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*Financial Report*

*St. Bernard Parish Government*

*Chalmette, Louisiana*

*December 31, 1999*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 12 2000

# TABLE OF CONTENTS

## St. Bernard Parish Government

December 31, 1999

	<u>Exhibits</u>	<u>Page Number</u>
<b>Introductory Section</b>		
Title Page		i
Table of Contents		ii - iv
<b>Financial Section</b>		
Independent Auditor's Report		1 - 2
General Purpose Financial Statements		
Combined Balance Sheet - All Fund Types and Account Groups and Discretely Presented Component Unit	A	3 - 4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	B	5 - 6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Special Revenue Funds	C	7 - 8
Combined Statement of Revenues and Expenses - All Proprietary Fund Types and Discretely Presented Component Unit	D	9
Combined Statement of Changes in Retained Earnings and Contributed Capital - All Proprietary Fund Types and Discretely Presented Component Unit	E	10
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Unit	F	11 - 12

## TABLE OF CONTENTS (Continued)

	<u>Exhibits</u>	<u>Page Number</u>
Notes to General Purpose Financial Statements	G	13 - 77
<b>Supplementary Information Section</b>	<u>Schedules</u>	
Combining Financial Statements - Governmental Fund Types:		
<b>Special Revenue Funds:</b>		
Combining Balance Sheet	1	78- 80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	2	81- 84
<b>Debt Service Funds:</b>		
Combining Balance Sheet	3	85 - 86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	4	87 - 88
<b>Capital Projects Funds:</b>		
Combining Balance Sheet	5	89 - 90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	6	91 - 92
Schedule of Changes in Long-Term Debt - Governmental and Enterprise Funds	7	93 - 96
Compensation Paid Parish Council Members	8	97

## TABLE OF CONTENTS (Continued)

	<u>Schedules</u>	<u>Page Number</u>
<b>Other Supplementary Information Section</b>		
Uniform Financial Reporting Standards for Public Housing Authorities – Financial Data Schedules	9	98 - 99
<b>Special Reports of Certified Public Accountants</b>		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Primary Government General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		100 - 101
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		102 - 104
Schedule of Expenditures of Federal Awards - Primary Government		105 - 107
Notes to Schedule of Expenditures of Federal Awards - Primary Government		108
Schedule of Findings and Questioned Costs		109 - 117
<b>Reports By Management</b>		
Schedule of Prior Year Findings and Questioned Costs		118 - 119
Management's Corrective Action Plan		120 - 122

**FINANCIAL SECTION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the St. Bernard Parish Government, (a political subdivision of the State of Louisiana), as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the St. Bernard Parish Government's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, St. Bernard Parish Home Mortgage Authority. Those financial statements were audited by an other auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditor.

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

In our opinion, based on our audit and the report of the other auditor, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Bernard Parish Government as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2000 on our consideration of the St. Bernard Parish Government's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of St. Bernard Parish Government taken as a whole. The accompanying supplementary information and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. The accompanying schedule of expenditures of federal awards - primary government is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
June 9, 2000.

**GENERAL PURPOSE FINANCIAL STATEMENTS**



**COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS  
AND DISCRETELY PRESENTED COMPONENT UNIT**

**St. Bernard Parish Government**

December 31, 1999

	Governmental Fund Types			Proprietary Fund Types		Account Groups		Total (Memorandum Only)		
	General Fund	Special Revenue Funds	Debt Service Funds	Enterprise Fund	Internal Service Fund	General Fixed Assets	Long-Term Debt	Primary Government	Component Unit	Total (Memorandum Only) Reporting Entity
<b>ASSETS AND OTHER DEBITS</b>										
<b>Assets</b>										
Cash (Note 6)	\$ 454,691	\$ 2,591,604	\$ 2,241,053	\$ 813,926	\$ 909,600	\$ 530,217	\$ -	\$ 7,541,091	\$ 498	\$ 7,541,589
Cash equivalents (Note 6)	-	-	-	-	-	-	-	-	312,887	312,887
Louisiana Asset Management Pool (Note 6)	-	811,685	-	-	-	213,222	-	1,024,907	-	1,024,907
Investments (Note 6)	-	-	-	-	-	400,000	-	400,000	1,259,553	1,659,553
Receivables - net (Note 1)	3,132,677	4,803,084	508,464	656,325	488,343	13,234	-	9,602,127	7,072	9,609,199
Special assessments:										
Delinquent	-	-	9,118	-	-	-	-	9,118	-	9,118
Deferred	-	-	240,593	-	-	-	-	240,593	-	240,593
Deferred financing costs - net	-	-	-	-	-	-	-	-	141,477	141,477
Due from other funds (Note 9)	757,536	293,260	-	572,489	-	5,171,945	-	6,795,230	-	6,795,230
Other assets	1,451	476	-	-	884,936	-	-	886,863	234	887,097
Restricted assets:										
Cash and cash equivalents: (Note 9)										
Debt service reserve accounts	-	-	-	-	2,146,184	-	-	2,146,184	-	2,146,184
Other debt service accounts	-	-	-	-	1,100,559	-	-	1,100,559	-	1,100,559
Construction	-	-	-	-	9,249,105	-	-	9,249,105	-	9,249,105
Renewal and replacement and system improvements accounts	-	-	-	-	6,123,934	-	-	6,123,934	-	6,123,934
Customer deposits	-	-	-	-	329,013	-	-	329,013	-	329,013
Receivables - sales tax	-	-	-	-	560,392	-	-	560,392	-	560,392
Receivables - ad valorem tax	-	-	-	-	494,021	-	-	494,021	-	494,021
Mortgage loans receivable (Note 11)	-	-	-	-	-	-	-	-	1,668,080	1,668,080
Accrued interest on mortgage loans	-	-	-	-	-	-	-	-	40,371	40,371
Unamortized debt expense (Note 1)	-	-	-	-	354,656	-	-	354,656	-	354,656
Property, plant and equipment, net (Notes 4 and 5)	-	-	-	-	40,778,809	-	-	84,588,749	-	84,588,749
<b>Other Debits</b>										
Amount available for debt service funds	-	-	-	-	-	-	1,965,991	1,965,991	-	1,965,991
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	6,136,724	6,136,724	-	6,136,724
<b>Total assets and other debits</b>	<b>\$ 4,346,355</b>	<b>\$ 8,500,109</b>	<b>\$ 2,999,228</b>	<b>\$ 2,042,740</b>	<b>\$ 63,419,552</b>	<b>\$ 6,328,618</b>	<b>\$ 8,102,715</b>	<b>\$ 139,549,257</b>	<b>\$ 3,430,172</b>	<b>\$ 142,979,429</b>

Exhibit A  
(Continued)

	Governmental Fund Types				Proprietary Fund Type		Account Groups		Total (Memorandum Only)		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Fund	Internal Service Fund	General Fixed Assets	General Long-Term Debt	Primary Government	Component Unit	Total (Memorandum Only)
											Reporting Entity
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>											
<b>Liabilities</b>											
Accounts payable	\$ 419,259	\$ 463,100	\$ -	\$ 339,259	\$ 451,897	\$ -	\$ -	\$ -	\$ 1,673,515	\$ -	\$ 1,673,515
Claims payable (Notes 10 and 16)	-	-	-	-	747,763	-	-	-	747,763	-	747,763
Retainage payable	7,750	-	-	-	-	-	-	-	7,750	-	7,750
Salaries and payroll deductions payable	27,563	192,026	-	-	-	-	-	-	219,589	-	219,589
Due to other funds (Note 9)	2,107,251	3,755,489	572,489	75,112	42,874	242,015	-	-	6,795,230	-	6,795,230
Deferred revenue	-	28,213	240,593	-	-	-	-	-	268,806	-	268,806
Lease payable	-	-	-	-	1,000	-	-	-	1,000	-	1,000
Other liabilities	-	19,946	-	-	53,603	-	-	-	73,549	-	73,549
Payable from restricted assets:											
Accounts payable	-	-	-	-	172,201	-	-	-	172,201	-	172,201
Bonds payable (Note 8)	-	-	-	-	1,441,000	-	-	-	1,441,000	-	1,441,000
Accrued interest	-	-	-	-	231,757	-	-	-	231,757	18,773	250,530
Customer deposits (Note 8)	-	-	-	-	1,222,570	-	-	-	1,222,570	-	1,222,570
Inspection deposits	-	-	-	-	13,300	-	-	-	13,300	-	13,300
Accrued vacation (Note 1)	-	-	-	-	226,645	-	-	-	226,645	-	226,645
Estimated claims and judgment (Notes 10 and 16)	330,098	-	-	-	-	2,060,176	-	-	2,390,274	-	2,390,274
Bonds payable (Note 8)	-	-	-	-	17,266,000	-	-	-	17,266,000	2,333,252	19,599,252
General obligations - bonds payable (Note 8)	-	-	-	-	-	-	8,102,715	-	8,102,715	-	8,102,715
<b>Total liabilities</b>	<b>2,891,921</b>	<b>4,458,774</b>	<b>813,082</b>	<b>414,371</b>	<b>21,870,610</b>	<b>2,302,191</b>	<b>-</b>	<b>8,102,715</b>	<b>40,853,664</b>	<b>2,352,025</b>	<b>43,205,689</b>
<b>Contingencies (Notes 10, 18 through 21)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Equity and Other Credits</b>											
Investment in general fixed assets	-	-	-	-	-	-	43,809,940	-	43,809,940	-	43,809,940
Contributed capital	-	-	-	-	14,822,667	-	-	-	14,822,667	-	14,822,667
Retained earnings - reserved (Note 14)	-	-	-	-	15,936,361	4,026,427	-	-	19,962,788	-	19,962,788
Retained earnings - unreserved	-	-	-	-	10,789,914	-	-	-	10,789,914	1,078,147	11,868,061
Fund balances:											
Reserved for contracts (Note 14)	-	108,595	-	1,628,369	-	-	-	-	1,736,964	-	1,736,964
Reserved for debt service (Note 14)	-	-	1,965,991	-	-	-	-	-	1,965,991	-	1,965,991
Designated - development	-	1,000,000	-	-	-	-	-	-	1,000,000	-	1,000,000
Unreserved - undesignated	1,454,434	2,932,740	220,155	-	-	-	-	-	4,607,329	-	4,607,329
<b>Total fund equity and other credits</b>	<b>1,454,434</b>	<b>4,041,335</b>	<b>2,186,146</b>	<b>1,628,369</b>	<b>41,548,942</b>	<b>4,026,427</b>	<b>43,809,940</b>	<b>-</b>	<b>98,695,593</b>	<b>1,078,147</b>	<b>99,773,740</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 4,346,355</b>	<b>\$ 8,500,109</b>	<b>\$ 2,999,228</b>	<b>\$ 2,042,740</b>	<b>\$ 63,419,552</b>	<b>\$ 6,328,618</b>	<b>\$ 43,809,940</b>	<b>\$ 8,102,715</b>	<b>\$ 139,549,257</b>	<b>\$ 3,430,172</b>	<b>\$ 142,979,429</b>

See notes to general purpose financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total (Memorandum Only) Primary Government
<b>Revenues (Note 1)</b>					
Taxes:					
Ad valorem	\$ 484,807	\$ 4,408,570	\$ 560,116	\$ -	\$ 5,453,493
Sales taxes	13,284,218	-	-	-	13,284,218
Other taxes, penalties, and interest, etc.	691,443	309,707	-	-	1,001,150
Licenses and permits	1,000,794	211,333	-	-	1,212,127
Federal grants	-	4,888,724	-	1,714,807	6,603,531
State funds:					
Parish transportation funds	-	582,283	-	-	582,283
State revenue sharing	54,833	372,950	-	-	427,783
Other state funds	431,531	1,015,178	-	428,703	1,875,412
Fees, charges, and commissions for services	778,862	607,691	-	-	1,386,553
Fines and forfeitures	-	472,644	-	-	472,644
Use of money and property	173,970	175,270	90,337	22,161	461,738
Special assessments	-	-	32,337	-	32,337
Public grants	-	10,022	-	-	10,022
Other revenues	11,243	225,981	-	-	237,224
<b>Total revenues</b>	<b>16,911,701</b>	<b>13,280,353</b>	<b>682,790</b>	<b>2,165,671</b>	<b>33,040,515</b>
<b>Expenditures (Note 1)</b>					
General government:					
Legislative	277,217	22,953	-	-	300,170
Judicial	583,379	972,199	-	-	1,555,578
Elections	49,339	-	-	-	49,339
Finance and administrative	988,502	284,669	20,195	-	1,293,366
Deductions by sales tax collector	1,065,643	-	-	-	1,065,643
Other general government	482,372	3,133,294	-	-	3,615,666
Public safety	1,398,380	5,648,182	-	-	7,046,562
Public works	-	7,507,011	-	613,304	8,120,315
Health and welfare	35,382	2,693,782	-	-	2,729,164
Culture and recreation	-	1,914,599	-	-	1,914,599
Economic development	73,400	-	-	-	73,400
Capital outlay	251	208,763	-	3,337,436	3,546,450
Debt service:					
Principal retirement	4,845	-	648,172	-	653,017
Interest and service charges	2,133	-	457,679	-	459,812
<b>Total expenditures</b>	<b>4,960,843</b>	<b>22,385,452</b>	<b>1,126,046</b>	<b>3,950,740</b>	<b>32,423,081</b>

**Exhibit B  
(Continued)**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total (Memorandum Only) Primary Government
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	11,950,858	(9,105,099)	(443,256)	(1,785,069)	617,434
<b>Other Financing Sources (Uses)</b>					
Proceeds of refunding bond	-	-	1,353,000	-	1,353,000
Payment to refunded bond escrow agent	-	-	(1,590,000)	-	(1,590,000)
Operating transfers in	-	10,357,623	726,576	1,162,255	12,246,454
Operating transfers out	(12,108,527)	(137,927)	-	-	(12,246,454)
Total other financing sources (uses)	(12,108,527)	10,219,696	489,576	1,162,255	(237,000)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	(157,669)	1,114,597	46,320	(622,814)	380,434
<b>Fund Balances</b>					
Beginning of year	1,437,193	3,101,648	2,712,315	1,678,694	8,929,850
Residual equity transfer	174,910	(174,910)	(572,489)	572,489	-
End of year	<u>\$ 1,454,434</u>	<u>\$ 4,041,335</u>	<u>\$ 2,186,146</u>	<u>\$ 1,628,369</u>	<u>\$ 9,310,284</u>

See notes to the general purpose financial statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-  
GENERAL FUND AND SPECIAL REVENUE FUNDS**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues (Note 1)</b>						
Taxes:						
Ad valorem	\$ 465,972	\$ 484,807	\$ 18,835	\$ 4,243,857	\$ 4,408,570	\$ 164,713
Sales taxes	13,510,300	13,284,218	(226,082)	-	-	-
Other taxes, penalties, and interest, etc.	709,200	691,443	(17,757)	296,500	309,707	13,207
Licenses and permits	925,596	1,000,794	75,198	230,500	211,333	(19,167)
Federal grants	-	-	-	5,363,773	4,888,724	(475,049)
State funds:						
Parish transportation funds	-	-	-	575,000	582,283	7,283
State revenue sharing	54,840	54,833	(7)	360,060	372,950	12,890
Other state funds	376,000	431,531	55,531	1,320,789	1,015,178	(305,611)
Fees, charges, and commissions for services	785,346	778,862	(6,484)	565,950	607,691	41,741
Fines and forfeitures	-	-	-	453,411	472,644	19,233
Use of money and property	79,800	173,970	94,170	111,420	175,270	63,850
Public grants	-	-	-	-	10,022	10,022
Other revenues	2,880	11,243	8,363	221,010	225,981	4,971
<b>Total revenues</b>	<b>16,909,934</b>	<b>16,911,701</b>	<b>1,767</b>	<b>13,742,270</b>	<b>13,280,353</b>	<b>(461,917)</b>
<b>Expenditures (Note 1)</b>						
General government:						
Legislative	321,637	277,217	44,420	-	22,953	(22,953)
Judicial	599,118	583,379	15,739	983,016	972,199	10,817
Elections	93,437	49,339	44,098	-	-	-
Finance and administrative	1,220,882	988,502	232,380	-	284,669	(284,669)
Deductions by sales tax collector	1,139,924	1,065,643	74,281	-	-	-
Other general government	497,833	482,372	15,461	3,486,733	3,133,294	353,439
Public safety	1,330,643	1,398,380	(67,737)	5,230,569	5,648,182	(417,613)
Public works	-	-	-	7,676,755	7,507,011	169,744
Health and welfare	12,564	35,382	(22,818)	3,293,373	2,693,782	599,591
Culture and recreation	-	-	-	2,136,020	1,914,599	221,421
Economic development	122,799	73,400	49,399	-	-	-
Capital outlay	-	251	(251)	272,000	208,763	63,237
Debt service:						
Principal retirement	3,350	4,845	(1,495)	-	-	-
Interest and service charges	2,200	2,133	67	-	-	-
<b>Total expenditures</b>	<b>5,344,387</b>	<b>4,960,843</b>	<b>383,544</b>	<b>23,078,466</b>	<b>22,385,452</b>	<b>693,014</b>

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>11,565,547</u>	<u>11,950,858</u>	<u>385,311</u>	<u>(9,336,196)</u>	<u>(9,105,099)</u>	<u>231,097</u>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	-	-	10,166,952	10,357,623	190,671
Operating transfers out	<u>(11,901,463)</u>	<u>(12,108,527)</u>	<u>(207,064)</u>	-	<u>(137,927)</u>	<u>(137,927)</u>
Total other financing sources (uses)	<u>(11,901,463)</u>	<u>(12,108,527)</u>	<u>(207,064)</u>	<u>10,166,952</u>	<u>10,219,696</u>	<u>52,744</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	(335,916)	(157,669)	178,247	830,756	1,114,597	283,841
<b>Fund Balances</b>						
Beginning of year	1,437,193	1,437,193	-	3,101,648	3,101,648	-
Residual equity transfer	-	174,910	174,910	-	(174,910)	(174,910)
End of year	<u>\$ 1,101,277</u>	<u>\$ 1,454,434</u>	<u>\$ 353,157</u>	<u>\$ 3,932,404</u>	<u>\$ 4,041,335</u>	<u>\$ 108,931</u>

See notes to the general purpose financial statement.

