

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

8. GENERAL LONG-TERM OBLIGATIONS: (Continued)PROPRIETARY FUND TYPES: (Continued)HOME MORTGAGE AUTHORITY: (Continued)Bonds Payable (Continued)

- e) payment to the Revenue Account an amount equal to 1/12 of .55% per annum of the aggregate principal amount of bonds outstanding.

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

- a) payment of all interest due and payable with respect to any overdue bonds;
- b) payment of any installments of interest then due and payable on any bonds which are not overdue;
- c) 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

9. OTHER INDIVIDUAL FUND DISCLOSURES:Interfund Payables/Receivables and Advances

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, 1995:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 5,319,798	\$ 5,780,518
Special Revenue Funds	700,319	5,695,606
Capital Projects Funds	3,554,743	326,265
Debt Service Funds	4,267	4,745
Internal Service Fund	3,207,852	979,845
TOTAL	<u>\$12,786,979</u>	<u>\$12,786,979</u>

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9. OTHER INDIVIDUAL FUND DISCLOSURES: (Continued)

Interfund Payables/Receivables and Advances (Continued)

Individual balances of advances to/from other funds at December 31, 1995 are as follows:

	<u>Advances from</u>	<u>Advances to</u>
Public Works Fund	\$ 275,000	\$ --
Consolidated Fire Protection District No. 1-2 Fund	1,125,000	--
Internal Service Fund	--	<u>1,400,000</u>
	<u>\$1,400,000</u>	<u>\$1,400,000</u>

Interest on advances is accrued at a rate of 7%. Payments for principal should be made annually and principal payments range from \$85,000 to \$255,000. Payments for interest should be made semi-annually and interest payments range from \$3,430 to \$39,375. As of December 31, 1995, interest due to the Internal Service Fund totalled \$179,667.

Segment Information

The parish government maintains two Enterprise Funds comprising the Proprietary Fund Types which provide water and sewerage services and housing. Segment information for the year ended December 31, 1995, is as follows:

	<u>Water and Sewer Commission</u>	<u>Home Mortgage Authority</u>	<u>Totals</u>
Operating revenues	\$6,678,573	\$ 323,837	\$ 7,002,410
Operating expenses:			
Depreciation and amortization expense	2,746,413	42,164	2,788,577
All other	5,552,962	409,289	5,962,251
Operating loss	1,620,802	43,579	1,664,381
Tax revenues, net	1,620,757	--	1,620,757
Net loss	703,698	43,579	747,277
Capital contributions	16,762,580	--	16,762,580
Property, plant and equipment additions	1,257,347	--	1,257,347
Total assets	49,798,331	5,020,134	54,818,465
Net working capital	796,380	--	796,380
Bonds payable:			
Payable from operating revenue	9,455,000	--	9,455,000
Payable from other sources	4,116,000	4,096,260	8,212,260
Other long term obligations:			
Due to customer meter deposit account	904,553	--	904,553
Total equity	32,634,134	909,615	33,543,749

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10. LITIGATION:

At December 31, 1995, the parish government is a defendant in numerous 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 financial statements.

The parish government is involved in several claims for which the parish's exposure ranges from \$295,000 to \$985,000. The claims liability of \$295,000 at December 31, 1995 is recorded in these financial statements and is presented at current value and has not been discounted.

The St. Bernard Parish Water and Sewer Commission is involved in various claims for alleged negligence. The range of exposure is from \$164,305 to \$221,805. The estimated claims liability is computed based on information received from the insurance company. The claims liability of \$164,305 at December 31, 1995 is presented at current value and has not been discounted.

11. FOOD STAMP PROGRAM - GOVERNMENTAL FUNDS:

The Food Stamp Program is operated by the parish government under an agreement with the Louisiana Department of Social Services. Under this program the parish government is responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received and issued is not recorded in the accompanying statements.

Activity of food stamps for the year ended December 31, 1995 is as follows:

Balance January 1, 1995	\$1,597,342
Received	6,041,000
Issued	<u>(6,073,061)</u>
Balance December 31, 1995	<u>\$1,565,281</u>

12. MORTGAGE LOANS RECEIVABLE - PROPRIETARY FUNDS:

Mortgage loans receivable acquired by the 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 Authority and receives compensation for services rendered.

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

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

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13. EMPLOYEE RETIREMENT SYSTEMS:

The St. Bernard Parish Government contributes to the Parochial Employees Retirement System of Louisiana, the Firefighters' Retirement System, the District Attorneys' Retirement System of Louisiana and the Registrars of Voters Employees' Retirement System. The parish's payroll for employees covered by the retirement systems for the year ended December 31, 1995 was \$10,605,040 (which includes parish payroll of \$8,589,886 and Water and Sewer Commission payroll of \$2,015,154).

Parochial Employees' Retirement System

Substantially all employees of the parish government except district attorneys, firemen and registrars of voters are members of the Parochial Employees' Retirement System of Louisiana (the System), a cost-sharing, multiple employer, public employee retirement system controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the parish government are members of Plan A. The total payroll for employees of the parish government covered under the System was \$5,139,160 as of December 31, 1995. The total payroll for employees of the Commission covered by the system under Plan A was \$2,015,154.

