>1,100,546</u>	<u>547,177</u>	<u>1,647,723</u>
Total net position	<u>\$ 1,100,546</u>	<u>\$ 547,177</u>	<u>\$ 1,647,723</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2014**

	<u>Self Insurance</u>	<u>Water and Sewer Self Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for service	\$ 3,412,121	\$ 228,200	\$ 3,640,321
Total operating revenues	<u>3,412,121</u>	<u>228,200</u>	<u>3,640,321</u>
OPERATING EXPENDITURES			
Personal services and related benefits	185,091	-	185,091
Professional services	114,434	5,187	119,621
Insurance premiums	1,139,496	179,804	1,319,300
Other expenditures	5,661	-	5,661
Total operating expenditures	<u>1,444,682</u>	<u>184,991</u>	<u>1,629,673</u>
Operating income	1,967,439	43,209	2,010,648
NON-OPERATING REVENUES			
Interest earnings	1,749	-	1,749
Total non-operating revenues	<u>1,749</u>	<u>-</u>	<u>1,749</u>
CHANGE IN NET POSITION BEFORE TRANSFERS			
	1,969,188	43,209	2,012,397
Transfer in	<u>386,516</u>	<u>-</u>	<u>386,516</u>
CHANGE IN NET POSITION	2,355,704	43,209	2,398,913
NET POSITION - BEGINNING OF YEAR	<u>(1,255,158)</u>	<u>503,968</u>	<u>(751,190)</u>
NET POSITION - END OF YEAR	<u>\$ 1,100,546</u>	<u>\$ 547,177</u>	<u>\$ 1,647,723</u>

See accompanying independent auditors' report.

**ST. BERNARD PARISH GOVERNMENT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014**

	<u>Self Insurance</u>	<u>Water and Sewer Self Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 3,039,247	\$ 217,194	\$ 3,256,441
Payments for claims	(3,267,071)	(230,434)	(3,497,505)
Cash paid to employees	(182,861)	-	(182,861)
Net cash used in operating activities	<u>(410,685)</u>	<u>(13,240)</u>	<u>(423,925)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Net payments from (to) other funds	453,884	(489,492)	(35,608)
Net cash provided by (used in) non-capital financing activities	<u>453,884</u>	<u>(489,492)</u>	<u>(35,608)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(199,585)	-	(199,585)
Net cash used in investing activities	<u>(199,585)</u>	<u>-</u>	<u>(199,585)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(156,386)	(502,732)	(659,118)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,070,449</u>	<u>532,445</u>	<u>2,602,894</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,914,063</u>	<u>\$ 29,713</u>	<u>\$ 1,943,776</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income	\$ 1,967,439	\$ 43,209	\$ 2,010,648
Adjustments to reconcile operating income to net cash used in operating activities			
Changes in operating assets and liabilities:			
Increase in prepaid	(1,531)	-	(1,531)
Increase in other receivables	(372,874)	(11,006)	(383,880)
Increase (decrease) in accounts and other payables	1,511	(183)	1,328
Decrease in self-insurance claims payable	(2,007,460)	(45,260)	(2,052,720)
Increase in salaries payable	2,230	-	2,230
Net cash used in operating activities	<u>\$ (410,685)</u>	<u>\$ (13,240)</u>	<u>\$ (423,925)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF COUNCIL MEMBERS' COMPENSATION
For the Year Ended December 31, 2014

Council Member	Amount
Guy McInnis, Councilman at Large East	\$ 8,400
George Cavignac, Councilman at Large West	7,200
Ray Lauga, Councilman District A	7,200
Nathan Gorbaty, Councilman District B	7,200
Richard J. Lewis, Councilman District C	7,200
Casey Hunnicutt, Councilman District D	7,200
Manual "Monty" Montelongo, Councilman District E	7,200
	<u>\$ 51,600</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD
For the Year Ended December 31, 2014

Agency Head - David Peralta, Parish President

Purpose	Amount
Salary	\$ 129,728
Benefits - health insurance	5,420
Benefits - retirement	20,757
Benefits - life insurance	98
Benefits-other (describe)	-
Benefits-other (describe)	-
Benefits-other (describe)	-
Car allowance	-
Vehicle provided by government	730
Cell phone	262
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Gas	3,138

ST. BERNARD PARISH GOVERNMENT
SINGLE AUDIT REPORT
DECEMBER 31, 2014



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ST. BERNARD PARISH GOVERNMENT

SINGLE AUDIT REPORT

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**INDEPENDENT AUDITOR'S 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**

To the St. Bernard 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, 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, 2014, 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, 2015.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-02 to be a material weakness.