**COMBINED STATEMENT OF REVENUES AND EXPENSES-  
ALL PROPRIETARY FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT**

St. Bernard Parish Government

For the year ended December 31, 1999

	Enterprise Fund	Internal Service Fund	Total (Memorandum Only) Primary Government	Component Unit	Total (Memorandum Only) Reporting Entity
<b>Operating Revenues (Note 1)</b>					
User fees	\$ 9,880,187	\$ -	\$ 9,880,187	\$ -	\$ 9,880,187
Other operating income	614,836	1,481,645	2,096,481	-	2,096,481
Interest earned on mortgage loans	-	-	-	179,790	179,790
Interest earned on investments	-	148,121	148,121	24,450	172,571
Unrealized gain (loss) on investments	-	-	-	(95,488)	(95,488)
<b>Total operating income</b>	<b>10,495,023</b>	<b>1,629,766</b>	<b>12,124,789</b>	<b>108,752</b>	<b>12,233,541</b>
<b>Operating Expenses (Note 1)</b>					
Salaries and related benefits	2,981,304	220,735	3,202,039	-	3,202,039
Utilities	896,626	-	896,626	-	896,626
Contractual services, supplies and materials	1,688,550	-	1,688,550	-	1,688,550
Outside services	201,333	53,007	254,340	-	254,340
Insurance premiums	510,776	260,633	771,409	-	771,409
Claims expense	-	638,856	638,856	-	638,856
Interest	-	-	-	204,068	204,068
Operating expenses	-	-	-	32,712	32,712
Other	91,691	27,474	119,165	-	119,165
Depreciation and amortization	2,497,473	-	2,497,473	-	2,497,473
Amortization of deferred financing costs	-	-	-	40,975	40,975
Servicing fees	-	-	-	6,905	6,905
Mortgage loan insurance costs	-	-	-	2,773	2,773
<b>Total operating expenses</b>	<b>8,867,753</b>	<b>1,200,705</b>	<b>10,068,458</b>	<b>287,433</b>	<b>10,355,891</b>
<b>Operating Income (Loss)</b>	<b>1,627,270</b>	<b>429,061</b>	<b>2,056,331</b>	<b>(178,681)</b>	<b>1,877,650</b>
<b>Nonoperating Revenues (Expenses)</b>					
Sales tax	3,142,762	-	3,142,762	-	3,142,762
Ad valorem taxes for repayment of bonds	548,538	-	548,538	-	548,538
Interest income	417,951	-	417,951	-	417,951
Interest expense and bank fees	(546,413)	-	(546,413)	-	(546,413)
Deduction from ad valorem taxes for debt retirement	(17,239)	-	(17,239)	-	(17,239)
<b>Total nonoperating revenues</b>	<b>3,545,599</b>	<b>-</b>	<b>3,545,599</b>	<b>-</b>	<b>3,545,599</b>
<b>Net Income (Loss)</b>	<b>\$ 5,172,869</b>	<b>\$ 429,061</b>	<b>\$ 5,601,930</b>	<b>\$ (178,681)</b>	<b>\$ 5,423,249</b>

See notes to the general purpose financial statements.

**COMBINED STATEMENT OF CHANGES IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL -  
ALL PROPRIETARY FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	Enterprise Fund		Total	Internal Service Fund	Total (Memorandum Only)		Component Unit	Total (Memorandum Only) Reporting Entity
	Contributed Capital	Retained Earnings			Primary Government	Reporting Entity		
<b>Beginning Balance</b>	\$ 15,424,664	\$ 20,625,910	\$ 36,050,574	\$ 3,597,366	\$ 39,647,940	\$ 1,256,828	\$ 40,904,768	
Net income (loss)	-	5,172,869	5,172,869	429,061	5,601,930	(178,681)	5,423,249	
Other - donated lines	325,499	-	325,499	-	325,499	-	325,499	
Depreciation of assets purchased with contributed capital	(927,496)	927,496	-	-	-	-	-	
<b>Ending Balance</b>	<u>\$ 14,822,667</u>	<u>\$ 26,726,275</u>	<u>\$ 41,548,942</u>	<u>\$ 4,026,427</u>	<u>\$ 45,575,369</u>	<u>\$ 1,078,147</u>	<u>\$ 46,653,516</u>	

See notes to the general purpose financial statement.



**COMBINED STATEMENT OF CASH FLOWS-  
ALL PROPRIETARY FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	Enterprise Fund	Internal Service Fund	Total (Memorandum Only) Primary Government	Component Unit	Total (Memorandum Only) Reporting Entity
<b>Cash Flows From Operating Activities</b>					
Operating income	\$ 1,627,270	\$ 429,061	\$ 2,056,331	\$ -	\$ 2,056,331
Net income (loss)	-	-	-	(178,681)	(178,681)
Subtotal	<u>1,627,270</u>	<u>429,061</u>	<u>2,056,331</u>	<u>(178,681)</u>	<u>1,877,650</u>
Adjustments to reconcile operating income / net income (loss) to net cash provided by (used in) operating activities:					
Amortization of deferred financing costs	-	-	-	40,975	40,975
Amortization of bond discount	-	-	-	87,572	87,572
Depreciation and amortization	2,497,473	-	2,497,473	-	2,497,473
Other	-	-	-	126	126
Unrealized loss on investments	-	-	-	95,488	95,488
(Increase) decrease in assets:					
Accounts receivable	(52,200)	17,985	(34,215)	-	(34,215)
Unbilled charges	(69,410)	-	(69,410)	-	(69,410)
Accrued interest receivable	-	-	-	(11,517)	(11,517)
Insurance receivable	-	-	-	23,643	23,643
Inventory	(21,013)	-	(21,013)	-	(21,013)
Prepaid expenses	(1,298)	-	(1,298)	-	(1,298)
Due from other funds	-	(711,677)	(711,677)	-	(711,677)
Increase (decrease) in liabilities:					
Accounts payable and accruals	934,460	(29)	934,431	-	934,431
Interest payable	-	-	-	(10,764)	(10,764)
Due to other funds	-	(354,212)	(354,212)	-	(354,212)
Estimated claims and judgements	-	127,456	127,456	-	127,456
Interest paid on bonds payable	-	-	-	125,333	125,333
Interest received on investments	-	-	-	(24,450)	(24,450)
Total adjustments	<u>3,288,012</u>	<u>(920,477)</u>	<u>2,367,535</u>	<u>326,406</u>	<u>2,693,941</u>
Net cash provided by (used in) operating activities	<u>4,915,282</u>	<u>(491,416)</u>	<u>4,423,866</u>	<u>147,725</u>	<u>4,571,591</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Payment on St. Bernard Parish Self Insurance Fund loan	(55,547)	-	(55,547)	-	(55,547)
Operating transfers (to) from other funds	25,000	-	25,000	-	25,000
Bond redemptions	-	-	-	(693,839)	(693,839)
Interest paid on bonds payable	-	-	-	(125,333)	(125,333)
Net cash used in noncapital financing activities	<u>(30,547)</u>	<u>-</u>	<u>(30,547)</u>	<u>(819,172)</u>	<u>(849,719)</u>

**Exhibit F  
(Continued)**

	Enterprise Fund	Internal Service Fund	Total (Memorandum Only) Primary Government	Component Unit	Total (Memorandum Only) Reporting Entity
<b>Cash Flows From Capital Financing Activities</b>					
Ad valorem taxes - debt retirement	492,455	-	492,455	-	492,455
Sales tax	2,582,370	-	2,582,370	-	2,582,370
Unamortized debt expense	(72,701)	-	(72,701)	-	(72,701)
Purchase of capital assets	(2,003,997)	-	(2,003,997)	-	(2,003,997)
Principal paid on bonds	(1,126,000)	-	(1,126,000)	-	(1,126,000)
Sales tax bonds proceeds	9,950,000	-	9,950,000	-	9,950,000
Interest paid	(523,628)	-	(523,628)	-	(523,628)
Net cash provided by capital financing activities	<u>9,298,499</u>	-	<u>9,298,499</u>	-	<u>9,298,499</u>
<b>Cash Flows From Investing Activities</b>					
Interest on cash management account	417,951	-	417,951	-	417,951
Interest earned on investments	-	-	-	24,450	24,450
Investments in LAMP	-	(9,434)	(9,434)	-	(9,434)
Decrease in mortgage loans receivable	-	-	-	523,593	523,593
Net cash provided by (used in) investing activities	<u>417,951</u>	<u>(9,434)</u>	<u>408,517</u>	<u>548,043</u>	<u>956,560</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	14,601,185	(500,850)	14,100,335	(123,404)	13,976,931
<b>Cash and Cash Equivalents</b>					
Beginning of year	<u>5,257,210</u>	<u>1,031,067</u>	<u>6,288,277</u>	<u>436,789</u>	<u>6,725,066</u>
End of year	<u>\$ 19,858,395</u>	<u>\$ 530,217</u>	<u>\$ 20,388,612</u>	<u>\$ 313,385</u>	<u>\$ 20,701,997</u>

**Supplemental Cash Flow Information:**

**Interest Paid For The Year Ended December 31, 1999:**

Enterprise Fund - St. Bernard Parish Government Department of Public Works Water and Sewer Division and the Districts \$ 523,628

Component Unit - St. Bernard Parish Home Mortgage Authority \$ 125,333

**Noncash Capital Financing Activity - Enterprise Fund - St. Bernard Parish Government Department of Public Works Water and Sewer Division:**  
Donated Lines \$ 325,499

See notes to the general purpose financial statement.

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS****St. Bernard Parish Government**

December 31, 1999

**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.

**a) Reporting Entity and Individual Component Unit Disclosure**

The St. Bernard Parish Council is the governing authority for St. Bernard Parish. As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Government is the financial reporting entity for St. Bernard Parish. The financial reporting entity consists of the primary government (parish government), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's general purpose financial statement to be misleading or incomplete.

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

- 1) Appointing a voting majority of an organization's governing body, and
- i) The ability of the parish government to impose its will on that organization and/or

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity and Individual Component Unit Disclosure (Continued)**

- ii) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
- 2) Organizations for which the parish government does not appoint a voting majority but which are fiscally dependent on the parish government.
- 3) Organizations for which the reporting entity's general purpose financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, the parish government had determined that the following component units are part of the reporting entity:

	<u>Criteria Used</u>
St. Bernard Parish Library	1
St. Bernard Parish Government Department of Public Works Water and Sewer Division and the Districts	1
St. Bernard Parish Home Mortgage Authority	1
St. Bernard Parish Commerce Commission	2

These primary government (parish government) general purpose financial statements include all funds, account groups and organizations for which the parish government maintains the accounting records. The organizations for which the parish government maintains the accounting records are considered part of the primary government (parish government) and include the Thirty-Fourth Judicial District Criminal Court Fund.

The following component units, although legally separate entities, are, in substance, part of the parish government's operations and accordingly, data from these units are combined with data of the primary government and are reported as blended component units:

- St. Bernard Parish Library
- St. Bernard Parish Government Department  
of Public Works Water and Sewer Division and the Districts
- St. Bernard Parish Commerce Commission

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity and Individual Component Unit Disclosure (Continued)**

The component unit columns in the combined general purpose financial statements include the financial data of the St. Bernard Parish Home Mortgage Authority. It is reported in a separate column as a discrete component unit to emphasize that it is legally separate from the parish government.

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 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.

**b) Basis of Presentation**

The accounts of the parish government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Parish government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund categories, fund types and account groups presented in the general purpose financial statements are described as follows:

**1) Governmental Funds**

**General Fund**

The general fund is the principal fund of the parish government and is used to account for all activities of the parish government except those required to be accounted for in other funds.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (Continued)**

**1) Governmental Funds (Continued)**

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources which by law are designated to finance particular functions or activities of the parish government.

**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, general long-term debt principal, interest, and related costs.

**Capital Project Funds**

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those projects financed by the proprietary fund). In addition, the funds are used to account for major street repairs and the acquisition of movable fixed assets.

**2) Proprietary Funds**

**Enterprise Funds**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (Continued)**

**2) Proprietary Funds (Continued)**

**Internal Service Fund**

The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies within the same government or to other governments or not-for-profit associations on a cost reimbursement basis.

**3) Account Groups**

**General Fixed Assets Account Group**

This account group is established to account for the fixed assets of the parish government and its component units, except those accounted for in the Proprietary Funds.

Public domain or infrastructures are not capitalized. No depreciation has been provided on the General Fixed Assets Account Group. All fixed assets are valued at historical cost where available. Historical cost was not available for a minor amount of fixed assets thus estimated historical cost was used.

**General Long-Term Debt Account Group**

This account group is established to account for all long-term obligations of the parish government, except those accounted for in the Proprietary Funds.

**c) Governmental Funds**

**1) Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**1) Basis of Accounting (Continued)**

focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The governmental funds reported in the general purpose financial statements utilize the following practices in recording revenues and expenditures:

**i) Revenues**

Revenues are recognized when they become measurable and available.

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed and available for use on current debt. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in *December of the current year and January through March of the ensuing year.*

Federal and state aid and grants are recorded when the entity is entitled to the funds.

Interest income on investments is accrued through the end of the year.

The parish government recognizes sales and use tax revenues on the accrual basis.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**1) Basis of Accounting (Continued)**

**i) Revenues (Continued)**

Substantially all other revenues are recorded when received.

**ii) Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is not recognized until due.

**iii) Accounts Receivable**

The St. Bernard Parish Government uses the direct write-off method to write off the majority of general uncollectible accounts receivable. This method approximates methods in accordance with generally accepted accounting principles.

The majority of the parish government's receivables consist of sales taxes of \$2,831,703, ad valorem taxes of \$5,435,969, other state funds of \$563,329, federal grants of \$962,361, road royalty of \$127,665 and water and sewer customer receivables of \$488,343.

**iv) Other Financing Sources (Uses)**

Transfers between funds which are not to be repaid are accounted for as other financing sources (uses).

Proceeds of long-term debt including bonds and notes are reflected as other financing sources in the operating statement of the recipient fund and are included in the general long-term debt account group.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds**

- **Public Works Fund**

The Public Works Fund is used to account for the operations and maintenance of all parish infrastructure (roads, bridges, right of ways, 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.

- **Garbage District No. 1 Fund**

The Garbage District No. 1 Fund is used to account for the parish's garbage collection and disposal system. These services are presently being contracted out to a private firm. Revenues are derived from ad valorem taxes, state revenue sharing, and a ½% dedicated sales tax for garbage collection.

- **Consolidated Fire Protection District No. 1-2 Fund**

The Consolidated Fire Protection District No, 1-2 Fund is used to account for the 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.

- **Recreation Department Fund**

The Recreation Department 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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds (Continued)**

- **Health Fund**

The Health Fund is used to account for the activities which contribute to the health monitoring services provided by the state health unit within the parish.

The State bills the parish health department for the building operating and maintenance expenses related to the facility. Revenues are derived from ad valorem taxes and state revenue sharing.

- **Urban Mass Transportation Administration Fund**

The Urban Mass Transportation Administration 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.

- **Jobs Training Partnership Act Fund**

The Jobs Training Partnership Act Fund (JTPA) is used to account for the collection and payment of jobs training partnership act funds on behalf of other agencies, governing bodies and/or other funds.

- **Housing Rent Subsidy Fund**

The Housing Rent Subsidy Fund is used to account for the administration of a housing assistance program. Financing is provided by the Department of Housing and Urban Development.

- **Housing Voucher Program Fund**

The Housing Voucher Program Fund is used to account for the administration of the Housing Voucher Program. Financing is provided by the Department of Housing and Urban Development. The deficit fund equity of \$4,606 will be absorbed through future fees.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds (Continued)**

- **Judicial Court Reporter Fund**

The Judicial Court Reporter Fund is used to account for the salaries of the Thirty-Fourth Judicial District Court reporters. This fund is financed from the judicial fees collected by the clerk of court and remitted to the parish government. The deficit fund equity of \$764 will be absorbed as part of the 2000 budget.

- **Criminal Court Fund**

The Criminal Court Fund of the Thirty-Fourth Judicial District 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.

The statutes also require that one-half of the surplus in the fund at December 31, of each year be transferred to the parish General Fund. For the year ended December 31, 1999, \$174,910 was transferred to the General Fund.

- **Contingency Criminal Court "A" Fund**

The Contingency Criminal Court "A" Fund is used to account for the administration of the Indigent Defenders Board. Revenues are derived from reimbursements from the Indigent Defenders Board and from transfers from the Criminal Court Fund. The deficit fund equity of \$951 will be absorbed as part of the 2000 budget.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds (Continued)**

- **District Attorney General Fund**

The District Attorney General Fund is used to account for the salaries and expenses of the District Attorney of the Thirty-Fourth Judicial District. This fund is financed by a transfer of sales tax from the General Fund, which is budgeted annually by the parish government at the same time it prepares its annual budget. The deficit fund equity of \$61,892 will be absorbed as a part of the 2000 budget.

The parish government is mandated to pay the expenses of the District Attorney's office as provided by Louisiana Revised Statutes 16:6 and 16:839.4.

- **Environmental Mitigation Fund**

The Environmental Mitigation Fund is used to account for operation, maintenance and costs for the Parish Wetlands Management Program. Financing is provided by mitigation payments and donations.

- **Deputy Witness Fee Fund**

The Deputy Witness Fee 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. The deficit fund equity of \$5,097 will be absorbed as a part of the 2000 budget.

- **Library Fund**

The Library Fund is used to account for the operations and maintenance of the parish library. Revenues are derived from ad valorem taxes, state revenue sharing, other state grants, and interest.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds (Continued)**

- **Road Lighting District No. 1 Fund**

The Road Lighting District No. 1 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.

- **Group Home Residents Fund**

The Group Home Residents Fund and the Boys and Girls Group Home discontinued operations in 1997.

- **Human Resources Fund**

The Human Resources Fund was established to record the income and expenditures on various federal and state grants.

- **Civic Auditorium Fund**

The Civic Auditorium Fund is used to account for the maintenance and operation of the St. Bernard Parish Civic Center (Center). Revenues are derived from fees charged for the use of the Center.

- **Communications Fund**

The Communication Fund is used to account for the cost of the 911 Emergency Service number. Revenues are derived from a telephone tax.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds (Continued)**

- **Community Development Fund**

The Community Development Fund is used to account for the coordination of planning activities and emergency preparedness. The revenues are derived from permits, licenses and transfers from sales tax. The deficit fund equity of \$4,011 will be absorbed as part of the 2000 budget.

- **Council On Aging Fund**

The Council On Aging 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. The fund equity of \$91,795 is dedicated to be expended as part of the 2000 budget.

- **Weatherization Fund**

The Weatherization Fund is used to account for the administration of weatherization assistance program. Financing is provided by the Department of Social Services.

- **Low Income Home Energy Assistance Program Fund**

The Low Income Home Energy Assistance Program Fund is used to account for the administration of the low-income home energy assistance program. Financing is provided by the Department of Social Services. The deficit fund equity of \$5,067 will be absorbed as part of the 2000 budget.

- **Day Care Fund**

The Day Care Fund is used to account for the administration of a family day care home program. Financing is provided by the Department of Education.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**2) Fund Descriptions - Special Revenue Funds (Continued)**

**• Federal Emergency Management Assistance Fund**

The Federal Emergency Management Assistance Fund is used to account for administration of the emergency food and shelter program.

**3) Fund Descriptions - Debt Service Funds**

**• Public Improvement Bonds Series A, B, C Fund**

The Public Improvement Bonds Series A, B, C Fund was used to accumulate monies for the payment of bonds dated June 1, 1965. At December 31, 1999, all obligations of the A, B, C Fund has been paid. The fund balance at December 31, 1999 of \$220,155 will be used to fund an auditorium project in the future.

**• Public Improvement Bonds Series 1977 and 1999 Fund**

The Public Improvement Bonds Series 1977 and 1999 Fund is used to accumulate monies for the payment of bonds dated June 1, 1977 and March 3, 1999. The 1977 bonds were used for the purpose of paying all or any part of the cost of public works, buildings, improvements, and facilities in the parish. The 1999 bonds were used to defease \$1,353,000 of the previously issued 1977 bonds. There is no requirement for an accompanying bond reserve fund. The bonds are secured by the proceeds of a special ½% sales and use tax.

**• Public Improvement Bonds Series 1996 Fund**

The Public Improvement Bond Series 1996 Fund is used to accumulate monies for the payment of bonds dated April 9, 1996, which were issued to defease 1986 series public improvement bond issue. The bonds are secured from the proceeds of two separate special one-half of 1 percent sales and use taxes effective November 1, 1965 and October 1, 1969.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**3) Fund Descriptions - Debt Service Funds (Continued)**

- **Bond Reserve 1996 Fund**

The Bond Reserve 1996 Fund was established to comply with the bond resolutions of the Public Improvement Bonds Series 1996. This fund is used to account for a \$274,000 reserve as required by the 1996 issue. At December 31, 1999, there was an excess of \$95,179 in the fund.

- **Bond Reserve 1977 Fund**

The Bond Reserve 1977 Fund was established to comply with the bond resolutions of the Public Improvement Bonds, Series 1977. This fund is used for transfers of sales tax from the sales tax account. In previous years, the payments into the Reserve Fund had ceased due to accumulation of an amount equal to the highest combined principal and interest requirements for any succeeding bond year. In 1999, the Public Improvement Bonds, Series 1977 have been defeased through the subsequent issuance of Public Improvements Bonds, Series 1999. Accordingly, the Parish Government's responsibility to maintain the Bond Reserve Fund 1977 has lapsed. The Parish Government by resolution transferred \$572,489 to the Capital Projects fund by recording a residual equity transfer.

- **1990 and 1997 General Obligation Bond Fund**

The 1990 and 1997 General Obligation Bond 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 furnishings 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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**3) Fund Descriptions - Debt Service Funds (Continued)**

- **Versailles Industries Park Sinking Fund**

The Versailles Industrial Park Sinking 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.

**4) Fund Descriptions - Capital Projects**

- **Drainage and Siphon Fund**

The Drainage and Siphon Fund is used to account for the construction and improvements of drains and drainage canals, including the construction of pumping stations.

- **Fire District 1-2 C.I. Series Bond Fund**

The Fire District 1-2 Construction Fund is used to account for the costs of improving fire protection facilities and purchasing fire trucks and other fire fighting equipment for Fire Protection District 1 and 2.

- **Road District Project Bond Fund**

The Road District Project Fund is used to account for the costs of acquiring equipment to be used for constructing, improving and maintaining public roads and highways.

- **Public Improvement Bond Series D, E, F, G Fund**

The Public Improvement Bonds Series D, E, F, G Fund is used to account for the road maintenance, road lighting and drainage construction.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Governmental Funds (Continued)**

**4) Fund Descriptions - Capital Projects (Continued)**

- **Drainage Construction Bonds of 1967 and 1982 Fund**

The Drainage Construction Bonds of 1967 and 1982 Fund is used to account for maintaining, digging, and improving drains and drainage canals including the maintenance of two pumping stations.

- **Capital Projects Fund**

The Capital Projects Fund is used to track and pay for costs of capital projects. The source of funding for the projects will be from transfers from general, special revenue or internal service operating accounts.

- **Courthouse Capital Fund**

The Courthouse Capital 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.

- **Islenos Multipurpose Building Fund**

The Islenos Multipurpose Building Fund is used to account and pay for the costs associated with construction of the Islenos Multipurpose Building. The source of funding for the construction is from state grants.

- **Urban System Roadway Reconstruction Fund**

The Urban System Roadway Reconstruction 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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division**

**1) Organization**

The St. Bernard Parish Water and Sewer Commission was created by an intergovernmental agreement dated November 13, 1985, as ratified, confirmed and approved by Louisiana Revised Statute 33:7802 which became effective July 2, 1986. The Commission's major operation was to provide water and sewerage services for the parish of St. Bernard. The Commission assumed control of operations and began providing services effective with the close of business on December 31, 1985. Prior to that time, such water and sewerage services had been provided by five separate entities: St. Bernard Water District No. 1, St. Bernard Water District No. 2, St. Bernard Sewer District No. 1, St. Bernard Sewer District No. 2, and St. Bernard Sewer District No. 1-2. On December 31, 1985, St. Bernard Sewer District No. 1-2, a contractual entity which had performed sewerage operations for St. Bernard Sewer Districts No. 1 and No. 2 was dissolved. The other water and sewer districts remain in existence and serve primarily as tax levying entities.

On November 1, 1996, the St. Bernard Parish Water and Sewer Commission was consolidated and merged into the St. Bernard Parish Government and is now known as the St. Bernard Parish Government Department of Public Works Water and Sewer Division (the Division). The Commission was abolished and the parish council assumed all rights, revenues, resources, authority and obligations of the Commission. The water and sewer districts still exist as separate political subdivisions; however, the parish council is the governing authority. Each district retained its rights, revenues, resources, jurisdiction, authority, indebtedness and any other obligations it possessed prior to November 1, 1996, including the authority to continue to levy ad valorem taxes.

**2) Reporting Entity**

Because the parish government is the governing board of the districts, the districts are considered to be component units of the St. Bernard Parish Government. Financial statements for the Division may be obtained from the St. Bernard Parish Finance Department.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division (Continued)**

**3) Basis of Presentation**

The general purpose financial statements include the Division and the districts which are separate component units of the parish government. The Division is responsible for water and sewerage operations of the parish and the districts (St. Bernard Water District No. 1, St. Bernard Water District No. 2, St. Bernard Sewer District No. 1, St. Bernard Sewer District No. 2.) Ad valorem taxes are levied by the individual districts for either water or sewerage operations and for the retirement of outstanding bonds. Taxes received by the individual districts for operation and maintenance of water and sewerage systems of the parish are transferred to the Division to operate the systems. The general purpose financial statements present the financial position, results of operations and cash flows of these entities taken as a whole and do not purport to present information for any of these entities individually.

**4) Basis of Accounting**

The Water and Sewer Division applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict with GASB pronouncements.

The general purpose financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). The following practices were used:

**i) Revenues**

The Division's customers are billed monthly and the general purpose financial statements provide for accrual of charges billed but not collected as well as for unbilled charges through the date of the combined balance sheet.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January through March of the ensuing year.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division (Continued)**

**4) Basis of Accounting (Continued)**

**i) Revenues (Continued)**

On November 3, 1998, the citizens of St. Bernard Parish, by a special election, approved a ½% sales tax, commencing January 1, 1999. The proceeds for this tax are dedicated for improvements to the sewer and water system of the Division, including authority to fund the tax into bonds, provided that at least 25% of the annual revenues of the sales must be expended to correct inflow and infiltration in sewerage collection lines, or to repair damage caused thereby, unless required for debt service on bonds or otherwise approved by at least two-thirds of the Council.

Substantially all other revenues are recorded when earned.

**ii) Expenses**

The Division's unamortized debt expense consists of costs associated with the 1991 and 1994 Revenue Bond Issues, the 1999 Sales Tax Bond Issue and the 1991 General Obligation Refunding Bond Issues of Sewer District No. 1 and 2. The cost of issuance on the 1991 Revenue Bond Issue of \$58,707 is amortized, using the straight-line method over the 19-year life of the bond. The cost of issuance on the 1994 Revenue Bond Issue of \$266,655 is amortized using the straight-line method over the 18-year life of the bond. The cost of issuance on the 1999 Sales Tax Bond issue of \$72,701 is amortized using the straight-line method over the 20-year life of the bond.

The cost of issuance of the Sewer District No. 1 1991 General Obligation Refunding Bond Issue of \$36,700 is amortized using straight-line method over the 11 year life of the bond. The cost of issuance of the Sewer District No. 2 1991 General Obligation Bond Issue of \$147,300 is amortized using straight-line method over the 13 year life of the bond.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division (Continued)**

**4) Basis of Accounting (Continued)**

**ii) Expenses (Continued)**

Amortization of debt expense for the year ended December 31, 1999 was \$32,011.

The remaining unamortized debt expense on all bond issues at December 31, 1999 is \$354,656.

Depreciation expense on all exhaustible fixed assets is determined by the straight-line method using the estimated useful life and is recorded as an operating expense during the accounting period.

Substantially all other expenses are recognized at the time the liability is incurred.

**iii) Inventory**

The Division 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 consumed.

**iv) Fixed Assets and Long-Term Liabilities**

Property, plant, and equipment of the Division are included on the combined balance sheet of the enterprise fund. Interest costs incurred during construction is not capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets, other than those donated, are recorded at cost. Donated fixed assets, primarily water and sewer lines constructed by independent contracts, are recorded at estimated fair market value as of the date donated. Fixed assets are reported on the balance sheet net of accumulated depreciation.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division (Continued)**

**4) Basis of Accounting (Continued)**

**iv) Fixed Assets and Long-Term Liabilities (Continued)**

Depreciation is computed using the straight-line method, over the following useful lives, stated in years:

	<u>Water and Sewer Division</u>	<u>Water District No. 1</u>	<u>Water District No. 2</u>	<u>Sewer Districts</u>
Pipeline System	100	100	100	5-20
Buildings and improvements	50-100	50	33	25
Machinery and equipment	5-10	4-10	8-10	10-20
Water tanks	50-100	33	50	-
Meter boxes	33-66	33	33	-

Long-term liabilities are recognized within the enterprise fund.

**5) Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes for debt services for the year ended December 31, 1999:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Sewer District No. 1	Variable	4.50
Sewer District No. 2	Variable	3.25

**6) Compensated Absences**

Employees earn two to five weeks of paid vacation each year, up to 90 days will be paid in cash at retirement or termination if proper notice is given. If proper notice is not given, up to 10 days may be subtracted from their accumulated vacation and the remainder is paid in cash. Employees earn 12 days of sick leave each year, which may accumulate to an unlimited number of days but does not vest. At December 31, 1999, the accrued vacation was \$226,645.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division (Continued)**

**7) Restricted Assets**

Certain proceeds of the Division's revenue bonds, and sales tax bonds as well as certain resources set aside for their repayment, are classified as restricted assets on the combined balance sheet because their use is limited by applicable bond covenants.

**8) Fund Equity**

**i) Contributed Capital**

The Division's grants received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Donated lines are also recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

**ii) Reserves**

The Division's reserves represent those portions of fund equity legally segregated for a specific future use.

**9) Accounts Receivable**

The Division has established an allowance for doubtful accounts for a write-off of delinquent accounts. The Division's allowance is based on management's best estimate of uncollectible amounts. The allowance for doubtful accounts at December 31, 1999 is \$44,846.

**10) Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows cash includes amounts in petty cash, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in certificates of deposit.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Proprietary Funds - Enterprise Funds - The Division (Continued)**

**11) GASB Pronouncements**

Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," provides that Proprietary Funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements; Statements and Interpretations of the Financial Accounting Standard Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure. The Division has elected to apply only FASB, APB and ARB materials issued on or before November 30, 1989.

**e) Proprietary Funds - Enterprise Funds - Home Mortgage Authority**

**1) Organization**

The St. Bernard Parish Home Mortgage Authority (the Authority) was created through a Trust Indenture dated May 9, 1979 pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The initial legislation and subsequent amendments grant the Authority the power to obtain funds and to use the proceeds to promote the financing and development of any essential program conducted in the public interest within the boundaries of St. Bernard Parish, Louisiana.

The Authority's operations consist of two single family mortgage revenue bond programs and one single family mortgage refunding bond program whereby the Authority promoted residential home ownership through the acquisition of mortgage loans secured by first mortgage liens on single family residential housing. The funds for these programs were obtained through the issuance of \$25,000,000 in Single Family Mortgage Revenue Bonds dated September 1, 1979, \$10,000,000 in Single Family Mortgage Revenue Bonds dated November 1, 1980, \$4,435,000 in Single Family Mortgage Refunding Bonds dated March 29, 1991, \$11,255,000 in 1992 Series A Taxable Single Family Mortgage Refunding Bonds, dated June 1, 1992, \$2,130,000 in 1992 Series B-1 Taxable

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Proprietary Funds - Enterprise Funds - Home Mortgage Authority (Continued)**

**1) Organization (Continued)**

Single Family Mortgage Refunding Bonds, dated June 1, 1992, \$200,000 (maturity amount) in 1992 Series B-2 Taxable Single Family Mortgage Refunding Bonds, dated June 1, 1992, and \$3,000,000 (maturity amount) in 1992 Series C Tax Exempt Single Family Mortgage Revenue Bonds dated June 1, 1992. The bonds dated September 1, 1979 have been defeased and the bonds dated November 1, 1980 have been called. The \$11,255,000 in 1992 Series A bonds dated June 1, 1992 have matured. The bonds issued by the Authority are general obligations of the Authority and are not obligations of the State of Louisiana or any other political subdivision thereof.

The Authority has a Board of Trustees which is empowered under the bond trust indentures and the bond program agreements to contract with outside parties to conduct the day-to-day operations of the programs it initiates. Under the bond programs, the Authority utilizes financial institutions to originate and service the mortgage loans acquired. In addition, a bank has been designated as Trustee of the separate bond programs and has the fiduciary responsibility for the custodianship and investment of funds.

**2) Reporting Entity**

The financial statements of the Authority include the 1979 single family mortgage revenue bond program and the 1991 and 1992 single family mortgage refunding bond programs. There is no longer activity in the 1980 single family mortgage revenue bond program.

**3) Basis of Presentation**

The Authority's fiscal year ends March 31, 2000. The general purpose financial statements include the activities of the Authority for the fiscal year end. A comprehensive annual financial statement may be obtained from the Authority.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Proprietary Funds - Enterprise Funds - Home Mortgage Authority (Continued)**

**4) Basis of Accounting**

The Authority follows the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when the related liability is incurred. Certain funds were established under the powers granted by the Bond Trust Indentures. The funds, which are maintained by the trustee bank, provide for the accounting of bonds issued, debt service and bond redemption requirements, investments and related revenues and operating expenses.

The Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

**5) Amortization**

Bond issuance costs, including an underwriter's discount on bonds sold, are being amortized ratably over the life of the bonds based upon the principal outstanding amounts.

Discounts on bonds payable are amortized over the lives of the bonds using the level yield method.

**6) Investments**

*Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates.*

**7) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all short-term, highly liquid investments with a maturity of three months or less to be cash equivalents.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Internal Service Fund - Self-Insurance Fund**

**1) Organization**

The Insurance Fund was established to account for the self-insurance of workman's compensation, unemployment compensation, general and automobile liability by the St. Bernard 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. This policy has a 20% coinsurance clause with a maximum liability to the parish of \$1,000,000. An independent insurance service company administers the fund.

**2) Basis of Accounting**

The general purpose financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). The following practices were used.

**i) Estimated Liability for Claims and Judgments**

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.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Internal Service Fund - Self-Insurance Fund (Continued)**

**2) Basis of Accounting (Continued)**

**ii) Revenue**

Other operating income is generated through payments of premiums by the governmental funds. The income is recorded when earned.

**iii) Statements of Cash Flows**

For the purpose of the statement of cash flows, the parish government considers all deposits to be cash equivalents.

**iv) Self Insurance Dividend / Operating Transfers**

An annual analysis of all open policy years for workers compensation and automobile and general liability is completed by the risk manager and legal council 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, 1999.

**g) Use of Estimates**

The preparation of general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Use of Estimates (Continued)**

and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**h) Budgets**

The following summarizes the budget activities of the parish government for the year ended December 31, 1999:

	1999 Budget Year
Completed and Available for Public Inspection	October 6, 1998
Public Notices	November 20, 1998
Public Hearings	December 1, 1998
Council Adoption	December 1, 1998
Budget Amendments	February 23, 1999
	December 7, 1999, April 4, 2000

The St. Bernard Parish Government adopted annual budgets for the general fund, all special revenue funds, capital project funds, debt service funds and the enterprise fund. Budgets for the general fund and all special revenue funds are included in these general purpose financial statements. The budgets are prepared on the modified accrual basis of accounting. Budgets for the capital project funds and debt service funds are used as a management tool only and are not included in these general purpose financial statements. All appropriations except an appropriation for a capital expenditure will lapse at year end to the extent that they have not been expended or encumbered. The parish president is authorized to transfer amounts between line items within any fund. Budget amounts included in the general purpose financial statements include the original adopted budget and all subsequent revisions.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Cash and Investments**

Cash includes amounts in regular and money market accounts. Investments are stated at cost. Investments during the year consisted of certificates of deposits.

**j) Accounts Receivable**

The general purpose financial statements for the parish government, excluding accounts receivable in the St. Bernard Parish Government Department of Public Works Water and Sewer Division, contain no allowance for bad debts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

**k) Accumulated Vacation 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. There are no leave benefits which require accrual under generally accepted accounting principles except for accumulated vacation for employees of the St. Bernard Parish Government Department of Public Works Water and Sewer Division.

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. All accumulated sick leave lapses 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.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Sales and Use Tax**

St. Bernard Parish Government has a 5% sales and use tax. 2 ½% is dedicated to the parish government, 2% is dedicated to the St. Bernard Parish School Board, and ½% is dedicated to the St. Bernard Parish Sheriff. The St. Bernard Parish Sheriff is authorized to collect and remit this tax to the parish government and School Board for a stipulated fee.

The parish government's sales tax ordinances provide that the proceeds can be used for the general governmental operations of the parish. The sales tax receipts are included in the revenues of the General Fund.

**m) Fund Equity**

**i) Reserves**

Reserves represent those portions of fund equity not appropriable for expenditures in the following year or legally segregated for a specific future use.

The reserve for contracts represents the estimated amount of the expenditures ultimately to result on current and future contracts.

**ii) Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**iii) Residual Equity Transfer**

A residual equity transfer represents nonrecurring or nonroutine transfer between funds. Because these transfers are not associated with the operations of the governmental funds, they are recorded as adjustments to fund balance.

**n) Total Columns on Combined Statements - Overview**

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n) Total Columns on Combined Statements - Overview (Continued)**

Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - FUND DEFICITS**

The following individual funds had deficit fund balances at December 31, 1999.

	<u>Deficit Amount</u>
<b>Governmental Fund</b>	
Special Revenue Funds:	
Housing Voucher Program Fund	\$4,606
Judicial Court Reporter Fund	764
Contingency Criminal Court "A" Fund	951
District Attorney General Fund	61,892
Deputy Witness Fee Fund	5,097
Community Development Fund	4,011
Low Income Home Energy Assistance Fund	5,067

All noted deficits will be absorbed through fees over future years or as part of the 2000 budget.

**Note 3 - REVENUES, EXPENDITURES AND FINANCING SOURCES - ACTUAL AND BUDGET**

The following individual funds have actual revenues and/or other sources which fall below 5% of budgeted revenues and/or other sources and/or actual expenditures and/or other uses which exceed 5% of budgeted expenditures and/or other uses:

**Note 3 - REVENUES, EXPENDITURES AND FINANCING SOURCES - ACTUAL AND BUDGET (Continued)**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage Difference</u>
<b>REVENUES:</b>				
Special Revenue Funds:				
Housing Rent Subsidy Fund	\$773,013	\$1,290,080	\$(517,067)	(40.08)
Housing Voucher Program Fund	353,005	514,928	(161,923)	(31.45)
Day Care Fund	146,530	161,821	(15,291)	(9.45)
Jobs Training Partnership Act Fund	2,807,044	3,100,000	(292,956)	(9.45)
<b>EXPENDITURES:</b>				
Special Revenue Funds:				
Fire Fund	5,525,896	5,075,124	450,772	8.88
Road Lighting Fund	644,451	608,692	35,759	5.87
Urban Mass Transportation Administration Fund	406,900	386,733	20,167	5.21

**Note 4 - CHANGES IN GENERAL FIXED ASSETS**

Changes in the general fixed assets account group are as follows:

	<u>January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 1999</u>
Land, buildings and improvements	\$29,693,345	\$ 6,218	\$ -	\$29,699,563
Furniture, equipment trucks and automobiles	<u>11,224,834</u>	<u>3,491,311</u>	<u>605,768</u>	<u>14,110,377</u>
Totals	<u>\$40,918,179</u>	<u>\$3,497,529</u>	<u>\$605,768</u>	<u>\$43,809,940</u>

**Note 5 - PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of property, plant, and equipment for the St. Bernard Parish Government Department of Public Works Water and Sewer Division and the Districts:

Land	\$ 141,569
Pipeline system	52,568,987
Plant, machinery, and equipment	<u>35,164,599</u>
 Total property, plant, and equipment	 87,875,155
 Less accumulated depreciation	 <u>(47,096,346)</u>
 Net property, plant, and equipment	 <u>\$ 40,778,809</u>

The composition of property, plant, and equipment at December 31, 1999, by entity, is as follows:

The Division	\$37,628,769
Water District No. 1	20,774,020
Water District No. 2	2,128,277
Sewer District No. 1	9,775,707
Sewer District No. 2	<u>17,568,382</u>
 Total property, plant, and equipment	 <u>\$87,875,155</u>

Depreciation expense totaled \$2,465,462 for the year ended December 31, 1999.