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. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2014-01 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-03 and 2014-04.

The Parish's Response to Findings

The Parish's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Parish's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Postlethwaite + Netterville

Metairie, Louisiana
June 29, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the St. Bernard 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 Circular A-133 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, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-03 and 2014-04. Our opinion on each major federal program is not modified with respect to these matters.

The Parish's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 type 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 OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. 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.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-03 and 2014-04 to be significant deficiencies.

The Parish's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Parish's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Parish, as of and for the year-ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements. We issued our report thereon dated June 29, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Postlethwaite & Nettenville

Metairie, Louisiana
June 29, 2015

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Homeland Security			
FEMA Staffing for Adequate Fire and Emergency Response Grant <i>Pass - Through Louisiana Military Department Office of Homeland Security and Emergency Preparedness</i>	97.083	EMW-2012-FH-00677	\$ 1,744,860
Disaster Grants - Public Assistance (presidentially Declared)			
Disaster Grants - Public Assistance (presidentially Declared) - Katrina	97.036	FEMA-LA-DR1603	22,038,473
Disaster Grants - Public Assistance (presidentially Declared) - Gustav	97.036	FEMA-LA-DR4080	48,124
Disaster Grants - Public Assistance (presidentially Declared) - Isaac	97.036		1,124
Disaster Grants - Public Assistance (presidentially Declared) - Ike	97.036		10,621
Severe Reptitive Loss Program	97.110	SRL-PJ-06-LA-2012-010 1603C-087-0007	590,585
Hazard Mitigation Grant			2,230,255
Hazard Mitigation Grant - Louisiana Statewide Generator Grant	97.039	FEMA-1603-DR-LA-0079	146,041
State Homeland Security Program 2011	97.067	EMW-2011-SS-00124-S01	1,340
State Homeland Security Program 2013	97.067	EMW-2013-SS-00122-S01	30,090
Urban Areas Security Initiative 2012	97.067	EMW-2012-SS-00075-S01	4,137
Urban Areas Security Initiative 2014	97.067	EMW-2014-SS-00045-S01	28,028
Emergency Management Performance 2013	97.042	EMW-2013-EP-00062-S01	25,996
Emergency Management Performance 2014	97.042	EMW-2014-EP-00035-S01	3,023
Total U.S. Department of Homeland Security Grants			<u>26,902,697</u>
U. S. Department of Health & Human Services			
<i>Pass - Through Louisian State Department of Health and Hospitals Office of Public Health</i>			
Cities Readiness Initiative 2013	93.074		5,726
Cities Readiness Initiative 2014	93.074		12,016
Low Income Home Energy Assistance	93.568		204,503
Community Services Block Grant	93.569	2010P0081	122,123
Total U.S. Department of Health & Human Services			<u>344,368</u>
U.S. Department of Commerce			
<i>Pass - Through Louisiana Department of Natural Resources</i>			
Coastal Zone Management	11.419	AA-22938-12-55	35,260
Total U.S. Department of Commerce			<u>35,260</u>
U.S. Department of Housing and Urban Development			
Section 8 Housing Choice Vouchers	14.871		6,047,910
<i>Pass - Through State of Louisiana, Division of Administration Office of Community Development</i>			
Community Development Block Grant - Entitlement Grant	14.218		4,271,915
Hospital Service District - CDBG	14.218		885,502
Community Development Capacity Grant	14.218		24,885
Integrated Water Resource Management Grant	14.218		25,600
LLT Program	14.218		879,744
Total U.S. Department of Housing and Urban Development			<u>12,135,556</u>