**Note 6 - DEPOSITS AND INVESTMENTS**

The St. Bernard Parish Government maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash". Cash overdrafts are displayed on the combined balance sheet as "due to other funds" within the individual fund type with similar amounts in "due from other funds" within the Internal Service Fund amounting to \$5,071,730 at December 31, 1999.

**Note 6 - DEPOSITS AND INVESTMENTS (Continued)**

**a) Bank Deposits**

State Law requires deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the St. Bernard Parish Government or its agent, in the St. Bernard Parish Government's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the St. Bernard Parish Government's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the St. Bernard Parish Government's name, and deposits which are uninsured or uncollateralized.

At year end the carrying amount and the bank balances of deposits for Governmental Fund types and the Internal Service Fund are as follows:

	Bank Balances Category			Book Balance
	1	2	3	
Cash	<u>\$200,000</u>	<u>\$ -</u>	<u>\$6,009,127</u>	<u>\$6,631,491</u>

**Note 6 - DEPOSITS AND INVESTMENTS (Continued)**

**a) Bank Deposits (Continued)**

At year end the carrying amount and the bank balances of deposits of the Proprietary Fund - Enterprise Fund - Water and Sewer and the Districts are as follows:

	Bank Balances Category			Book Balance
	1	2	3	
Cash	<u>\$100,000</u>	<u>\$ -</u>	<u>\$19,816,635</u>	<u>\$19,858,395</u>

At December 31, 1999, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

For purposes of the Statement of Cash Flows for the Division cash and cash equivalents consist of the following accounts:

	Beginning of Year	End of Year
Cash and Cash Equivalents:		
Nonrestricted	\$ 500,816	\$ 909,600
Restricted	<u>4,756,394</u>	<u>18,948,795</u>
Total cash and cash equivalents	<u>\$5,257,210</u>	<u>\$19,858,395</u>

**Note 6 - DEPOSITS AND INVESTMENTS (Continued)**

**a) Bank Deposits (Continued)**

**Home Mortgage Authority**

The Authority had deposits of \$498 (bank balances) as of March 31, 2000 which were insured by the Federal Deposit Insurance Corporation (FDIC).

Cash equivalents consist of government backed pooled funds. The funds are held by the Authority's custodian's trust department in the Authority's name. The funds are managed by the Authority's custodian.

**b) Investments**

State statutes authorize 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).

LAMP investments are restricted to securities issued, guaranteed or otherwise backed by U.S. Treasury, the U.S. Government or one of its agencies, enterprise or instrumentalities, as well as repurchase agreements collateralized by those securities.

The parish government's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the parish government or its agent in the parish government's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the parish government's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the parish government's name.

**Note 6 - DEPOSITS AND INVESTMENTS (Continued)**

**b) Investments (Continued)**

At year end the carrying amount of investments are as follows:

	<u>Risk Category</u>			<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investments subject to categorization:				
Internal Service Fund				
Certificates of Deposit	\$ -	\$ -	\$400,000	\$ 400,000
Component Unit				
St. Bernard Parish Home				
Mortgage Authority				
at fair value:				
Guaranteed Investment				
Contracts	-	96,545	-	96,545
U.S. Government				
securities	<u>-</u>	<u>1,163,008</u>	<u>-</u>	<u>1,163,008</u>
Totals	<u>\$ -</u>	<u>\$1,259,553</u>	<u>\$400,000</u>	1,659,553
Investments not subject to categorization:				
Louisiana Asset Management Pool (LAMP)				<u>1,024,907</u>
Total investments				<u>\$2,684,460</u>

U.S. Government securities and guaranteed investment contracts are carried at market value.

The bond indentures of the Authority authorize the Trustee to make investments under prudent investment standards reasonably expected to produce the greatest investment yield.

Investments in LAMP are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form.



**Note 7 - OPERATING LEASES**

The Division receives lease income under the following agreements:

<u>Lease</u>	<u>Yearly Income</u>	<u>Lease Period</u>	<u>Beginning Date</u>	<u>Option</u>
Right-of-way agreement	\$2,500	10 years	September 1, 1995	Additional 10 year term
Tower lease #1	5,000	5 years	August 9, 1995	4 additional 5 year term
Tower lease #2	6,000	5 years	June 26, 1996	4 additional 5 year term
Tower lease #3	12,000	5 years	August 22, 1996	4 additional 5 year term
Tower lease #4	13,200	5 years	November 19 1998	4 additional 3 year term
Tower lease #5	12,500	5 years	July 28, 1998	4 additional 3 year term
Tower lease #6	9,600	5 years	December 23, 1997	4 additional 3 year term

The Division 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 rentals for the next five years and in the aggregate are:

<u>Year Ending December 31,</u>	
2000	\$ 55,800
2001	37,800
2002	37,800
2003	2,500
2004	<u>2,500</u>
Total	<u>\$136,400</u>

Rental income for the year ended December 31, 1999 was \$60,390.

**Note 8 - GENERAL LONG-TERM OBLIGATIONS**

**a) All Fund Types - Bonds Payable**

The following is a summary of the bonds payable transactions for the year ended December 31, 1999.

	<u>General Long-term Debt</u>	<u>Enterprise Fund</u>	<u>Total Primary Government</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
Balances at January 1, 1999	\$8,992,733	\$ 9,883,000	\$18,875,733	\$2,939,519	\$21,815,252
Additions	1,353,000	9,950,000	11,303,000	87,572	11,390,572
Reductions	<u>(2,243,018)</u>	<u>(1,126,000)</u>	<u>(3,369,018)</u>	<u>(693,839)</u>	<u>(4,062,857)</u>
Balances at December 31, 1999	<u>\$8,102,715</u>	<u>\$18,707,000</u>	<u>\$26,809,715</u>	<u>\$2,333,252</u>	<u>\$29,142,967</u>

**b) Governmental Fund Types**

**i) Bonds Payable**

Scheduled payments are as follows:

<u>Year Ending December 31,</u>	
2000	\$994,487
2001	1,042,956
2002	1,092,583
2003	693,172
2004	728,172
Thereafter	<u>3,551,345</u>
Total	<u>\$8,102,715</u>

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**b) Governmental Fund Types (Continued)**

**ii) Prior Years' Defeasance of Debt**

In prior years, the Parish Government has defeased a Public Improvement Refunding Bonds issue and a General Obligation Refunding Bonds issue, Series 1990 by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Parish Government's General Long-Term Debt Account Group. As of December 31, 1999, the amount of defeased debt outstanding but removed from the General Long-Term Debt Account Group amounted to \$6,495,000.

**iii) Advanced Refunding of Debt**

On March 4, 1999, the St. Bernard Parish Government issued \$1,353,000 in Public Improvement Bonds with an average interest rate of 4.0% to advance refund \$1,590,000 of outstanding 1977 Series bonds with an average interest rate of 5.75%. The net proceeds of \$1,334,698 (after payment of \$26,484 in underwriting fees, insurance, and other issuance costs) plus an additional \$296,606 of 1977 Series sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1977 Series bonds. As a result, the 1977 Series bonds are considered defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

The St. Bernard Parish Government advance refunded the 1977 Series bonds to reduce its total debt service payments over the next three years by \$1,950 and to obtain an economic loss (difference between the present values of the debt service payments on the old debt and the new debt) of \$2,483.

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**c) Proprietary Fund Types - The Division**

The following is a summary of long-term liabilities and the current portion due at December 31, 1999:

	<u>Water and Sewer Division</u>	<u>Sewer District</u>		<u>Total</u>
		<u>No.1</u>	<u>No.2</u>	
Public improvement, general obligation, revenue and sales tax bond payable	\$16,690,000	\$320,000	\$1,697,000	\$18,707,000
Capital lease payable	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	16,691,000	320,000	1,697,000	18,708,000
Less current portion:				
Public improvements, general obligation, revenue and sales tax bond payable	1,035,000	70,000	336,000	1,441,000
Capital lease payable	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Long-term portion	<u>\$15,655,000</u>	<u>\$250,000</u>	<u>\$1,361,000</u>	<u>\$17,266,000</u>

**Public Improvement and General Obligation Bonds**

Public improvement and general obligation bonds are secured by the full faith and credit of the various Districts and are financed through the levy and collection of ad valorem taxes.

The Bonds were issued to construct improvements and extensions to the waterworks and sewerage systems. Public improvement and general obligation bonds are comprised of the following individual issues:

1. \$675,000 General Obligation Refunding Bonds of the Sewer District No. 1 issue of September 1, 1991, due in annual installments of \$60,000 to \$90,000 bearing interest rates of 6.0% to 6.5% through March 1, 2003. Amount outstanding - \$320,000.
2. \$240,000 Public Improvement Bonds of the Sewer District No. 2 issue of June 1, 1971, due in annual installments of \$1,000, bearing an interest rate of 6.0% through February 1, 2001. Amount outstanding - \$2,000.

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**c) Proprietary Fund Types - The Division (Continued)**

**Public Improvement and General Obligation Bonds (Continued)**

3. \$3,295,000 General Obligation Refunding Bonds of the Sewer District No. 2 issue of September 1, 1991, due in annual installments of \$170,000 to \$340,000 bearing interest rates of 6.0% to 6.65% through March 1, 2005. Amount outstanding - \$1,695,000.

**Sales Tax Bonds**

On December 1, 1999, Sales Tax Bonds were issued for \$9,950,000. The interest rate on the bond is 5.35% and the bond matures on December 1, 2019 with debt service payments due in annual principal installments ranging from \$275,000 to \$805,000. The balance outstanding at December 31, 1999 is \$9,950,000.

The bonds were issued to acquire financing to be used to improve the sewer and water systems of the Division. The bonds are special and limited obligations of the Division, secured by and payable from a pledge and dedication of a ½% sales tax levied by the Division.

The proceeds of the sales tax shall first pay the reasonable and necessary expenses of collection and administration of the tax. After payment of such expenses, the remaining balance of the revenues of the tax shall constitute a dedicated fund of the Division, from which appropriations and expenditures by the Division shall be made solely for the purposes designated in the proposition authorizing the levy of the tax, including the payment of the bonds. The bond agreement and proposition require the Water and Sewer Division to established and maintain the following accounts:

1. A debt service account with monthly deposits of one-twelfth of the principal falling due on the next principal payment date and one-sixth of the interest falling due on the next interest payment date.
2. A debt service reserve account equal to the lesser of a) 10% of the original proceeds or b) the maximum principal and interest requirements for any succeeding bond year.

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**c) Proprietary Fund Types - The Division (Continued)**

**Sales Tax Bonds (Continued)**

Management has established the following accounts to report the use of sales tax proceeds:

1. A reserve for inflow and infiltration account equal to 25% of the annual revenues of the tax to correct inflow and infiltration in sewage collection lines, or to repair damage caused thereby, unless required for debt service on bonds or otherwise approved by at least two-thirds of the total membership of the Parish Council.
2. A reserve for system improvements account with monthly transfers which represent the ½% sales tax being levied and collected.

The Division has established and maintained these accounts, and at December 31, 1999, the cash and cash equivalents balances in the debt service account, the debt service reserve account, the inflow and infiltration account and the renewal and replacement account are \$0, \$848,068, \$659,372 and \$1,977,731, respectively. The account balances exceed the minimum requirements of the bond indenture.

**Revenue Bonds**

On April 1, 1994, \$7,195,000 of the 1986 Revenue Bond was defeased. The bonds had interest rates ranging from 7.50% to 8% and debt service payments from \$400,000 to \$990,000. As a result of the defeasance \$7,950,000 Series 1994 Revenue Refunding Bonds were issued. The interest rate on the new bonds ranges from 4.2% to 5.2% and the bonds mature on August 1, 2006 with debt service payments due in annual principal installments ranging from \$645,000 to \$940,000. The balance outstanding at December 31, 1999 is \$5,720,000. The 1991 Revenue Bonds are due in annual principal installments of \$50,000 to \$135,000, bearing interest rates of 6.15% to 7.10% through August 1, 2011. The balance outstanding at December 31, 1999 is \$1,020,000.

The bonds are payable solely from and secured by a first lien upon and a pledge of the net revenues of the system. The revenues pledged by the Water and Sewer Division include all fees, rents, charges, and other income derived, or to be derived by or for the account of the Division from, or for, the ownership, operation, use, or services of the system and any other amounts paid into and credited to the revenue

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**c) Proprietary Fund Types - The Division (Continued)**

**Revenue Bonds (Continued)**

fund created by the 1991 and 1994 revenue bond resolutions. Such revenues include, but are not limited to, proceeds of any ad valorem taxes received by the Division pursuant to the terms of the intergovernmental agreement. Such revenues exclude (a) federal, state, or local government monies received for capital improvements to the system and (b) amounts necessary to pay the reasonable and necessary current expenses of operating and maintaining the system.

Pursuant to a resolution, the Water and Sewer Division has agreed in each bond year to fix, establish, and collect such rates and collect such fees, rentals, or other charges for all services, after making due allowance for delinquencies in collection and after providing for the payment of the reasonable and necessary expenses of operating and maintaining the system, to produce net revenues (1) that are sufficient to pay debt service on all outstanding bonds and to maintain the funds and accounts established in the resolution and (2) that result in each fiscal year in the greater of (a) the sum of debt service payable on the bonds in the ensuing fiscal year plus any required deposit to the Debt Service Reserve Fund or (b) a ratio of net revenues to average annual debt service of not less than 1.25 to 1. The ratio of net revenues to average annual debt service for the year ended December 31, 1999, is 3.76 to 1. The ratio is more than the minimum requirements of the bond indenture. The bond agreement requires the Water and Sewer Division to establish and maintain the following accounts:

1. A debt service reserve account with the sum equal to the maximum annual debt service on the bonds.
2. A debt service account with monthly deposits of one-twelfth of the annual principal and interest payment to pay promptly and fully the principal and interest on the loan as it becomes due and payable.
3. A renewal and replacement account with monthly deposits of 5% of the prior month's operating expenses, which will be used to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system.

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**c) Proprietary Fund Types - The Division (Continued)**

**Revenue Bonds (Continued)**

The Division has established and maintained these accounts, and at December 31, 1999, the cash and cash equivalent balances in the debt service reserve account, the debt service account, and the renewal and replacement account are \$1,298,116, \$516,488, and \$3,486,831, respectively. The account balances in the debt service reserve, debt service and renewal and replacement accounts exceed the minimum requirements of the bond indenture.

A schedule of annual debt service requirements for both the public improvement and general obligation bonds and the revenue bonds for each of the next five years and in the aggregate are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 1,441,000	\$ 998,320	\$ 2,439,320
2001	1,496,000	922,926	2,418,926
2002	1,565,000	842,848	2,407,848
2003	1,630,000	758,408	2,388,408
2004	1,440,000	677,860	2,117,860
2005-2019	<u>11,135,000</u>	<u>4,434,966</u>	<u>15,569,966</u>
Totals	<u>\$18,707,000</u>	<u>\$8,635,328</u>	<u>\$27,342,328</u>

**Customer Deposits**

The Division has used funds from the Customer Meter Deposit Cash account to pay operating expenses and capital improvements. At December 31, 1999, the customer meter deposits cash account had a balance of \$329,013 and the customer meter deposits liability was \$1,222,570.

**d) Home Mortgage Authority**

The net proceeds obtained from the 1979 and 1980 bond issues were used to establish funds authorized by the Bond Trust Indentures and to purchase eligible mortgage loans secured by first mortgage liens on single family owner-occupied residences from qualified mortgage lenders accepted for participation in the programs by the Authority.



**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**d) Home Mortgage Authority (Continued)**

On March 31, 1991, the Authority issued \$4,435,000 in Single Family Mortgage Refunding Bonds with an interest rate of 8% to advance refund \$5,900,000 of outstanding 1980 Series bonds with an interest rate of 10.75%. The 1980 Series bonds have since been retired.

**Bonds Payable**

On June 1, 1992, the Home Mortgage Authority issued \$11,255,000 in Single Family Mortgage Refunding Bonds, \$200,000 (maturity amount) in Single Family Mortgage Refunding Bonds, \$3,000,000 (maturity amount) in Single Family Mortgage Revenue Bonds, and \$2,130,000 in Single Family Mortgage Refunding Bonds to advance refund \$16,470,000 of outstanding 1979 Series bonds with interest rates of 5.87% to 7.5%. The net proceeds of \$13,795,143 (after \$1,621,319 in underwriting fees, trustee costs, and cash requirements) plus an additional \$4,294,455 of 1979 reserve fund money, loan proceeds and accrued interest were used to purchase Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1979 Series Bonds. As a result, the 1979 bonds are considered defeased and the liability for those bonds was removed from the general purpose financial statements. At March 31, 2000, \$12,825,000 of the defeased bonds is still outstanding.

The Bond Trust Indentures provide that bond principal and interest are secured by pledges of all mortgage loans acquired, all revenues and collections with respect to such loans, and all funds established by the Authority, together with all of the proceeds generated therefrom.

Outstanding bonds payable are due on a term and serial basis and bear interest at rates as follows:

<b>Single Family Mortgage Revenue Bonds:</b>	
1992 program Series C, zero coupon, due 2014 at maturity value of \$3,000,000, discounted to yield approximately 7.65%, unamortized discount was \$1,971,774 at March 31, 2000	\$1,028,226
 <b>Single Family Mortgage Refunding Bonds:</b>	
1991 program, due 1994-2012, 8%	845,830

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**d) Home Mortgage Authority (Continued)**

**Bonds Payable (Continued)**

1992 program Series B-1, due 2011, 7.5%-stated rate, discounted to yield approximately 7.84%, unamortized discount was \$15,547 at March 31, 2000	404,115
1992 program Series B-2, zero coupon, due 2014 at maturity value of \$200,000, discounted to yield approximately 9.25%, unamortized discount was \$144,919 at March 31, 2000	<u>55,081</u>
Total	<u>\$2,333,252</u>

It is not possible to project the bond principal payments for the 1991 and 1992 Series B-1 issue for the next five years due to the required redemption procedures of the Trust Indentures. The Indenture of the 1991 issue requires monies remaining in the Collection Account of the 1991 issue will pay principal of the bonds after the following payments are satisfied:

- 1) payment to the Rebate Account in an amount equal to the excess nonmortgage earnings;
- 2) payment of all interest due and payable with respect to any overdue bonds and any principal of such overdue bonds;
- 3) payment of interest due and payable on any bonds which are not overdue;
- 4) payment to the Debt Service Reserve Account (if necessary) to maintain the reserve requirement;
- 5) payment to the Revenue Account an amount equal to 1/12 of .55% per annum of the aggregate principal amount of outstanding bonds.

**Note 8 - GENERAL LONG-TERM OBLIGATIONS (Continued)**

**d) Home Mortgage Authority (Continued)**

**Bonds Payable (Continued)**

The Indenture of the 1992 Series B-1 issue requires monies remaining in the Bond Fund Account of the 1992 Series B-1 issue will pay principal of the bonds after the following payments are satisfied:

- 1) payment of all interest due and payable with respect to any overdue bonds;
- 2) payment of any installments of interest then due and payable on any bonds which are not overdue;
- 3) payment to the Expense Account an amount sufficient to maintain a balance of \$15,000 therein.

The 1992 Series C bonds are callable at the option of the issuer on any date on or after June 1, 2002 at the following redemption prices expressed as percentages of the accreted value of the bonds as of the date of redemption:

<u>Redemption Period</u>	<u>Redemption Prices</u>
June 1, 2002 through May 31, 2003	103%
June 1, 2003 through May 31, 2004	102%
June 1, 2004 through May 31, 2005	101%
June 1, 2005 and thereafter	100%

**Note 9 - INTERFUND PAYABLES, RECEIVABLES AND INTERFUND TRANSFERS**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. The following balances represent the interfund receivables and payables at December 31, 1999:

**Note 9 - INTERFUND PAYABLES, RECEIVABLES, AND INTERFUND TRANSFERS  
(Continued)**

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 757,536	\$2,107,251
Special Revenue Funds	293,260	3,755,489
Debt Service Funds	-	572,489
Capital Projects Funds	572,489	75,112
Enterprise Fund	-	42,874
Internal Service Fund	<u>5,171,945</u>	<u>242,015</u>
Totals	<u>\$6,795,230</u>	<u>\$6,795,230</u>

During the course of the operations, numerous transactions occur between individual funds for goods provided or services rendered. These transactions are classified as other financing sources (uses) operating transfers in and out on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance. The following balances represent the internal transfers at December 31, 1999:

<u>Funds</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$12,108,527
Special Revenue Funds	10,357,623	137,927
Debt Service Funds	726,576	-
Capital Projects Funds	<u>1,162,255</u>	<u>-</u>
Totals	<u>\$12,246,454</u>	<u>\$12,246,454</u>

**Note 10 - LITIGATION**

At December 31, 1999, the parish government is a defendant in a lawsuit in which an unfavorable judgment has been rendered. In April 1998 the Supreme Court of Louisiana rendered an opinion on a case with similar circumstances which has adversely affected the legal position of the Parish during the appeals process. The Parish Government has paid the first of four installment payments. The three remaining payments of \$110,033 will be paid in January 2000, 2001 and 2002. Accordingly, an estimated claim payable has been recorded in the General Fund at December 31, 1999 in the amount of \$330,098.

**Note 10 - LITIGATION (Continued)**

Along with the previously discussed litigation the parish government is a defendant in other lawsuits seeking damages which could not be quantified. These lawsuits are in various stages of resolution and their outcome cannot be presently determined. Accordingly, no provision for any liability that may result has been made in these general purpose financial statements.

The Parish Government estimates exposures for these claims to range from \$10,000 to \$250,000. These claims occurred prior to 1992, when the Parish began its self insurance program. Some of the claims are covered whole or in part by insurance. No provision for any liability that may result from these claims has been made at December 31, 1999 in these general purpose financial statements.

The St. Bernard Parish Government Department of Public Works Water and Sewer Division is involved in various claims for alleged negligence. The exposure to the organization is estimated to be approximately \$13,737. The estimated claims liability is computed based on information received from the insurance company. The claims liability of \$13,737 at December 31, 1999 is presented at current value and has not been discounted.

The Water and Sewer Division is currently involved in a class action lawsuit. In April of 2000, the St. Bernard Parish District Court certified the claimants' request to deem the suit as a class action suit. Parish Government is in the process of appealing this decision. After all appeals have been exhausted the Parish will re-evaluate any effects of the suit. Currently, the defense obligations are within the initial reserve allocation of \$250,000, which equates to the self-insurance retention.

**Note 11 - MORTGAGE LOANS RECEIVABLE - PROPRIETARY FUNDS**

Mortgage loans receivable acquired by the Home Mortgage Authority from participating mortgage lenders under the 1979 program which were transferred to the 1992 program have a stated rate of 8.375%. The mortgage loans under the 1980 program previously had a stated rate of 11.5%, but after transfer to the 1991 program, have a stated rate of 9.3%. These mortgage loans, which were granted only to residents of St. Bernard Parish, have scheduled maturities of thirty years and are secured by first mortgages on the related real property. Each participating mortgage lender services those loans purchased from it by the Home Mortgage Authority and receives compensation for services rendered.

In addition to the customary insurance required of the mortgagors, the Home Mortgage Authority under pool insurance policies insures the mortgage loans. The loans of the 1991 program are also insured under a special hazard policy.

**Note 11 - MORTGAGE LOANS RECEIVABLE - PROPRIETARY FUNDS (Continued)**

The mortgage loans receivable were obtained through conventional, FHA and VA programs sponsored by the various participating mortgage lenders.

**Note 12 - EMPLOYEE RETIREMENT SYSTEMS**

The St. Bernard Parish Government contributes to the Parochial Employees Retirement System of Louisiana, the Firefighters' Retirement System, and the District Attorneys' Retirement System of Louisiana. The parish's payroll for employees covered by the retirement systems for the year ended December 31, 1999 was \$11,470,500 (which includes a parish payroll of \$9,291,057 and St. Bernard Parish Government Department of Public Works Water and Sewer Division payroll of \$2,179,443).

**a) Parochial Employees' Retirement System**

**Plan Description** - The Parish contributes 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 9.5% of their annual-covered salary and the Parish is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual payroll. The contribution requirements of plan members and the Parish is established and may be amended by state statute. The Parish's contributions to the System for the years ended December 31, 1999, 1998 and 1997 were \$378,216, \$394,216 and \$361,988, respectively, equal to the required contributions for each year.

Note 12 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

**b) 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 and members and beneficiaries. Act 434 of 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** - Plan members are required to contribute 8% of their earnable compensation and the Parish is required to contribute at an actuarially determined rate. The current rate is 9% of annual-covered payroll. The contribution requirements of plan members and the Parish is established and may be amended by state statute. The Parish's contributions to the System for the years ended December 31, 1999, 1998 and 1997 were \$342,843, \$324,767 and \$296,251, respectively, equal to the required contributions for each year.

**c) District Attorneys' Retirement System**

**Plan Description** - The Parish contributes to the District Attorneys' Retirement System (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 by 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.

**Note 12 - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**c) District Attorneys' Retirement System (Continued)**

**Funding Policy** - Plan members are required to contribute 7% of their compensation to the System. In addition, the Sheriffs and ex-office tax collectors are required to contribute 2% of taxes collected to the System. The Parish is required to contribute to an actuarially determined rate. The current rate is 1.25% of annual-covered payroll. The contribution requirements of plan members and the Parish are established and may be amended by state statute. In July 1998, the Parish was no longer required to contribute to the retirement system. The Parish's contributions to the System for the years ended December 31, 1998 and 1997 were \$1,170 and \$3,402, respectively, equal to the required contributions for each year.

**Note 13 - SUPPLEMENTAL PAY**

In addition to the compensation paid to St. Bernard Parish Government's employees, employees who are firemen may be eligible to receive supplemental pay. Their particular revised statute governs each type of employee. The amount of the compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2002, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986 and who has passed a certified firemen's training program equal to the National Fire Protection Association Standard 1001 and who is paid three hundred dollars per month from public funds is eligible for supplemental pay. These full-time employees are carried on the payroll paid from funds of the parish obtained through lawfully adopted bond issues or lawfully assessed taxes, either directly or through a board or commission set up by law or ordinance. Employees employed by the fire districts are not eligible for supplemental pay if they are presently drawing a retirement or disability pension, clerical employees, mechanics, and employees who have not passed a certified firemen's training program but are hired after March 31, 1986. State supplemental pay for fire fighters must be taken into account in calculating fire fighters longevity pay, holiday pay, and overtime pay. The period of service for computing additional compensation includes prior service of employees who have returned or who hereafter return to such service provided that service in any parish or fire protection district fire department shall be used in computing such prior service which includes full-time employees of a volunteer fire department.

As of December 31, 1999, the Parish has recognized \$363,550 in revenues (other state funds) and expenditures (salary supplements) that the State of Louisiana has paid directly to the Parish's employees.



**Note 14 - RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS**

Use of the term "reserve" in describing fund balances/retained earnings indicates that a portion of the fund balances/retained earnings is not available for expenditure in the next period or is legally restricted for a specific future use. The nature and purpose of these reserves are explained below.

**a) Governmental Funds - Reserved Fund Balances**

**Reserve for Contracts**

The parish government reserved \$108,595 for contracts in Special Revenue Funds and \$1,414,170 for contracts in Capital Projects Funds as of December 31, 1999.

**Reserve for Debt Service**

A summary of the changes in the reserve fund balance follows:

	<u>Debt Service Funds</u>
Balance at January 1, 1999	\$ 2,497,927
Payments	(2,716,046)
Collections	1,403,599
Loan Proceeds	1,353,000
Bond reserve released from restriction	<u>(572,489)</u>
Balance at December 31, 1999	<u>\$1,965,991</u>

**Designated Fund Balances**

The St. Bernard Parish Library's Board designated \$1,000,000 for future capital expansion.

**b) Proprietary Funds - The Division - Reserved Retained Earnings**

The St. Bernard Parish Government Department of Public Works Water and Sewer Division has established four reserves as reflected on the balance sheet.

**Note 14 - RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS  
(Continued)**

**b) Proprietary Funds - The Division - Reserved Retained Earnings (Continued)**

**a) Reserve For Capital Renewal and Replacement and System Improvements**

**1) Revenue Bonds – Reserve For Capital Renewal and Replacement**

The account accumulates monies to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the sewerage system. Such monies will also be available to pay the principal and interest on outstanding bonds in the event funds are not sufficient in the debt service and debt service reserve accounts. (Minimum deposits are made monthly to the reserve account from revenues in an amount equal to 5% of the prior month's operating expenses.) In addition, net assets acquired with the Water and Sewer Division's funds are included in the reserve per board resolution. The reserved retained earnings are \$3,486,831 at December 31, 1999.

**2) Sales Tax Bonds -- System Improvements**

The account accumulates monies from the sales tax fund which represent the ½% sales tax being levied and collected. The reserved retained earnings are \$2,417,535 at December 31, 1999.

**b) Reserve For Construction**

**1) Revenue Bonds**

There is no reserve because the construction projects have been completed.

**2) Sales Tax Bonds**

The account is established in accordance with bond requirements and the Parish's resolution for the Division. The reserved funds pay for construction projects required by the United States Environmental Protection Agency. Upon completion of the projects, any remaining funds may be reserved for debt service to satisfy any deficiency in funds needed to pay principal and interest on the Sales Tax Bonds issue. The reserved retained earnings at December 31, 1999 are \$9,029,300.

**Note 14 - RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS  
(Continued)**

**b) Proprietary Funds - The Division - Reserved Retained Earnings (Continued)**

**c) Reserve For Debt Service**

**1) Revenue Bonds**

This reserve consists of two accounts. 1) The debt service account accumulates money from the net utilities revenues for the payment of interest and principal on the 1991 and 1994 revenue bonds. 2) The debt service reserve account accumulates interest on the \$1,111,165 of bond proceeds set aside for the benefit of bondholders. In addition, the related 1991 and 1994 bond principal and interest reduces the reserve. As of December 31, 1999, the reserved retained earnings were \$242,409.

**2) Sales Tax Bonds**

This reserve consists of two accounts. 1) The debt service account accumulates money from the net collection of sales tax for the payment of interest and principal on the sales tax bonds. 2) The debt service reserve account accumulates interest on the \$848,000 of bond proceeds set aside for the benefit of bondholders. In addition, the related sales tax bond principal and interest reduces the reserve. The reserved retained earnings deficit at December 31, 1999 is \$39,184.

**d) Reserve For Inflow And Infiltration**

**1) Revenue Bonds**

There is no reserve for inflow and infiltration related to the revenue bonds.

**2) Sales Tax Bonds**

The account is established in accordance with a special election held in November 1998. The election authorized the Parish to levy a ½% sales tax for improvements to the sewer and water system, including authority to fund tax into bonds, provided that at least 25% of the annual revenues of the tax must be expended to correct inflow and infiltration in sewage collection lines or to repair damage caused thereby, unless required for debt service on bonds

**Note 14 - RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS  
(Continued)**

**b) Proprietary Funds - The Division - Reserved Retained Earnings (Continued)**

**d) Reserve For Inflow And Infiltration (Continued)**

or otherwise approved by at least two-thirds of the total membership of the Council. As of December 31, 1999 the reserved retained earnings were \$799,470.

The Parish transferred \$848,068 to the reserve for debt service account to satisfy the requirements for 1999 Sales Tax Bond issue. This amount is shown as a deposit in transit at December 31, 1999. The Parish also transferred \$28,094 of interest earned on the bond issue on January 5, 2000 and \$70,570 on January 13, 2000 to the debt service account to complete the transactions required for the bond issue. The interest is shown as an interfund payable and receivable at December 31, 1999.

The components of the reserve accounts are as follows:

	<u>Reserve For Capital Renewal and Replacement</u>	<u>Reserve For Debt Service and Reserve</u>
<b>1991 and 1994 Revenue Bonds</b>		
<b>Assets</b>		
Cash and cash equivalents	<u>\$3,486,831</u>	<u>\$1,814,604</u>
<b>Liabilities</b>		
Current portion of bonds payable	-	316,667
Accrued interest payable	-	144,363
Long-term 1999 and 1994 revenue bonds payable	<u>-</u>	<u>1,111,165</u>
Total liabilities	<u>-</u>	<u>1,572,195</u>
<b>Reserved Retained Earnings</b>	<u>3,486,831</u>	<u>242,409</u>

**Note 14 - RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS  
(Continued)**

	<u>Reserve For System Improvements</u>	<u>Reserve For Construction</u>	<u>Reserve For Debt Service and Reserve</u>	<u>Reserve For Inflow and Infiltration</u>
<b>1999 Sales Tax Bonds</b>				
<b>Assets</b>				
Cash and cash equivalents	1,977,731	9,249,105	848,068	659,372
Receivables	<u>439,804</u>	<u>-</u>	<u>28,094</u>	<u>140,098</u>
Total assets	<u>2,417,535</u>	<u>9,249,105</u>	<u>876,162</u>	<u>799,470</u>
<b>Liabilities</b>				
Current portion of bonds payable	-	-	22,917	-
Accrued interest payable	-	-	44,361	-
Other payable	-	219,805	-	-
Long-term 1999 sales tax bonds	<u>-</u>	<u>-</u>	<u>848,068</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>219,805</u>	<u>915,346</u>	<u>-</u>
<b>Reserved Retained Earnings</b>	<u>2,417,535</u>	<u>9,029,300</u>	<u>(39,184)</u>	<u>799,470</u>
<b>Total Reserved Retained Earnings</b>	<u>\$5,904,366</u>	<u>\$9,029,300</u>	<u>\$203,225</u>	<u>\$799,470</u>

**Note 14 - RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS  
(Continued)**

**c) Internal Service Funds - Reserved Retained Earnings**

**Reserve for Insurance Claims**

The Parish Government reserved \$4,026,427 for insurance claims as of December 31, 1999.

**Note 15 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -  
PROPRIETARY FUNDS**

The Division provides certain continuing health care insurance benefits for its retired employees. Substantially all of the Division's employees become eligible for these benefits if they reach normal retirement age while working for the Division. As of the year end, 18 retirees were eligible and are receiving benefits. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the Division. Retirees and active employees are responsible for dependent coverage costs. The Division reimburses the first \$20,000 of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees and their dependents. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not reported to the Division. During the year, expenses of approximately \$62,200 were recognized for postretirement health care.

**Note 16 - 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 Statement of Financial Accounting Standards No. 5, 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 inflations, 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.

**Note 16 - SELF INSURANCE / RISK MANAGEMENT (Continued)**

**Enterprise Funds**

The St. Bernard Parish Government Department of Public Works Water and Sewer Division is self-insured for hospitalization claims up to approximately \$20,000 per employee or an aggregate of approximately \$231,000 per year. The excess is insured under an insurance policy. An independent insurance service company administers the fund.

The estimated claims liability is computed based on information received from the administrator of the plan. The following represents a reconciliation of total claims liability:

	1999	1998	1997
Claims liability at beginning of year	\$ 60,566	\$ 60,104	\$ 40,587
Plus provision for incurred claims	320,799	259,947	276,359
Less claims paid	<u>(242,571)</u>	<u>(259,485)</u>	<u>(256,842)</u>
Claims liability at end of year	<u>\$138,794</u>	<u>\$ 60,566</u>	<u>\$ 60,104</u>

The claims liability at December 31, 1999 is presented at current value and has not been discounted.

Effective February 1, 1997, the Division established a self-insurance fund for their workman's compensation, unemployment compensation, general and automobile liability. The division is self insured for claims up to \$250,000 per occurrence. They have an insurance policy for claims between \$250,000 and \$5,000,000 per occurrence. This policy has a 20% coinsurance clause with a maximum liability to the Division of \$1,000,000. An independent insurance service company administers the fund.

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.

**Note 16 - SELF INSURANCE / RISK MANAGEMENT (Continued)**

**Enterprise Funds (Continued)**

The following represents a reconciliation of total claims liability:

	1999	1998	1997
Claims liability at beginning of year	\$188,776	\$ 23,326	\$ -
Plus provision for incurred claims	518,619	218,451	86,858
Less claims paid	<u>(112,163)</u>	<u>(53,001)</u>	<u>(63,532)</u>
Claims liability at end of year	<u>\$595,232</u>	<u>\$188,776</u>	<u>\$ 23,326</u>

The claims liability at December 31, 1999 is presented at current value and has not been discounted.

**Internal Service Fund**

The parish government established a self-insurance fund for their workman's compensation, unemployment compensation, general, and automobile liability for all funds of the Parish except for the Enterprise Fund - Water and Sewer Division. The parish government is self insured for claims up to \$250,000 per occurrence. The government has an insurance policy for claims between \$250,000 and \$5,000,000 per occurrence. This policy has a 20% coinsurance clause with a maximum liability to the parish of \$1,000,000. An 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'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.



**Note 16 - SELF INSURANCE / RISK MANAGEMENT (Continued)**

**Internal Service Fund (Continued)**

The following represents a reconciliation of total claims liability:

	1999	1998	1997
Claims liability at beginning of year	\$1,932,720	\$1,876,000	\$1,889,593
Less claims paid	(638,856)	(622,723)	(779,203)
Plus provision for incurred claims	766,312	679,443	765,610
Claims liability at end of year	<u>\$2,060,176</u>	<u>\$1,932,720</u>	<u>\$1,876,000</u>

**Note 17 - JOINT VENTURE - GOVERNMENTAL FUNDS**

There exists a joint venture between the St. Bernard Parish Government and the St. Bernard Cultural Center, Inc. (Corporation). The Corporation is a nonprofit entity which provides concession services to the St. Bernard Parish Cultural Center. The Corporation was organized on a nonstock basis and its shareholders pursuant to RS 12:210 consist of the St. Bernard Parish Manager, Secretary and Treasurer. A board of directors manages the affairs and business of the Corporation. The Corporation reimburses the parish government the cost of parish employees used for the concessions. In addition, any profit made is remitted to the parish government. Following is a condensed financial statement on the Corporation as of December 31, 1999.

**Note 17 - JOINT VENTURE - GOVERNMENTAL FUNDS (Continued)**

<u>Balance Sheet</u>	
Assets	<u>\$18,049</u>
Retained Earnings	<u>\$18,049</u>
<u>Income Statement</u>	
Concession sales	\$158,092
Less refunds, commissions and cost of goods sold	<u>(45,031)</u>
Gross profit	113,061
Less expenses	(67,380)
Less transfers to St. Bernard Parish Government	<u>(44,956)</u>
Net profit	<u>\$ 725</u>

**Note 18 - ADMINISTRATIVE ORDER**

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.

The Division has filed a response to the deficiencies cited in the order and has implemented a plan to improve and expand the treatment plant. The EPA issued another order stating that construction and compliance must be completed by December 1, 2001. The Division can be assessed up to \$27,500 per day in penalties for noncompliance to the order. There have been no assessments by the EPA or penalties accrued in these general purpose financial statements.

**Note 19 - COMMITMENTS AND CONTINGENCIES**

The Parish Government received funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

**Note 20 - FEDERAL INVESTIGATION**

The federal investigation concerning the Division's waste water disposal from its facilities initiated in 1997 was still ongoing during 1999. In May of 2000, the lead federal agency took final individual action against the persons concerned. Even though the investigation of current and former employees may be continuing, neither the Division nor Parish Government has been implicated in the process.