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Labor			
<i>Pass - Through Louisiana Department of Labor</i>			
WIA Adult Program	17.258	AA-22938-12-55	235,490
WIA Adult Program	17.258	AA-24095-13-55	148,537
WIA Youth Activities	17.259	AA-22938-12-55	164,375
WIA Youth Activities	17.259	AA-24095-13-55	136,830
WIA Dislocated Workers - Urban & Rural NEG	17.277	EM-25860-14-60-A-22	129,264
WIA Rapid Response	17.278	AA-22938-12-55	32,019
WIA Dislocated Workers	17.278	AA-22938-12-55	137,009
WIA Dislocated Workers	17.278	AA-24095-13-55	229,949
Total U.S. Department of Labor			<u>1,213,473</u>
U.S. Department of Transportation			
Federal Transit Formula Grant	20.507		334,052
<i>Pass - Through Louisiana Department of Culture Recreation and Tourism Office of State Parks Division of Outdoor Recreation</i>			
Val Reiss Trail Lighting	20.219		127,024
Total U.S. Department of Transportation			<u>461,076</u>
U. S. Department of the Interior			
Coastal Impact Assistance Program (CIAP)	15.668	F12AF01463	431,587
<i>Pass - Through Louisiana Department of Culture Recreation and Tourism Office of State Parks Division of Outdoor Recreation</i>			
Val Reiss Trail Lighting	15.916	22-00-913	149,975
Total U.S. Department of the Interior			<u>581,562</u>
U. S. Department of the Justice			
<i>Pass - Through Louisiana Commission of Law Enforcement and Administration of Criminal Justice</i>			
Edward Byrne Memorial Justice Assisiance Grant Program	16.738	2013-MU-BX-0063	7,392
Total U.S. Department of the Justice			<u>7,392</u>
Total Expenditures of Federal Awards			<u>\$ 41,681,384</u>

ST. BERNARD PARISH GOVERNMENT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR-ENDED DECEMBER 31, 2014

(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, 2014. All federal awards received from federal agencies are included on the schedule.

(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, 2014.

(3) Relationship to Financial Statements

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

(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, 2014 is \$4,229,000 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, 2014, 273 properties were sold by the Parish for \$1,643,740. 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.

(5) Subrecipients

Of the federal expenditures presented in the schedule, the Parish provided CDBG funding of \$885,502 to the St. Bernard Hospital Service District.

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR-ENDED DECEMBER 31, 2014

(A) Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: Yes
- Significant deficiency(ies) identified that are not considered to be material weaknesses: Yes

Noncompliance material to the financial statements: None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: No
- Significant deficiency(ies) identified that are not considered to be material weaknesses: Yes

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

Any audit findings which are required to be reported in accordance with section 510(a) of OMB Circular A-133: Yes

Identification of major programs:

- Disaster Grants-Public Assistance-FEMA (CFDA No. 97.036)
- Community Development Block Grant-CDBG (CFDA No. 14.218)
- Section 8 Housing Choice Vouchers (CFDA No. 14.871)
- Workforce Investment Act (CFDA Nos. 17.258, 17.259, 17.278)

Dollar threshold used to distinguish between Type A and Type B programs: \$1,250,441

Auditee qualified as a low-risk auditee: No

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR-ENDED DECEMBER 31, 2014

(B) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

2014-01 Misappropriation of Assets

Criteria: The Parish should have systems of internal accounting control, which ensure the safeguarding of the Parish's assets.

Condition: The Parish did not have appropriate policies and procedures in place for the proper recording and monitoring of cash receipts that are not received at the main Parish offices.

Context: During the years ended December 31, 2013 and 2014, Parish employees began researching certain financial activities at the Parish transit department, the Parish recreation department and St. Bernard Recreation Complex Inc. (RCI), and St. Bernard Cultural Center Inc. (CCI). After performing procedures on the financial activities of the departments and organizations above, the management of the Parish contacted the Louisiana Legislative Auditor's office. The Louisiana Legislative Auditor performed procedures on the transit activities and in July 2014 issued an investigative audit report on the Parish Transit department. The Louisiana Legislative Auditor performed procedures on the recreation department and St. Bernard Recreation Complex, Inc. and in June 2015 issued an investigative audit report. The Louisiana Legislative Auditor performed procedures on the St. Bernard Cultural Center, Inc. and in January 2015 issued an investigative audit report.

Cause: The Parish did not perform adequate monitoring of cash receipts at several decentralized facilities and operations prior to and during the 2014 year.

Effect: Assets of the Parish may have been misappropriated from the transit department, recreation department and RCI, and civic center department and CCI.

Recommendation: The Parish should ensure appropriate internal controls over cash currency amounts maintained for the Parish. The Parish should ensure cash receipts that are decentralized (not through the Parish's main building) are monitored and have appropriate internal controls.

Management

Response: The Parish has reviewed all of the circumstances related to the misappropriation of cash receipts at the Transit Department, RCI, Recreation Department, CCI and Civic Center. The Parish has dissolved and absorbed all activities associated with RCI and CCI in order to improve and regulate financial oversight and segregate duties. Operations and procedures at all facilities are being reviewed and monitored. Procedures are being updated and changed to increase the safeguarding of Parish assets and to increase the accuracy of reporting of operational results and accountability. Procedures and oversight have been adjusted to monitor cash activities and to deter future reoccurrences. Cash management procedures recently implemented include, daily and weekly reporting to the Finance Director, lock boxes, surprise inventory counts, and bank drop off policies to assure all cash is maintained properly. The Parish has engaged an outside independent accounting firm to compile the financial statements of RCI and CCI for the fiscal years ending 2012, 2013, and 2014.

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR-ENDED DECEMBER 31, 2014

(B) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards (continued)

2014-01 Misappropriation of Assets (continued)

Management

Response:

The Parish has also filed a civil lawsuit in the 34th Judicial District Court against the individual involved in the above scheme, as well as the financial institution, to recover the misappropriated funds.

2014-02 Oversight and Management of Recovery-Driven Federal Expenditures

Criteria:

A sound system of internal controls over the recovery effort would assign the responsibility for the oversight and management of the effort, with timelines and benchmarks used for assessment.

Condition:

Beginning in late 2005 and continuing through 2014, 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.

Context:

Projects have not been closed out in a timely manner.

Cause:

St. Bernard Parish personnel were not empowered to provide oversight or maintain accountability over the recovery effort. Disaster recovery accountability has largely been relinquished to the third party administrator.

Effect:

The Parish may face a shortfall of funding and potential liability as it closes out the recovery process. Additionally, the Parish's delayed requests for reimbursement may not be approved for payment by GOHSEP.

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR-ENDED DECEMBER 31, 2014

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

2014-02 Oversight and Management of Recovery-Driven Federal Expenditures (continued)

Recommendation: The Parish should follow the Pre-Closeout Readiness Steps and other recommendations of the outside firm documented in its pre-closeout assessment. Additionally, the Parish should review outstanding requests for reimbursement and timeliness between the date of the expenditure and the subsequent request for reimbursement.

Management Response: The oversight of federal related reimbursements and expenditures and the resulting project closeout has been an enormous undertaking that has spanned across three administrations. The Parish has contracted a third party consulting firm to administer the closeout procedures. Administration will continue to coordinate with the third party to ensure that all federal projects are closed out properly, accurately, and timely.

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR-ENDED DECEMBER 31, 2014

(C) Findings and Questioned Costs – Major Award Programs Audit

U.S. Department of Housing and Urban Development

14.871: Section 8 Housing Choice Vouchers

2014-03 Financial Management Review Performed by HUD

Criteria: HUD regulations require the Public Housing Agency (PHA) to submit their year-end financial information to HUD through the Financial Assessment System (FASS).

Condition: The St. Bernard Parish Housing Authority (SBPHA) failed to submit audited financial reports to HUD through FASS for the fiscal years ended 2007-2013.

Cause: The Parish has had a government-wide audit conducted each year but has failed to submit the SBPHA component unit required audited Financial Data schedules through FASS.

Effect: By failing to submit the fiscal year-end financial information to HUD through FASS, the SBPHA failed to provide HUD with information useful in determining annual funding, administrative expenses, NRA balance, and its actual financial position.

Recommendation: We recommend the SBPHA complete the required filings through HUD's FASS system.

Management's Response: A Certified Public Accounting firm has been engaged to file the delinquent FASS reports. However, a difference has been found between the financial statements submitted in the HUD monthly reporting system and the prior years' audited financial statements. HUD has requested that a prior period adjustment be made to the audited financial statements, which the Parish is currently researching. The Finance Department will continue to work with the accounting firm to research and identify the reporting differences, then propose an adjustment to the HUD system's balances.