**SUPPLEMENTARY INFORMATION SECTION**

### **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.

**COMBINING BALANCE SHEET -  
SPECIAL REVENUE FUNDS**

**St. Bernard Parish Government**

December 31, 1999

	Public Works Fund	Garbage District No. 1 Fund	Consolidated Fire Protection District No. 1 - 2 Fund	Recreation Department Fund	Health Fund	Urban Mass Transportation Administration Fund	Jobs Training Partnership Act Fund	Housing Rent Subsidy Fund	Housing Voucher Program Fund
<b>Assets</b>									
Cash	\$ 21	\$ -	\$ 381	\$ 300	\$ -	\$ -	\$ 25,964	\$ 152,119	\$ 108,836
Louisiana Asset Management Pool	-	-	-	-	-	-	-	-	-
Receivables - net	778,369	593,344	1,383,760	420,483	120,886	162,271	63,851	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other assets	-	-	178	-	-	-	-	298	-
<b>Total assets</b>	<b>\$ 778,390</b>	<b>\$ 593,344</b>	<b>\$ 1,384,319</b>	<b>\$ 420,783</b>	<b>\$ 120,886</b>	<b>\$ 162,271</b>	<b>\$ 89,815</b>	<b>\$ 152,417</b>	<b>\$ 108,836</b>
<b>Liabilities</b>									
Accounts payable	\$ 54,820	\$ 247,197	\$ 16,795	\$ 15,257	\$ -	\$ 9,826	\$ -	\$ 19,778	\$ 58,235
Salaries and payroll deductions payable	39,259	6,814	101,945	9,711	-	4,080	4,073	-	-
Due to other funds	673,657	312,663	1,215,023	362,419	18,435	50,424	55,300	112,097	55,207
Deferred revenue	-	-	-	-	-	-	28,213	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>767,736</b>	<b>566,674</b>	<b>1,333,763</b>	<b>387,387</b>	<b>18,435</b>	<b>64,330</b>	<b>87,586</b>	<b>131,875</b>	<b>113,442</b>
<b>Fund Equity (Deficit)</b>									
Fund balances (deficit):									
Reserved for contracts	10,654	-	-	-	-	97,941	-	-	-
Designated - development	-	-	-	-	-	-	-	-	-
Unreserved - undesignated	-	26,670	50,556	33,396	102,451	-	2,229	20,542	(4,606)
<b>Total fund equity (deficit)</b>	<b>10,654</b>	<b>26,670</b>	<b>50,556</b>	<b>33,396</b>	<b>102,451</b>	<b>97,941</b>	<b>2,229</b>	<b>20,542</b>	<b>(4,606)</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$ 778,390</b>	<b>\$ 593,344</b>	<b>\$ 1,384,319</b>	<b>\$ 420,783</b>	<b>\$ 120,886</b>	<b>\$ 162,271</b>	<b>\$ 89,815</b>	<b>\$ 152,417</b>	<b>\$ 108,836</b>

Schedule 1  
(Continued)

	Judicial Court Reporter Fund	Criminal Court Fund	Contingency Criminal Court "A" Fund	District Attorney General Fund	Environmental Mitigation Fund	Deputy Witness Fee Fund	Library Fund	Road Lighting District No. 1 Fund	Group Home Resident Fund	Human Resources Fund
<b>Assets</b>										
Cash	\$ -	\$ 353,176	\$ -	\$ -	\$ 4,131	\$ -	\$ 1,433,418	\$ -	\$ 15	\$ -
Louisiana Asset Management Pool	-	-	-	-	-	-	811,685	-	-	-
Receivables - net	3,600	26,251	-	-	-	7,531	722,278	235,200	-	88,771
Due from other funds	-	30,000	-	-	-	-	-	-	-	263,260
Other assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,600</b>	<b>\$ 409,427</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,131</b>	<b>\$ 7,531</b>	<b>\$ 2,967,381</b>	<b>\$ 235,200</b>	<b>\$ 15</b>	<b>\$ 352,031</b>
<b>Liabilities</b>										
Accounts payable	\$ 275	\$ -	\$ 124	\$ 5,714	\$ -	\$ 12,299	\$ 23	\$ 3,684	\$ -	\$ 2,947
Salaries and payroll deductions payable	3,223	-	466	7,039	-	-	-	-	-	4,755
Due to other funds	866	234,518	361	49,139	-	329	9,318	178,112	-	261,528
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>4,364</b>	<b>234,518</b>	<b>951</b>	<b>61,892</b>	<b>-</b>	<b>12,628</b>	<b>9,341</b>	<b>181,796</b>	<b>-</b>	<b>269,230</b>
<b>Fund Equity (Deficit)</b>										
Fund balances (deficit):										
Reserved for contracts	-	-	-	-	-	-	-	-	-	-
Designated - development	-	-	-	-	-	-	1,000,000	-	-	-
Unreserved - undesignated	(764)	174,909	(951)	(61,892)	4,131	(5,097)	1,958,040	53,404	15	82,801
<b>Total fund equity (deficit)</b>	<b>(764)</b>	<b>174,909</b>	<b>(951)</b>	<b>(61,892)</b>	<b>4,131</b>	<b>(5,097)</b>	<b>2,958,040</b>	<b>53,404</b>	<b>15</b>	<b>82,801</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$ 3,600</b>	<b>\$ 409,427</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,131</b>	<b>\$ 7,531</b>	<b>\$ 2,967,381</b>	<b>\$ 235,200</b>	<b>\$ 15</b>	<b>\$ 352,031</b>

Schedule 1  
(Continued)

	Civic Auditorium Fund	Communications Fund	Community Development Fund	Council On Aging Fund	Weatherization Fund	Low Income Home Energy Assistance Program Fund	Daycare Fund	Federal Emergency Management Assistance Fund	Total
<b>Assets</b>									
Cash	\$ 39,938	\$ 390,198	\$ 10,162	\$ -	\$ 7,742	\$ 10,819	\$ 53,771	\$ 613	\$ 2,591,604
Louisiana Asset Management Pool	-	-	-	-	-	-	-	-	811,685
Receivables - net	5,000	-	4,309	169,273	5,195	3,666	9,046	-	4,803,084
Due from other funds	-	-	-	-	-	-	-	-	293,260
Other assets	-	-	-	-	-	-	-	-	476
<b>Total assets</b>	<b>\$ 44,938</b>	<b>\$ 390,198</b>	<b>\$ 14,471</b>	<b>\$ 169,273</b>	<b>\$ 12,937</b>	<b>\$ 14,485</b>	<b>\$ 62,817</b>	<b>\$ 613</b>	<b>\$ 8,500,109</b>
<b>Liabilities</b>									
Accounts payable	\$ 5,484	\$ 331	\$ 7,175	\$ 1,450	\$ 1,478	\$ 208	\$ -	\$ -	\$ 463,100
Salaries and payroll deductions payable	-	-	10,331	330	-	-	-	-	192,026
Due to other funds	606	9,973	861	75,698	10,620	19,344	48,991	-	3,755,489
Deferred revenue	-	-	-	-	-	-	-	-	28,213
Other liabilities	19,831	-	115	-	-	-	-	-	19,946
<b>Total liabilities</b>	<b>25,921</b>	<b>10,304</b>	<b>18,482</b>	<b>77,478</b>	<b>12,098</b>	<b>19,552</b>	<b>48,991</b>	<b>-</b>	<b>4,458,774</b>
<b>Fund Equity (Deficit)</b>									
Fund balances (deficit):									
Reserved for contracts	-	-	-	-	-	-	-	-	108,595
Designated - development	-	-	-	-	-	-	-	-	1,000,000
Unreserved - undesignated	19,017	379,894	(4,011)	91,795	839	(5,067)	13,826	613	2,932,740
<b>Total fund equity (deficit)</b>	<b>19,017</b>	<b>379,894</b>	<b>(4,011)</b>	<b>91,795</b>	<b>839</b>	<b>(5,067)</b>	<b>13,826</b>	<b>613</b>	<b>4,041,335</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$ 44,938</b>	<b>\$ 390,198</b>	<b>\$ 14,471</b>	<b>\$ 169,273</b>	<b>\$ 12,937</b>	<b>\$ 14,485</b>	<b>\$ 62,817</b>	<b>\$ 613</b>	<b>\$ 8,500,109</b>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICIT) -  
SPECIAL REVENUE FUNDS**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	Public Works Fund	Garbage District No. 1 Fund	Consolidated Fire Protection District No. 1 - 2 Fund	Recreation Department Fund	Health Fund	Urban Mass Transportation Administration Fund
<b>Revenues</b>						
Taxes:						
Ad valorem	\$ 604,144	\$ 604,144	\$ 1,486,516	\$ 428,866	\$ 123,059	\$ -
Other taxes, penalties and interest, etc.	1,059	1,059	122,883	752	216	-
Licenses and permits			-	-	-	-
Federal grants	218,303	-	-	-	-	363,323
State funds:						
Parish transportation funds	582,283	-	-	-	-	-
State revenue sharing	68,334	68,334	63,549	48,508	13,921	-
Other state funds	393,224	-	363,932	-	-	89,745
Fees, charges, and commissions for services	108,723	-	2,645	31,825	-	93,160
Fines and forfeitures			-	-	-	-
Use of money and property	3,404	16,519	8,230	3,170	2,134	248
Public grants			-	-	-	-
Other revenues	111,047	504	8,468	41,291	103	-
<b>Total revenues</b>	<u>2,090,521</u>	<u>690,560</u>	<u>2,056,223</u>	<u>554,412</u>	<u>139,433</u>	<u>546,476</u>
<b>Expenditures</b>						
General government:						
Legislative	-	21,392	-	-	666	-
Judicial	-	-	-	-	-	-
Finance and administrative	55,452	213,626	-	-	6,655	-
Other general government	-	-	-	-	-	327,058
Public safety	-	-	5,525,796	-	-	-
Public works	3,244,835	3,617,725	-	-	-	-
Health and welfare	-	-	-	-	98,905	-
Culture and recreation	-	-	-	1,097,141	-	-
Capital outlay	1,006	-	100	100	-	79,842
<b>Total expenditures</b>	<u>3,301,293</u>	<u>3,852,743</u>	<u>5,525,896</u>	<u>1,097,241</u>	<u>106,226</u>	<u>406,900</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,210,772)</u>	<u>(3,162,183)</u>	<u>(3,469,673)</u>	<u>(542,829)</u>	<u>33,207</u>	<u>139,576</u>
<b>Other Financing Sources (Uses):</b>						
Operating transfers in	1,210,088	3,076,556	3,569,156	676,763	-	65
Operating transfers out	(236)	-	-	(93,250)	(65)	-
<b>Total other financing sources (uses)</b>	<u>1,209,852</u>	<u>3,076,556</u>	<u>3,569,156</u>	<u>583,513</u>	<u>(65)</u>	<u>65</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>(920)</u>	<u>(85,627)</u>	<u>99,483</u>	<u>40,684</u>	<u>33,142</u>	<u>139,641</u>
<b>Fund Balances (Deficit)</b>						
Beginning of year	11,574	112,297	(48,927)	(7,288)	69,309	(41,700)
Residual equity transfer	-	-	-	-	-	-
<b>End of year</b>	<u>\$ 10,654</u>	<u>\$ 26,670</u>	<u>\$ 50,556</u>	<u>\$ 33,396</u>	<u>\$ 102,451</u>	<u>\$ 97,941</u>

Schedule 2

Jobs Training Partnership Act Fund	Housing Rent Subsidy Fund	Housing Voucher Program Fund	Judicial Court Reporter Fund	Criminal Court Fund	Contingency Criminal Court "A" Fund	District Attorney General Fund	Environmental Mitigation Fund	Deputy Witness Fee Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
2,675,168	768,816	353,005	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
131,068	-	-	-	-	-	-	-	-
-	-	-	43,734	15,601	-	-	-	-
808	4,197	-	-	360,556	-	-	-	92,513
-	-	-	-	6,371	-	-	222	104
-	-	-	-	-	-	-	-	-
-	-	-	-	40,000	-	68	-	-
<u>2,807,044</u>	<u>773,013</u>	<u>353,005</u>	<u>43,734</u>	<u>422,528</u>	<u>-</u>	<u>68</u>	<u>222</u>	<u>92,617</u>
-	-	-	-	-	-	-	-	-
-	-	-	196,716	82,047	33,934	561,607	-	97,895
2,806,236	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	775,158	356,691	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,285	1,136	-	10,270	-	-	-	-
<u>2,806,236</u>	<u>776,443</u>	<u>357,827</u>	<u>196,716</u>	<u>92,317</u>	<u>33,934</u>	<u>561,607</u>	<u>-</u>	<u>97,895</u>
808	(3,430)	(4,822)	(152,982)	330,211	(33,934)	(561,539)	222	(5,278)
-	-	-	155,102	-	33,373	524,351	-	-
-	-	-	-	(40,000)	-	-	-	-
-	-	-	155,102	(40,000)	33,373	524,351	-	-
808	(3,430)	(4,822)	2,120	290,211	(561)	(37,188)	222	(5,278)
1,421	23,972	216	(2,884)	59,608	(390)	(24,704)	3,909	181
-	-	-	-	(174,910)	-	-	-	-
<u>\$ 2,229</u>	<u>\$ 20,542</u>	<u>\$ (4,606)</u>	<u>\$ (764)</u>	<u>\$ 174,909</u>	<u>\$ (951)</u>	<u>\$ (61,892)</u>	<u>\$ 4,131</u>	<u>\$ (5,097)</u>

	Library Fund	Road Lighting District No. 1 Fund	Group Home Resident Fund	Human Resources Fund	Civic Auditorium Fund	Communications Fund
<b>Revenues</b>						
Taxes:						
Ad valorem	\$ 735,973	\$ 239,408	\$ -	\$ -	\$ -	\$ -
Other taxes, penalties and interest, etc.	-	422	-	-	-	182,944
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	234,536	-	-
State funds:						
Parish transportation funds	-	-	-	-	-	-
State revenue sharing	83,097	27,207	-	-	-	-
Other state funds	23,087	-	-	-	-	-
Fees, charges, and commissions for services	11,065	-	-	-	248,019	-
Fines and forfeitures	19,575	-	-	-	-	-
Use of money and property	110,568	1,020	-	-	411	12,995
Public grants	10,022	-	-	-	-	-
Other revenues	4,594	201	-	315	1,612	-
<b>Total revenues</b>	<u>997,981</u>	<u>268,258</u>	<u>-</u>	<u>234,851</u>	<u>250,042</u>	<u>195,939</u>
<b>Expenditures</b>						
General government:						
Legislative	-	-	-	-	-	895
Judicial	-	-	-	-	-	-
Finance and administrative	-	-	-	-	-	8,936
Other general government	-	-	-	-	-	-
Public safety	-	-	-	-	-	122,386
Public works	-	644,451	-	-	-	-
Health and welfare	-	-	-	217,317	-	-
Culture and recreation	376,397	-	-	-	441,061	-
Capital outlay	105,528	-	-	5,268	-	1,852
<b>Total expenditures</b>	<u>481,925</u>	<u>644,451</u>	<u>-</u>	<u>222,585</u>	<u>441,061</u>	<u>134,069</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>516,056</u>	<u>(376,193)</u>	<u>-</u>	<u>12,266</u>	<u>(191,019)</u>	<u>61,870</u>
<b>Other Financing Sources (Uses):</b>						
Operating transfers in	-	429,378	-	-	217,710	-
Operating transfers out	-	(4,258)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>425,120</u>	<u>-</u>	<u>-</u>	<u>217,710</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>516,056</u>	<u>48,927</u>	<u>-</u>	<u>12,266</u>	<u>26,691</u>	<u>61,870</u>
<b>Fund Balances (Deficit)</b>						
Beginning of year	2,441,984	4,477	15	70,535	(7,674)	318,024
Residual equity transfer	-	-	-	-	-	-
<b>End of year</b>	<u>\$2,958,040</u>	<u>\$ 53,404</u>	<u>\$ 15</u>	<u>\$ 82,801</u>	<u>\$ 19,017</u>	<u>\$ 379,894</u>

Schedule 2  
(Continued)

Community Development Fund	Council on Aging Fund	Weatherization Fund	Low Income Home Energy Assistance Program Fund	Daycare Fund	Federal Emergency Management Assistance Fund	Total
\$ -	\$ 186,460	\$ -	\$ -	\$ -	\$ -	\$ 4,408,570
-	372	-	-	-	-	309,707
211,333	-	-	-	-	-	211,333
23,114	-	19,384	63,210	145,304	24,561	4,888,724
-	-	-	-	-	-	582,283
-	-	-	-	-	-	372,950
14,122	-	-	-	-	-	1,015,178
52,919	-	-	-	-	-	607,691
-	-	-	-	-	-	472,644
-	2,276	124	930	1,226	313	175,270
-	-	-	-	-	-	10,022
17,778	-	-	-	-	-	225,981
<u>319,266</u>	<u>189,108</u>	<u>19,508</u>	<u>64,140</u>	<u>146,530</u>	<u>24,874</u>	<u>13,280,353</u>
-	-	-	-	-	-	22,953
-	-	-	-	-	-	972,199
-	-	-	-	-	-	284,669
-	-	-	-	-	-	3,133,294
-	-	-	-	-	-	5,648,182
-	-	-	-	-	-	7,507,011
766,719	226,548	16,170	70,921	140,779	24,574	2,693,782
-	-	-	-	-	-	1,914,599
1,240	-	-	-	1,136	-	208,763
<u>767,959</u>	<u>226,548</u>	<u>16,170</u>	<u>70,921</u>	<u>141,915</u>	<u>24,574</u>	<u>22,385,452</u>
<u>(448,693)</u>	<u>(37,440)</u>	<u>3,338</u>	<u>(6,781)</u>	<u>4,615</u>	<u>300</u>	<u>(9,105,099)</u>
465,081	-	-	-	-	-	10,357,623
-	-	(118)	-	-	-	(137,927)
<u>465,081</u>	<u>-</u>	<u>(118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,219,696</u>
16,388	(37,440)	3,220	(6,781)	4,615	300	1,114,597
(20,399)	129,235	(2,381)	1,714	9,211	313	3,101,648
-	-	-	-	-	-	(174,910)
<u>\$ (4,011)</u>	<u>\$ 91,795</u>	<u>\$ 839</u>	<u>\$ (5,067)</u>	<u>\$ 13,826</u>	<u>\$ 613</u>	<u>\$ 4,041,335</u>

### **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.

**COMBINING BALANCE SHEET -  
DEBT SERVICE FUNDS**

**St. Bernard Parish Government**

December 31, 1999

	Public Improvement Bond Funds		
	Series A, B, C	Series 1977 and 1999	Series 1996
<b>Assets</b>			
Cash	\$ 220,155	\$ 203,698	\$ 216,863
Receivables - net	-		-
Special assessments:			
Delinquent	-		-
Deferred	-		-
Total assets	<u>\$ 220,155</u>	<u>\$ 203,698</u>	<u>\$ 216,863</u>
 <b>Liabilities</b>			
Due to other funds	\$ -	\$ -	\$ -
Deferred revenue	-		-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund Equity</b>			
Fund balances:			
Reserved for debt service	-	203,698	216,863
Unreserved - undesignated	220,155	-	-
Total fund equity	<u>220,155</u>	<u>203,698</u>	<u>216,863</u>
Total liabilities and fund equity	<u>\$ 220,155</u>	<u>\$ 203,698</u>	<u>\$ 216,863</u>