ST. BERNARD PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR-ENDED DECEMBER 31, 2014

(C) Findings and Questioned Costs – Major Award Programs Audit (continued)

U.S. Department of Homeland Security

97.036: Disaster Grants – Public Assistance - FEMA

2014-04 Property Records Missing Required Grant Information

Criteria: Property records should contain description (including serial number or other identification number), source, who holds title, acquisition date and cost, percentage of federal participation in the cost, location, condition, and disposition data.

Condition: The Parish failed to identify source, percentage of federal participation in the cost, location, and condition of property and equipment purchased with federal funds on the property records report.

Cause: The Finance Department was unaware of this requirement.

Effect: Assets purchased with federal funds are not tracked as such, therefore should the assets be disposed of, the proper disposal procedures for federally purchased assets would not be followed.

Recommendation: The Finance Director or other qualified Finance Department personnel should retain all required information on the property records report for property and equipment purchased with federal funds.

Management's

Response: The Parish is in the process of devising a plan to identify both, assets purchased previous and subsequent to 2014, where there were federally assisted funding involved in the asset's acquisition. The Parish is currently in the process of acquiring an Asset Tracking Program which will benefit several departments in the tracking of its assets. This process will be an integral part of the increased staffing that will be responsible for the entire fixed asset management recording and tracking system.

ST. BERNARD PARISH GOVERNMENT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR-ENDED DECEMBER 31, 2014

Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

2013-01 Accounting and Financial Reporting

Condition: The Parish does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements on a timely basis.

Current Status: Resolved.

2013-02 Grant Receivable Account Reconciliations

Condition: The Parish does not have adequate processes and controls in place to ensure grant receivable accounts were reconciled at year-end.

Current Status: Resolved.

2013-03 Accounts Payable

Condition: The Parish does not have adequate processes and controls in place to ensure payable accounts were reconciled at year end.

Current Status: Resolved.

2013-04 Local Government Budget Act

Condition: The Parish did not amend its adopted budget for the General Fund, the Consolidated Fire Protection District Number 1 and Number 2, and the CDBG Disaster Fund when its total actual expenditures exceeded the total budgeted expenditures by five percent or more or when the total actual revenues were less than total budgeted revenues by five percent or more.

Current Status: Resolved.

ST. BERNARD PARISH GOVERNMENT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR-ENDED DECEMBER 31, 2014

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

2013-05 Misappropriation of Assets

Condition: The Parish did not have appropriate policies and procedures in place for the proper recording and monitoring of cash receipts that are not received at the main Parish offices.

Current Status: Resolved.

2013-06 Oversight and Management of Recovery-Driven Federal Expenditures

Condition: Beginning in late 2005 and continuing through 2012, the Parish has received significant federal financial assistance in the form of Federal Emergency Management Agency (FEMA) grants to fund the massive recovery effort to rebuild and repopulate St. Bernard Parish following Hurricane Katrina. 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. Several projects had significant cost overruns beyond the federal obligated funding amounts. Numerous projects have not been closed out because of lingering questions surrounding the eligibility of costs submitted.

Several projects had significant cost overruns beyond the federal obligated funding amounts. Numerous projects have not been closed out because of lingering questions surrounding the eligibility of costs submitted.

Current Status: Not resolved. See item 2014-02.

ST. BERNARD PARISH GOVERNMENT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR-ENDED DECEMBER 31, 2014

Findings and Questioned Costs – Major Award Programs Audit

2013-07 Financial Management Review Performed by HUD (14.871: Section 8 Housing Choice Vouchers)

Condition: The Quality Assurance Division (QAD) of the U.S. Department of Housing and Urban Development issued a Financial Management Review Report on the St. Bernard Parish Housing Authority (SBPHA) dated May 21, 2012. The HUD report identified four findings summarized as follows: (1) SBPHA's total cash and investments as of December 31, 2011 were insufficient to support its Net Restricted Assets (NRA) as calculated by QAD by \$2,081,474; (2) SBPHA underreported its NRA balance as of December 31, 2011 by \$1,203,676; (3) SBPHA did not maintain complete and accurate records of administrative expenses for 2011; and (4) SBPHA failed to submit audited financial reports to HUD using the FASS for the fiscal years ended 2007-2010.