Schedule 3

Bond Reserve 1996 Fund	Bond Reserve 1977 Fund	1990 And 1997 General Obligation Bond Fund	Versailles Industrial Park Sinking Fund	Total
\$ 369,179	\$ 572,489	\$ 639,101	\$ 19,568	\$ 2,241,053
-	-	501,916	6,548	508,464
-	-	-	9,118	9,118
-	-	-	240,593	240,593
<u>\$ 369,179</u>	<u>\$ 572,489</u>	<u>\$ 1,141,017</u>	<u>\$ 275,827</u>	<u>\$ 2,999,228</u>
\$ -	\$ 572,489	\$ -	\$ -	\$ 572,489
-	-	-	240,593	240,593
-	572,489	-	240,593	813,082
369,179	-	1,141,017	35,234	1,965,991
-	-	-	-	220,155
<u>369,179</u>	<u>-</u>	<u>1,141,017</u>	<u>35,234</u>	<u>2,186,146</u>
<u>\$ 369,179</u>	<u>\$ 572,489</u>	<u>\$ 1,141,017</u>	<u>\$ 275,827</u>	<u>\$ 2,999,228</u>

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES -  
DEBT SERVICE FUNDS**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	Public Improvement Bond Funds		
	Series A, B, C	Series 1977 and 1999	Series 1996
<b>Revenues</b>			
Taxes - ad valorem	\$ -	\$ -	\$ -
Use of money and property	5,767	19,031	3,592
Special assessments	-	-	-
Total revenues	<u>5,767</u>	<u>19,031</u>	<u>3,592</u>
<b>Expenditures</b>			
General government:			
Finance and administrative	-	265	1,254
Debt service:			
Principal retirement	-	100,000	240,000
Interest and service charges	-	113,061	104,015
Total expenditures	<u>-</u>	<u>213,326</u>	<u>345,269</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>5,767</u>	<u>(194,295)</u>	<u>(341,677)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of refunding bonds	-	1,353,000	-
Payment to refunded bond escrow agent	-	(1,590,000)	-
Operating transfers in	-	409,252	317,324
Total other financing sources (uses)	<u>-</u>	<u>172,252</u>	<u>317,324</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>5,767</u>	<u>(22,043)</u>	<u>(24,353)</u>
<b>Fund Balances</b>			
Beginning of year	214,388	225,741	241,216
Residual equity transfer	-	-	-
End of year	<u>\$ 220,155</u>	<u>\$ 203,698</u>	<u>\$ 216,863</u>



Bond Reserve 1996 Fund	Bond Reserve 1977 Fund	1990 and 1997 General Obligation Bond Fund	Versailles Industrial Park Sinking Fund	Total
\$ -	\$ -	\$ 560,116	\$ -	\$ 560,116
9,673	14,999	18,924	18,351	90,337
-	-	-	32,337	32,337
<u>9,673</u>	<u>14,999</u>	<u>579,040</u>	<u>50,688</u>	<u>682,790</u>
-	-	18,656	20	20,195
-	-	270,000	38,172	648,172
-	-	224,637	15,966	457,679
-	-	<u>513,293</u>	<u>54,158</u>	<u>1,126,046</u>
<u>9,673</u>	<u>14,999</u>	<u>65,747</u>	<u>(3,470)</u>	<u>(443,256)</u>
-	-	-	-	1,353,000
-	-	-	-	(1,590,000)
-	-	-	-	<u>726,576</u>
-	-	-	-	<u>489,576</u>
9,673	14,999	65,747	(3,470)	46,320
359,506	557,490	1,075,270	38,704	2,712,315
-	(572,489)	-	-	(572,489)
<u>\$ 369,179</u>	<u>\$ -</u>	<u>\$ 1,141,017</u>	<u>\$ 35,234</u>	<u>\$ 2,186,146</u>

## **CAPITAL PROJECTS 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.

**COMBINING BALANCE SHEET -  
CAPITAL PROJECT FUNDS**

**St. Bernard Parish Government**

December 31, 1999

	<u>Drainage and Siphon Fund</u>	<u>Fire District 1-2 C.I. Series Bond Fund</u>	<u>Road District Project Bond Fund</u>	<u>Public Improvement Bond Series D, E, F, G Fund</u>
<b>Assets</b>				
Cash	\$ 160,360	\$ 4,309	\$ 13,536	\$ 45,744
Receivables	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 160,360</u>	<u>\$ 4,309</u>	<u>\$ 13,536</u>	<u>\$ 45,744</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total liabilities</b>	-	-	-	-
<b>Fund Equity</b>				
Fund balances:				
Reserved for contracts	<u>160,360</u>	<u>4,309</u>	<u>13,536</u>	<u>45,744</u>
<b>Total liabilities and fund equity</b>	<u>\$ 160,360</u>	<u>\$ 4,309</u>	<u>\$ 13,536</u>	<u>\$ 45,744</u>

Schedule 5

<u>Drainage Construction Bonds of 1967 and 1982 Fund</u>	<u>Capital Projects Fund</u>	<u>Courthouse Capital Fund</u>	<u>Islenos Multipurpose Building Fund</u>	<u>Urban System Roadway Reconstruction Fund</u>	<u>Total</u>
\$ 85,087	\$ -	\$ 206,586	\$ 197,811	\$ 100,493	\$ 813,926
-	656,325	-	-	-	656,325
-	572,489	-	-	-	572,489
<u>\$ 85,087</u>	<u>\$ 1,228,814</u>	<u>\$ 206,586</u>	<u>\$ 197,811</u>	<u>\$ 100,493</u>	<u>\$ 2,042,740</u>
\$ -	\$ 316,787	\$ 16,830	\$ 642	\$ 5,000	\$ 339,259
-	45,112	30,000	-	-	75,112
-	361,899	46,830	642	5,000	414,371
<u>85,087</u>	<u>866,915</u>	<u>159,756</u>	<u>197,169</u>	<u>95,493</u>	<u>1,628,369</u>
<u>\$ 85,087</u>	<u>\$ 1,228,814</u>	<u>\$ 206,586</u>	<u>\$ 197,811</u>	<u>\$ 100,493</u>	<u>\$ 2,042,740</u>

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES -  
CAPITAL PROJECT FUNDS**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	Drainage and Siphon Fund	Fire District 1-2 C.I. Series Bond Fund	Road District Project Bond Fund	Public Improvement Bond Series D, E, F, G Fund
<b>Revenues</b>				
Federal grants	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Use of money and property	4,210	113	355	1,205
<b>Total revenues</b>	<u>4,210</u>	<u>113</u>	<u>355</u>	<u>1,205</u>
<b>Expenditures</b>				
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	4,210	113	355	1,205
<b>Other Financing Sources</b>				
Operating transfers in	-	-	-	-
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures</b>	4,210	113	355	1,205
<b>Fund Balance</b>				
Beginning of year	156,150	4,196	13,181	44,539
Residual equity transfer	-	-	-	-
<b>End of year</b>	<u>\$ 160,360</u>	<u>\$ 4,309</u>	<u>\$ 13,536</u>	<u>\$ 45,744</u>

Schedule 6

Drainage Construction Bonds of 1967 and 1982 Fund	Capital Projects Fund	Courthouse Capital Fund	Islenos Multipurpose Building Fund	Urban System Roadway Reconstruction Fund	Total
\$ -	\$ 1,714,807	\$ -	\$ -	\$ -	\$ 1,714,807
-	428,703	-	-	-	428,703
2,261	-	4,670	5,406	3,941	22,161
<u>2,261</u>	<u>2,143,510</u>	<u>4,670</u>	<u>5,406</u>	<u>3,941</u>	<u>2,165,671</u>
-	522,376	67,056	23,872	-	613,304
-	3,219,386	-	-	118,050	3,337,436
<u>-</u>	<u>3,741,762</u>	<u>67,056</u>	<u>23,872</u>	<u>118,050</u>	<u>3,950,740</u>
2,261	(1,598,252)	(62,386)	(18,466)	(114,109)	(1,785,069)
<u>-</u>	<u>1,122,255</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>1,162,255</u>
2,261	(475,997)	(22,386)	(18,466)	(114,109)	(622,814)
82,826	770,423	182,142	215,635	209,602	1,678,694
<u>-</u>	<u>572,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>572,489</u>
<u>\$ 85,087</u>	<u>\$ 866,915</u>	<u>\$ 159,756</u>	<u>\$ 197,169</u>	<u>\$ 95,493</u>	<u>\$ 1,628,369</u>

**GOVERNMENTAL AND ENTERPRISE FUNDS --**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	<u>Date Of Issue</u>	<u>Original Issue</u>	<u>Long-term Outstanding Balance January 1, 1999</u>
<b>Governmental Fund Bonds</b>			
Public improvements:			
Series ST - 1977	June 1, 1977	\$ 5,350,000	\$ 1,590,000
Series ST - 1996	April 9, 1996	2,740,000	2,335,000
Series ST - 1999	March 4, 1999	1,353,000	-
Special assessment:			
Versailles Industrial Park Project	October 24, 1997	381,721	305,377
General obligation:			
Reimbursement Obligation to the State of Louisiana	June 15, 1982	60,000	22,356
Series 1990	February 1, 1990	5,850,000	500,000
Series 1997	December 1, 1997	<u>4,335,000</u>	<u>4,240,000</u>
Total Governmental funds		<u>20,069,721</u>	<u>8,992,733</u>

Schedule 7

<u>Additions</u>	<u>Redemptions</u>	<u>Long-Term Outstanding Balance December 31, 1999</u>	<u>Maturities Outstanding December 31, 1999</u>	<u>Interest Rate</u>
\$ -	\$ 1,590,000	\$ -	-	-
-	240,000	2,095,000	2000 - 2006	4.40 - 5.00
1,353,000	100,000	1,253,000	2000 - 2002	3.95 - 4.05
-	38,172	267,205	2000 - 2006	5.23
-	4,846	17,510	2000 - 2002	10.70
-	240,000	260,000	2000	6.35 - 6.75
-	30,000	4,210,000	2000 - 2010	4.75
<u>1,353,000</u>	<u>2,243,018</u>	<u>8,102,715</u>		



	<u>Date Of Issue</u>	<u>Original Issue</u>	<u>Long-term Outstanding Balance January 1, 1999</u>
<b>Enterprise Funds</b>			
Sewer Division			
Revenue bonds	December 1, 1991	\$ 1,350,000	\$ 1,070,000
Revenue bonds	April 1, 1994	7,950,000	6,395,000
Sales tax bonds	December 1, 1999	9,950,000	-
Sewer District No. 1			
General obligations bonds	September 1, 1991	675,000	385,000
Sewer District No. 2:			
Public improvement bonds	June 1, 1971	240,000	3,000
General obligations bonds	September 1, 1991	<u>3,295,000</u>	<u>2,030,000</u>
Total Water and Sewer Division		<u>23,460,000</u>	<u>9,883,000</u>
Home Mortgage Authority:			
Single Family Revenue Bonds -			
1992 Program Series C		607,505	953,861
Single Family Refunding Bonds -			
1991 Program		4,435,000	1,365,476
1992 Program Series B-1		1,819,653	569,863
1992 Program Series B-2		<u>29,218</u>	<u>50,319</u>
Total Home Mortgage Authority		<u>6,891,376</u>	<u>2,939,519</u>
Total Enterprise Funds		<u>\$ 30,351,376</u>	<u>\$ 12,822,519</u>

**Schedule 7  
(Continued)**

<u>Additions</u>	<u>Redemptions</u>	<u>Long-Term Outstanding Balance December 31, 1999</u>	<u>Maturities Outstanding December 31, 1999</u>	<u>Interest Rate</u>
\$ -	\$ 50,000	\$ 1,020,000	2000 - 2011	6.40 - 7.00
-	675,000	5,720,000	2000 - 2006	4.50 - 5.20
9,950,000	-	9,950,000	2000 - 2019	5.35
-	65,000	320,000	2000 - 2003	6.10 - 6.50
-	1,000	2,000	2000 - 2001	6.00
-	335,000	1,695,000	2000 - 2005	6.20 - 6.65
<u>9,950,000</u>	<u>1,126,000</u>	<u>18,707,000</u>		
74,365	-	1,028,226	2000 - 2014	7.65
-	519,646	845,830	2000 - 2012	8.00
8,445	174,193	404,115	2000 - 2011	7.84
4,762	-	55,081	2000 - 2014	9.25
<u>87,572</u>	<u>693,839</u>	<u>2,333,252</u>		
<u>\$ 10,037,572</u>	<u>\$ 1,819,839</u>	<u>\$ 21,040,252</u>		

**COMPENSATION PAID PARISH COUNCIL MEMBERS****St. Bernard Parish Government**

For the year ended December 31, 1999

Clay A. Cosse', Council Chairman	\$ 8,400
Daniel L. Dysart	7,200
Curtis B. Pitre	7,200
Joseph S. DiFatta, Jr.	7,200
Nita Rusich Hutter	7,200
Craig P. Taffaro, Jr.	7,200
Henry J. Rodriguez, Jr.	<u>7,200</u>
Total	<u>\$51,600</u>

The schedule of compensation paid to parish council members was prepared in compliance with Home Rule Charter, Section 2-05 Compensation. According to the Charter, the compensation of the first council members elected under this charter shall be \$7,200 per annum. The chairman of the council will receive \$1,200 per annum in addition to the regular annual compensation. The salary of the President of the parish government shall be \$45,000 per annum.

**OTHER SUPPLEMENTARY INFORMATION SECTION**

**UNIFORM FINANCIAL REPORTING STANDARDS FOR PUBLIC  
HOUSING AUTHORITIES - FINANCIAL DATA SCHEDULES**

**St. Bernard Parish Government**

December 31, 1999

	Section 8 Rental Voucher 14.855	Section 8 Rental Certificate Program Existing Housing 14.857	Account Group General Fixed Assets	Total (Memorandum Only)
<b>ASSETS</b>				
<b>Current</b>				
Cash:				
Cash - unrestricted	\$ 108,836	\$ 152,119	\$ -	\$ 260,955
Accounts Receivable				
Accounts Receivable - HUD other projects	6,011	-	-	6,011
Prepaid Expenses:				
Prepaid Expenses	-	298	-	298
Total current assets	<u>114,847</u>	<u>152,417</u>	<u>-</u>	<u>267,264</u>
<b>Noncurrent assets</b>				
Fixed Assets:				
Furniture, equipment & machinery - administration	-	-	19,531	19,531
Total assets	<u>\$ 114,847</u>	<u>\$ 152,417</u>	<u>\$ 19,531</u>	<u>\$ 286,795</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable <90 days	\$ -	\$ 246	\$ -	\$ 246
Accounts payable - HUD PHA Program	64,984	19,532	-	84,516
Accrued liabilities - other	54,469	112,097	-	166,566
Total current liabilities	<u>119,453</u>	<u>131,875</u>	<u>-</u>	<u>251,328</u>
<b>EQUITY (DEFICIT)</b>				
Investment in general fixed assets	-	-	19,531	19,531
Undesignated fund balance (deficit)	(4,606)	20,542	-	15,936
Total equity	<u>(4,606)</u>	<u>20,542</u>	<u>19,531</u>	<u>35,467</u>
Total liabilities and equity	<u>\$ 114,847</u>	<u>\$ 152,417</u>	<u>\$ 19,531</u>	<u>\$ 286,795</u>

**UNIFORM FINANCIAL REPORTING STANDARDS FOR PUBLIC  
HOUSING AUTHORITIES - FINANCIAL DATA SCHEDULES**

**St. Bernard Parish Government**

For the year ended December 31, 1999

	Section 8 Rental Voucher 14,855	Section 8 Rental Certificate Program Existing Housing 14,857	Total (Memorandum Only)
<b>Revenue</b>			
HUD PHA grants	\$ 353,005	\$ 768,816	\$ 1,121,821
Investment income - unrestricted	-	4,197	4,197
<b>Total revenue</b>	<u>353,005</u>	<u>773,013</u>	<u>1,126,018</u>
<b>Expenses</b>			
Administrative:			
Administrative salaries	31,129	60,334	91,463
Other operating - administrative	358	2,972	3,330
Ordinary maintenance and operations:			
Ordinary maintenance and operations - materials and other	-	1,318	1,318
General expenses:			
Insurance premiums	8,914	29,133	38,047
<b>Total operating expenses</b>	<u>40,401</u>	<u>93,757</u>	<u>134,158</u>
<b>Excess Operating Revenue Over Operating Expenses</b>	<u>312,604</u>	<u>679,256</u>	<u>991,860</u>
Housing assistance payments	316,290	681,401	997,691
Capital outlay-governmental funds	1,136	1,285	2,421
<b>Total expenses</b>	<u>357,827</u>	<u>776,443</u>	<u>1,134,270</u>
<b>Excess (Deficiency) of Total Revenue Over Total Expenses</b>	<u>\$ (4,822)</u>	<u>\$ (3,430)</u>	<u>\$ (8,252)</u>
<b>Calculation From R/E Statement</b>	\$ (4,822)	\$ (3,430)	\$ (8,252)
<b>B/S Line 513</b>	<u>(4,606)</u>	<u>20,542</u>	<u>15,936</u>
<b>Fund balance (deficit) at beginning of year</b>	<u>\$ (216)</u>	<u>\$ (23,972)</u>	<u>\$ (24,188)</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

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

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

We have audited the general purpose financial statements of the St. Bernard Parish Government (the Primary Government), State of Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

We did not audit the financial statements of the discretely presented component unit, St. Bernard Parish Home Mortgage Authority. Those financial statements were audited by an other auditor and our report on internal control over financial reporting and on compliance does not include this entity. Separate reports were issued on the blended component unit, St. Bernard Parish Library and the Propriety Fund - Enterprise Fund.

### **Compliance**

As part of obtaining reasonable assurance about whether the Primary Government's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 99-3.



### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Primary Government's general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Primary Government's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the Primary Government's general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted matters involving the internal control over financial reporting that we have reported to management of the Primary Government, in a separate letter dated June 9, 2000.

This report is intended for the information of the Administration of the St. Bernard Parish Government, the St. Bernard Parish Council, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
June 9, 2000.



Bourgeois Bennett

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

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

**Compliance**

We have audited the compliance of the St. Bernard Parish Government (the Primary Government), State of Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1999. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Primary Government's management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Primary Government's compliance with those requirements.

As described in items 99-5 to 99-9, in the accompanying schedule of findings and questioned costs, the Primary Government did not comply with requirements regarding allowable costs/costs principles, and reporting that are applicable to certain major Federal programs. Compliance with such requirements is necessary, in our opinion, for the Primary Government to comply with the requirements applicable to the programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Primary Government complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

### **Internal Control Over Compliance**

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the Primary Government's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-4.

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

This report is intended for the information of the Administration of the St. Bernard Parish Government, the St. Bernard Parish Council, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

*Bouges & Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
June 9, 2000.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS -  
PRIMARY GOVERNMENT**

**St. Bernard Parish Government**

For the year ended December 31, 1999

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>		
Pass - Through Louisiana Department of Agriculture and Forestry:		
Food Distribution Program	10.550	\$ 52,769
Emergency Food Assistance Program (Administrative Cost)	10.568	<u>9,832</u>
		62,601
 Pass - Through Louisiana Department of Education:		
Family Day Care Home Program	10.558	<u>141,915</u>
 Total U.S. Department of Agriculture		<u>204,516</u>
<b>U.S. Department of Housing and Urban Development</b>		
Section 8 Rental Voucher Program	14.855	357,827
Section 8 Rental Certificate Program	14.857	<u>776,442</u>
 Total U.S. Department of Housing and Urban Development		<u>1,134,269</u>

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Labor</b>		
Pass - Through Louisiana Department of Labor:		
Job Training Partnership Act - Title II-A	17.250	707,393
Job Training Partnership Act - Title II-B	17.250	383,742
Job Training Partnership Act - Title II-C	17.250	401,114
Job Training Partnership Act - Title III-D	17.246	42,295
Job Training Partnership Act - Title III-F	17.246	577,413
Job Training Partnership Act - 6%	17.250	60,582
Job Training Partnership Act - 5%	17.250	40,520
Welfare to Work	17.253	<u>225,032</u>
		2,438,091
Pass - Through Louisiana Department of Education:		
Job Training Partnership Act - 8%	17.250	<u>52,894</u>
		<u>2,490,985</u>
Total U.S. Department of Labor		
<b>U.S. Department of Transportation</b>		
FTA Operating/Capital Grant	20.507	169,541
Pass - Through Louisiana Department of Transportation and Development:		
Highway Planning and Construction Intersection Improvements	20.205	<u>1,714,807</u>
		<u>1,884,348</u>
Total U.S. Department of Transportation		

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>		
Pass - Through Louisiana Department of Social Services:		
Office of Community Services:		
Low Income Home Energy Assistance Program	93.568	70,921
Weatherization Assistance Program	93.568	<u>16,288</u>
		87,209
Office of Family Support:		
Family Independence Work Program	93.561	178,884
Pass - Through Louisiana Department of Labor:		
Community Services Block Grant	93.569	<u>168,310</u>
Total U.S. Department of Health and Human Services		<u>434,403</u>
 <b>U.S. Federal Emergency Management Agency</b>		
Pass - Through Louisiana Military Department:		
Emergency Food and Shelter Program	83.523	23,114
Pass - Through United Way:		
Emergency Food and Shelter Program	83.523	<u>24,674</u>
Total Federal Emergency Management Agency		<u>47,788</u>
Total Expenditures of Federal Awards		<u>\$ 6,196,309</u>

See accompanying notes to schedule of expenditures of federal awards.