Current Status: Partially resolved. See item 2014-03.

2013-08 Property Records Missing Required Grant Information (97.036: Disaster Grants – Public Assistance - FEMA)

Condition: The Parish failed to identify source, percentage of federal participation in the cost, location, and condition of property and equipment purchased with federal funds on the property records report.

Current Status: Not resolved. See item 2014-04.

2013-09 FTA Davis-Bacon Act (20.507: Federal Transit Formula Grant)

Condition: The Parish did not document testing compliance with the requirements of the Davis-Bacon Act of individual contractors which the contractor did not provide the Parish with a certified payroll related to the invoices.

Current Status: Resolved.

To the Parish Council
St. Bernard Parish Government

In planning and performing our audit of the financial statements of St. Bernard Parish Government (the Parish) as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Parish's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control.

However, during our audit we became aware of several matters as listed in Attachment I that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Parish's internal control in our *Government Auditing Standards* letter dated June 29, 2015. This letter does not affect our report dated June 29, 2015 on the financial statements of the Parish.

We will review the status of these comments during our next audit engagement. We have discussed many of these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience.

The Parish's written responses to the comments identified in Attachment I and Attachment II have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Parish President, the Parish Council, the State of Louisiana and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.



Metairie, Louisiana
June 29, 2015

ST. BERNARD PARISH GOVERNMENT
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

2014-101 Information Technology Access controls

Observation: We observed the following items regarding information technology access during our general controls procedures.

- The Parish does not have a formal process to administer user access for new hires and removal of access for terminated employees.
- The Parish does monitor user access on an informal basis throughout the year.
- Non-Information Technology personnel have “Administrator” access to the accounting system.
- Information Technology personnel have access to make journal entries in the accounting system, as well as access to payroll data.
- Password complexity requirements are not enabled on Windows
- There are no separate password controls established for Sage and users are not required to change their passwords on a periodic basis. In addition, if users forget their passwords, a new user account is created since the employee’s account cannot be reset when a password is forgotten.

Recommendation: The Parish should consider the following recommendations relating to access controls over the information technology systems of the Parish

- Management should consider formalizing the user access administration process including new hires, transfers, and terminations to all information systems used.
- Management should adopt a policy for formal review of Parish employees access rights on a periodic basis throughout the year and document the review.
- Administrator access rights should be limited to Information Technology personnel who do not have end user access in the system. If this is not efficient, management should adopt monitoring controls in place over employees with “Administrator” access.
- Management should restrict access to the accounting system on an as-needed basis.
- Management should enforce complexity requirements on Windows. In addition, passwords to Sage should be changed on a periodic basis. Management should also discuss with the software vendors options for the Parish to be able to reset employees’ passwords when needed.

Management Response: The IT Department agrees with the comments and recommendations regarding formalizing the user access administration process. The department will be working with the HR Department and Finance department to develop a standard notification procedure for hires, transfers and terminations to all information systems used. In regard to formalizing the review of Parish employees’ access rights, the IT Department periodically monitors and reviews validation of system user access. Presently, the IT Department does have monitoring controls in place which allows the administrators of the system to manage and track the organization’s audit trail.

ST. BERNARD PARISH GOVERNMENT
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

2014-101 Information Technology Access controls (continued)

Management Response (continued): Regarding the complexity requirements on Windows, we have implemented it on all applications with the exception of Sage. Sage software vendor has been contacted by management to discuss the options for the Parish to be able to reset employee's passwords and they indicated that the only way to do that is by changing the System Preferences to 'Use Windows Authentication'. The Pros and Cons of using Windows Authentication has been considered and IT has determined that the Sage application will continue to use its inherent user access authentication guidelines.

2014-102 Escheatment of Un-negotiated items

Observation: The Parish's policy and procedures do not provide for routine review of items for escheatment to the State of Louisiana. We noted a number of items on the Parish's bank reconciliation which should be reviewed for escheatment.

Recommendation: The Parish should implement processes and procedures so that outstanding un-negotiated checks are escheated to the State of Louisiana on a timely basis.