**NOTES TO SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS - PRIMARY GOVERNMENT**

**St. Bernard Parish Government**

For the year ended December 31, 1999

**Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the St. Bernard Parish Government (The Primary Government) and is presented on the modified accrual basis of accounting. Commodities received, which are noncash revenues are valued at prices provided by the U.S. Department of Agriculture. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**Note 2 - FINDINGS OF NONCOMPLIANCE**

Findings of noncompliance are disclosed in the accompanying Schedule of Findings and Questioned Costs as findings 99-5 to 99-9. The potential reimbursement effects of the findings are not ascertainable.



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**St. Bernard Parish Government**

For the year ended December 31, 1999

**Section I - Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  no
- Reportable condition(s) identified that are not considered to be material weakness  yes  none reported

Noncompliance material to financial statements noted?  Yes  no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  no
- Reportable condition(s) identified that are not considered to be material weakness  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133  yes  no

## Section I - Summary of Auditor's Results (Continued)

### c) Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
14.855	Section 8 Rental Voucher Program
14.857	Section 8 Rental Certificate Program
17.246	Job Training Partnership Act Program
17.250	Job Training Partnership Act Programs
20.205	Highway Planning and Construction

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

Auditee qualified as a low-risk auditee?  Yes  no

## Section II - Financial Statement Findings

### Internal Control

**99 -1 Criteria** - There should be a reconciliation of federal reports filed with the granting agency and the general ledger.

**Condition** - The year end reports were not reconciled to the general ledger.

**Questioned Costs** - None noted.

**Context** - This condition was reported in the previous audit.

**Effect** - Erroneous reports submitted to funding agencies.

**Cause** - There was no reconciliation between federal reports and general ledgers.

**Recommendation** - The Accounting Department should review all completed federal reports to ensure reconciliation between report and general ledgers.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

## Section II - Financial Statement Findings (Continued)

### Internal Control (Continued)

**99 -2 Criteria** - There should be a proper classification of expenditures, which were funded by Federal agencies, in the general ledger to the appropriate program.

**Condition** - A van and an insurance policy were not charged to the programs that provided the funding.

**Questioned Costs** - The purchase price of the van was \$19,372 and the cost of the insurance policy was \$7,147.

**Context** - This is an isolated incident.

**Effect** - Erroneous reports submitted to funding agencies.

**Cause** - The invoices were not properly coded to the correct program.

**Recommendation** - All coding of expenditures should be done by management responsible for the acquisition and there should be a review process. Human Resources Fund should pay the capital project fund \$19,372 for the purchase of the van by the capital project fund.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

### Compliance

**99 -3 Criteria** - The Louisiana Budget Act, Louisiana Revised Statute 39:1310, required that the Primary Government amend their budget when total revenue and other sources are failing to meet budgeted revenues and other sources by 5% or more or total expenditures and other uses are exceeding budgeted expenditures and their uses by 5% or more.

**Condition** - Several instances were noted where revenues and other sources fell by more than 5% of projected revenues and where expenditures and other uses exceeded the projected budget by 5% or more.

**Questioned Costs** - None noted.

**Context** - This condition was reported in the previous audit.

## **Section II - Financial Statement Findings (Continued)**

### **Compliance (Continued)**

#### **99 -3 (Continued)**

**Effect** - The Primary Government is in violation of Louisiana statutes.

**Cause** -The Primary Government did not comply with the requirements of state law.

**Recommendation** - The Primary Government should provide the requirement of the Louisiana Budget Act to all responsible parties and install the importance of complying with all aspects of the law.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

## **Section III - Federal Award Findings and Questioned Cost**

### **Internal Control**

**99 -4 Federal Program and Specific Federal Award Identification - CFDA Title: Family Day Care Home Program, CFDA Number: 10.558, CFDA Title: Community Service Block Grant, CFDA Number: 93.569, CFDA Title: Weatherization Assistance Program, CFDA Number: 93.568, CFDA Title: Low Income Home Energy Assistance Program, CFDA Number: 93.568, CFDA Title: Section 8 Housing Voucher Program, CFDA Number: 14.855, CFDA Title: Section 8 Rental Certificate Program, CFDA Number: 14.857**

**Criteria** - Reports submitted to federal awarding agency for reimbursement should include all activity of the reporting period, be supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.

**Condition** - The year end close out reports were submitted, however, the reports did not reconcile to the financial records.

**Questioned Costs** - None noted.

**Context** - The finding has been noted in the previous audit.

## Section III - Federal Award Findings and Questioned Cost (Continued)

### Internal Control (Continued)

#### 99 -4 (Continued)

**Effect** - The funding agencies are receiving erroneous information which could affect future funding.

**Cause** - There is no reconciliation between the Federal reports and general ledgers.

**Recommendation** - The persons responsible for the preparation of reports for federal agencies or pass-through agencies should coordinate the results with the Accounting Department before submission.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

### Compliance

#### 99-5 **Federal Program and Specific Federal Award Identification - CFDA Title: Family Day Care Home Program, CFDA Number: 10.558, CFDA Title: Low Income Home Energy Assistance Program and Weatherization Assistance Program, CFDA Number: 93.568, CFDA Title: Community Service Block Grant, CFDA Number: 93.569**

**Criteria** - Provisions of A-87 regulating the documentation of salaries and wages for employees who work on more than one federal program require personnel activity reports (time sheets) which meet the following standards:

- 1) Must reflect an after-the-fact distribution of the actual activity of each employee.
- 2) Must account for the total activity for which the employee is compensated.
- 3) Must be prepared at least monthly and must coincide with one or more pay periods.
- 4) Must be signed by the employee.

**Condition** - Records which were available to support allocation of salary and wages for the Human Resources Department were not used.

**Questioned Costs** - The salary and wages allocated to the above programs amounted to approximately \$122,000.

**Section III - Federal Award Findings and Questioned Cost (Continued)**

**Compliance (Continued)**

**99 -5 (Continued)**

**Context** - The oversight agency for the Section 8 programs, the Department of Housing and Urban Development, has approved the allocation of wages to their programs since the HUD funding is for reimbursement of rental assistance and utility allowances paid to landlords and tenants. This finding has been noted in the previous audit.

**Effect** - Funding for the other federally financed programs could be jeopardized by not following the requirements of A-87.

**Cause** - The Primary Government has not complied with the requirements of A-87.

**Recommendation** - The Primary Government should implement a policy requiring all federal program managers to maintain compliance with the applicable sections of A-87 with respect to the documentation of services and wages.

**Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical** - None.

**99 -6 Federal Program and Specific Federal Award Identification – CFDA Title: Community Service Block Grant, CFDA Number: 93.569, CFDA Title: Section 8 Housing Voucher Program, CFDA Number: 14.855, CFDA Title: Section 8 Rental Certificate Program, CFDA Number: 14.857**

**Criteria** – Provisions of A-87 regarding the recording of indirect and direct expenses.

**Condition** – Indirect expense of self-insurance costs were allocated to programs in the Human Resources department in addition to direct expenses for insurance costs.

**Questioned Costs** – The amount allocated to Federal programs amounted to approximately \$54,000.

**Context** – The Human Resources department purchases commercial property, auto and workman's compensation insurance for the operation of the department. However, the Primary Government allocated self-insurance costs for commercial property, auto and workman's compensation insurance to the Human Resources department.

### **Section III - Federal Award Findings and Questioned Cost (Continued)**

#### **Compliance (Continued)**

##### **99 -6 (Continued)**

**Effect** – Costs in excess of actual are charged to programs.

**Cause** – The Primary Government has not complied with the requirements of A-87.

**Recommendation** – The Primary Government should not allocate any self-insurance costs to the Human Resource department as long as the department is purchasing commercial insurance policies.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

##### **99 -7 Federal Program and Specific Federal Award Identification – CFDA Title: Direct Program – FTA Operating/Capital Grant, CFDA Number: 20.507**

**Criteria** – Provide reasonable assurance that the draw down of federal cash is only for immediate needs.

**Condition** – Cash drawn was not for immediate use.

**Questioned Costs** - None noted.

**Context** - \$200,000 was drawn down in April 1999 for construction of a maintenance facility. In December 1999, \$6,218 was the first cash expended on the project.

**Effect** – Future funding of projects could be jeopardized.

**Cause** – The Primary Government requested funds in anticipation of constructing an addition to the maintenance facility before the contract was put out for bid and construction costs were incurred.

**Recommendation** – The Primary Government should request funds only for immediate needs.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

### **Section III - Federal Award Findings and Questioned Cost (Continued)**

#### **Compliance (Continued)**

**99 -8 Federal Program and Specific Federal Award Identification – CFDA Title: Section 8 Rental Certificate Program, CFDA Number: 14.857**

**Criteria** – There should be a tenant's file to support payments of rent subsidies to a property owner.

**Condition** – Rent subsidy payments were paid to a landlord for a tenant whose file has not been located.

**Questioned Costs** - \$3,900.

**Context** -- This is an isolated case.

**Effect** – Erroneous reimbursement has been received for unsupported payments.

**Cause** -- The tenant's file has been misplaced.

**Recommendation** -- Improve the filing system to ensure all tenants' files can be easily located.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

**99 -9 Federal Program and Specific Federal Award Identification – CFDA Title: Family Day Care Home Program, CFDA Number 10.558, CFDA Title: Community Service Block Grant, CFDA Number: 93.569, CFDA Title: Section 8 Rental Certificate Program, CFDA Number: 14.857**

**Criteria** -- There should be a proper classification of expenditures, which are funded by federal agencies, in the general ledger to the appropriate program.

**Condition** – An insurance policy was purchased for programs administered by the Human Resources Department. The insurance cost of \$20,147 should have been allocated as follows: \$647 to the Family Day Care Home Program, \$13,000 to the Community Service Block Grant Program, and \$6,500 to the Section 8 Rental Certificate Program. However, the entire insurance cost was charged to the Community Service Block Grant Program.



**Section III - Federal Award Findings and Questioned Cost (Continued)**

**Compliance (Continued)**

**99 -9 (Continued)**

**Questioned Costs** – The net cost of the insurance policy charged to Community Service Block Grant Program, \$7,147.

**Context** – This is an isolated incident.

**Effect** – Erroneous reports submitted to the funding agencies.

**Cause** – The invoices were not properly coded to the correct programs.

**Recommendation** –All coding of expenditures should be done by management responsible for the acquisition and there should be a review process.

**Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical** - None.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

### **St. Bernard Parish Government**

For the year ended December 31, 1999

#### **Section I - Internal Control and Compliance Material to the Primary Government's General Purpose Financial Statements**

##### **Internal Control**

**98-1 Recommendation** - The Accounting Department should review all completed federal reports to ensure reconciliation between the report and the general ledgers.

**Management's Response** – Unresolved, see finding 99-1 in the accompanying Schedule of Findings and Questioned Costs.

##### **Compliance**

**98-2 Recommendation** - The Primary Government should provide the requirements of the Louisiana Budget Act to all responsible parties and instill upon them the importance of complying with all aspects of the law.

**Management's Response** – Unresolved, see finding 99-3 in the accompanying Schedule of Findings and Questioned Costs.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

##### **Internal Control**

**98-3 Recommendation** - The persons responsible for the preparation of reports for federal agencies or pass-through agencies should coordinate the results with the Accounting Department before submission.

**Management's Response** – Unresolved, see finding 99-4 in the accompanying Schedule of Findings and Questioned Costs.

## Section II - Internal Control and Compliance Material to Federal Awards (Continued)

### Compliance

**98-4 Recommendation** - Controls should be established between program administration and the Accounting Department for the notification of request and receipt of funding.

**Management's Response** -- Resolved, the Human Resources department has applied for funding in a timely manner.

**98-5 Recommendation** - The Primary Government should implement a policy requiring all federal program managers to maintain compliance with the applicable sections of A-87 with respect to the documentation of salaries and wages.

**Management's Response** -- Partially resolved, see finding 99-5 in the accompanying Schedule of Findings and Questioned Costs. This means allocating wages for the grant programs have been accepted as appropriate by the funding agencies. However, the allocation was not posted to the proper programs by the Accounting Department.

### Section III - Management Letter

**98-6 Recommendation** - The Parish Government should develop separate time and attendance reports for the public works department which provides greater detail of the work performed by public works employees.

**Management's Response** -- Partially resolved, see finding 99-10 in the accompanying Schedule of Findings and Questioned Costs. The Parish Government is in the process of reviewing new software options that may improve the detail of work performed by the Road Department.

## MANAGEMENT'S CORRECTIVE ACTION PLAN

### **St. Bernard Parish Government**

For the year ended December 31, 1999

#### **Section I - Internal Control and Compliance Material to the Primary Government's General Purpose Financial Statements**

##### **Internal Control**

- 99-1 Recommendation** - The Accounting Department should review all completed federal reports to ensure reconciliation between the report and the general ledgers.

**Management's Corrective Action** – Administration has implemented cooperative procedures between the Finance Department, Internal Auditor, and grant administrators with the purpose of assuring that the general ledgers reconcile to the close out reports in the future.

- 99-2 Recommendation** – All coding of expenditures should be done by management responsible for the acquisition and there should be a review process.

**Management's Corrective Action** – The finding in comment 99-2 was an isolated incident. The Finance Department does have controls to confirm that expenditures have been coded to the correct account. Administration will review the procedures to evaluate if further actions can be taken to eliminate the miscoding of expenditures.

##### **Compliance**

- 99-3 Recommendation** - The Primary Government should provide the requirements of the Louisiana Budget Act to all responsible parties and instill upon them the importance of complying with all aspects of the law.

**Management's Corrective Action** – Administration continuously amends the Parish's budget throughout the fiscal year to comply with the Louisiana Budget Act. The Parish Government has notified all departments of the requirements of the state and will make every effort to adhere to the budget act.

## **Section II - Internal Control and Compliance Material to Federal Awards**

### **Internal Control**

**99-4 Recommendation** - The persons responsible for the preparation of reports for federal agencies or pass-through agencies should coordinate the results with the Accounting Department before submission.

**Management's Corrective Action** – The cooperative procedures implemented by Administration between the Finance Department, Internal Auditor, and grant administrators will require the review of all reports submitted to the federal government.

### **Compliance**

**99-5 Recommendation** - The Primary Government should implement a policy requiring all federal program managers to maintain compliance with the applicable sections of A-87 with respect to the documentation of salaries and wages.

**Management's Corrective Action** – The Parish Government developed an allocation of salaries and wages that meets the requirements of A-87 and will have it implemented in 2000 to eliminate the audit comment.

**99-6 Recommendation** – The Primary Government should not allocate any self-insurance costs to the Human Resource Department as long as the department is purchasing commercial insurance.

**Management's Corrective Action** – The incorrect allocation of insurance to the Human Resource Department was a mistake in accounting philosophy that was rectified immediately after it became known to the Finance Department. The isolated incident will not be a comment in the future.

**99-7 Recommendation** – The Primary Government should request funds only for immediate needs.

**Management's Corrective Action** – Administration has reviewed the federal standards regarding the request for federal monies with the Transit Director and the comment has been resolved.

## Section II - Internal Control and Compliance Material to Federal Awards (Continued)

### Compliance (Continued)

**99-8 Recommendation** – The Primary Government should improve the filing system to ensure all tenant's files can be easily located.

**Management's Corrective Action** – The Human Resources Department is aware of the importance of maintaining proper record retention and has vowed to review all files to ensure that documentation is correctly preserved with respect to all grants administered by their department.

**99-9 Recommendation** – All coding of expenditures should be done by management responsible for the acquisition and there should be a review process.

**Management's Corrective Action** – Implementation of procedures by the Finance Department and the Internal Auditor should eliminate the comment from occurring in future audits.

## Section III - Management Letter

**99-10 Recommendation** - The Primary Government should develop separate time and attendance reports for the public works department which provides greater detail of the work performed by public works employees.

**Management's Corrective Action** - The Parish Government continues to review procedures and software programs that would assist in meeting the requirements to eliminate this finding.

**99-11 Recommendation** - The Finance Department should annually record the allocation of administrative expenses to the Division and timely record all budgeted transfers.

**Management's Corrective Action** - Procedures have been implemented to confirm that all allocations and transfers are accounted for in a proper manner.

**99-12 Recommendation** - The Finance Department should perform a monthly reconciliation of the cash account with Central Claims Service.

**Management's Corrective Action** - A reconciliation is performed monthly on the cash account. However, Administration will expand its procedure to assure that the account is properly evaluated in a timely manner.



Bourgeois Bennett

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2000 JUN 30 AM 9:57

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

We have audited the general purpose financial statements of the St. Bernard Parish Government, State of Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 9, 2000. In planning and performing our audit we considered the St. Bernard Parish Government's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control.

Reportable conditions noted during our consideration of the internal control have been reported on in a separately issued report entitled "Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Primary Government General Purpose Financial Statements Performed In Accordance With Government Auditing Standards."

This memorandum summarizes various other matters which have come to our attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control and improving the operating efficiency of the St. Bernard Parish Government.

We have already discussed these comments and suggestions with various administrative personnel. We will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

*Bourgeois Bennett, L.L.C.*  
Certified Public Accountants.

New Orleans, La.,  
June 9, 2000.



## **General**

- 1) During our testing of the St. Bernard Parish Government's work order system, it was noted where the time listed on the employees' time and attendance reports could not be agreed to the time listed on the work order selected for testing. It is our understanding that time and attendance reports for the public works department do not provide a detailed listing of the work performed by each employee. Currently the Government Accounting Standards Board is researching a new reporting model which will require the reporting of certain infrastructure expenditures in the general fixed asset account group of local governments. We recommend that a separate time and attendance report be developed for the public works department which provides greater detail of the work performed by parish employees. This will enable the St. Bernard Parish Government to capture all costs on a project by project basis and would allow for implementation when the new standards become effective. The St. Bernard Parish Government is required to implement the new reporting model beginning in the year 2003.
  
- 2) The transfers to clear the due to/from balances from 1998 were not properly recorded in 1999. This resulted in large interfund balances at year-end. The Finance Department also did not allocate administrative expenses to the Water and Sewer Division. We recommend that all transfers and allocations be properly recorded.

## **Cash**

- 3) The Parish maintains a cash account with Central Claims Service. The administrator processes all claims disbursements related to the general liability, auto, and workmen's compensation claims. This cash account is not reconciled to the Parish's general ledger. We recommend that the Finance Department perform a monthly reconciliation.