Management Response: The Finance Department is in agreement with this comment. The Parish is in the process of devising a plan to semi-annually evaluate and submit unclaimed payments to the proper trustees. The Finance Department evaluated the outstanding uncleared checks and made inquiries of the appropriate state agency regarding the procedures to rectify this situation. The Parish was informed of the necessary procedures which proved to not be cost beneficial because of the number of low denomination checks. We are continuing our planning in regard to Escheatment.

2014-103 Fixed Asset Activity and Reconciliation

Observation: The Parish should have systems of internal accounting control, which provide for the timely tracking of fixed asset activity and reconciliation to the financial statements in accordance with U.S. generally accepted accounting principles. Current internal accounting controls provide for this tracking and reconciliation to be performed on an annual basis.

Recommendation: We recommend the Parish should implement procedures and controls to ensure that fixed asset activity is captured, recorded, and reconciled on a timely and more frequent basis.

ST. BERNARD PARISH GOVERNMENT

MANAGEMENT LETTER COMMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

2014-103 Fixed Asset Activity and Reconciliation (continued)

Management Response: The Finance Department recognizes the fact that monitoring and reconciliation of Fixed Asset Activity must be increased and employed on a more frequent basis. The Parish is reviewing alternative software programs that would allow for tracking and monitoring asset purchases at the point of requisition. Also, certain staff would be responsible for monthly reconciliation of fixed asset acquisitions as well as general ledger review for reclassification purposes.

2014-104 Oversight of Scrap Sold

Observation: In routine review of accounts, the Parish Finance Department noted declining revenue from the sale of “scrap” metal as compared to prior years. After further investigation, it was noted that “scrap” metal and the related proceeds may not have been appropriately remitted to the Parish by the vendor. The investigation is still ongoing, but the incident has been reported to the St. Bernard Parish Sheriff’s Department and the Louisiana Legislative Auditor’s Office (LLA). The Parish does not have adequate documented internal controls over the process to sell “scrap” metal.

Recommendation: The Parish should ensure appropriate internal controls over “scrap” metal procedures are appropriate and are monitored on a regular basis.

Management Response: The Parish is in the process of developing policies and procedures related to scrap metal sales monitoring as well as waste transfer site control. The first step involves public advertisement by way of RFP to secure third party pick-up and delivery services. Security cameras in the Dump facility yards are one of the controls that will be instituted. Also, there will be a sign-off sheet maintained at both waste sites whereby employees will sign-off as to the amount of truckloads of scrap removed from the site. Furthermore, a weekly review of the checks received regarding scrap sales will be documented. These actions, when instituted, will substantially reduce the risk for misappropriation of assets related to scrap metal sales.

ST. BERNARD PARISH GOVERNMENT
MANAGEMENT LETTER COMMENTS - PRIOR YEAR
FOR THE YEAR ENDED DECEMBER 31, 2014

2013-101 Information Technology Access controls

Condition: We observed the following items regarding information technology access during our general controls procedures.

- The Parish does not have a formal process to administer user access for new hires and removal of access for terminated employees.
- The Parish does monitor user access on an informal basis throughout the year.
- Non-Information Technology personnel have “Administrator” access to the accounting system.
- Password complexity requirements are not enabled on Windows
- There are no separate password controls established for Sage and users are not required to change their passwords on a periodic basis. In addition, if users forget their passwords, a new user account is created since the employee’s account cannot be reset when a password is forgotten.

Current Status: Not resolved. See 2014-101.

2013-102 Escheatment of Un-negotiated items

Condition: We noted a number of items on the Parish’s bank reconciliation which should be reviewed for escheatment. The Parish should implement processes and procedures so that outstanding un-negotiated checks are escheated to the State of Louisiana on a timely basis.

Current Status: Not resolved. See 2014-102.

2013-103 Use of Hand Scanner Software

Condition: The Parish requires most employees to use the Microix hand scanner time-keeping system to track time worked in a day. Certain departments do not have access to the hand scanners and currently utilize manual time sheets. We recommend the Parish provide access to the Microix hand scanner time-keeping system for all applicable employees so that internal controls over payroll processing would be improved.

Current Status: Resolved.