As of December 31, 1995, the number of members covered under Plan A of the System on a statewide basis and its makeup could not be determined due to the unavailability of the System's comprehensive annual financial statements.

However, as of December 31, 1994, there were 20,967 members covered under Plan A of the System on a statewide basis, of which 3,828 are retired beneficiaries, 4,684 are terminated and due benefits and 12,455 are active employees.

Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with at least 25 years of credited service or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service. This benefit may not exceed the greater of 100% of an employee's final salary (last twelve months) or the final average compensation. However, for employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of credited service stated previously and do not withdraw their employee contributions may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by State statute.

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13. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

Parochial Employees' Retirement System (Continued)

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to assist users in assessing the plan's funding status on a going-concern basis, assessing progress made in accumulating sufficient assets to pay benefits when due and making comparisons among government pension plans and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at December 31, 1995, determined through an actuarial valuation performed as of that date, was unavailable for Plan A. The net assets available for benefits on that date were also unavailable for Plan A. However, at December 31, 1994 the pension benefit obligation for Plan A was \$691,858,596 and the System's net assets available for benefits on that date were \$597,625,304 leaving an unfunded pension benefit obligation of \$94,233,292.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires employees covered by Plan A to contribute 9.5% of their salary to the System. The parish government and the Water & Sewer Commission are required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The required contribution for the parish government and the Water and Sewer Commission for the year ended December 31, 1995 was 8.00 percent of the salary of each covered employee.

The actuarially determined contribution requirements for Plan A for the year ended December 31, 1995 could not be determined. The Parish's actual contributions made for the year ended December 31, 1995 were \$887,800, which were comprised of \$411,133, or 8.0% of covered payroll, in parish contributions and \$476,667, or 9.3% of covered payroll, in employee contributions. The Commission's actual contributions made for the year ended December 31, 1995 were \$349,836, which were comprised of \$161,212, or 8.00% of covered payroll, in employer contributions and \$188,624, or 9.5% of covered payroll, in employee contributions.

A nine year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1994 comprehensive annual financial report.

Firefighters' Retirement System

Full-time firefighters of the parish government are eligible to participate in the Firefighters Retirement System (FRS), a cost-sharing, multiple employer public employee retirement system. As of June 30, 1995, there were 3,197 members covered by the plan on a statewide basis, of which 774 are retired beneficiaries, 48 are terminated and due benefits and 2,375 are active employees. The payroll for parish government employees covered by the FRS for the year ended December 31, 1995 was \$3,267,682.

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13. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

Firefighters' Retirement System (Continued)

Under the provisions of LRS 11:2251 - 11:2268 employees are eligible to retire at age 50 with twenty years of creditable service or at age 55 with twelve years of creditable service or at any age with 25 years of service. Employees must be a member of the FRS for one year in order to be eligible for a benefit.

Employees are entitled to annual pension benefits equal to three and one third percent of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Death and disability benefits are also payable in monthly annuities. After completing 20 years of service, a member may elect to participate in the Deferred Retirement Option Plan for up to 36 months.

Contributions made by employees and employers were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at June 30, 1994. Actual employee contributions made for the year ended December 31, 1995 were \$257,522 or 8.0% of earnable compensation. The parish is required to contribute the remaining amounts necessary to pay benefits when due. The actuarially determined employer contribution requirement for the year ended June 30, 1995 was 9.0 percent of earnable compensation. The actuarially required contribution for the employer represents 5.5 percent of total contributions required of all employers. Actual employer contributions made for the year ended December 31, 1995 were \$294,092 or 9% of earnable compensation.

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to assist users in assessing the plan's funding status on a going-concern basis, assessing progress made in accumulating sufficient assets to pay benefits when due and making comparisons among government pension plans and employers. The FRS does not make separate measurements of assets and pension obligations for individual employers. The pension benefit obligation at June 30, 1995, for the FRS as a whole was \$392,663,345. The FRS's net assets available for benefits on that date were \$352,392,368, leaving an unfunded pension benefit obligation of \$40,270,977.

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is available in the separately issued retirement system reports issued by the administrators of the FRS.

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13. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

District Attorneys' Retirement System

The district attorneys of St. Bernard Parish are eligible to participate in the District Attorneys' Retirement System (System), a cost-sharing, multiple employer, public employee retirement system. As of June 30, 1994, there were 733 members covered by the plan on a statewide basis, of which 93 are retired beneficiaries, 97 are terminated and due benefits and 543 are active employees. The payroll for the Parish employees covered by the System for the year ended December 31, 1995, was \$164,679.

Members who joined the system before July 1, 1990 and elected not to be covered by the new provisions may retire at any age with 23 years of creditable service with a three percent benefit reduction for each year below age 55, at age 55 with 18 years of creditable service with a three percent benefit reduction for each year below age 60, or at age 60 with ten years of creditable service with a three percent reduction for each year below age 62.

Members who joined the system after July 1, 1990, or who elected to be covered by the new provisions are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age.

In lieu of terminating employment and accepting a service retirement allowance, any member in the New Plan who is eligible for normal retirement or any member of the Old Plan who is eligible for unreduced benefits may elect to participate in the Deferred Retirement Option Plan for up to two years and defer the receipt of benefits.

Upon retirement, members receive an annual benefit equal to three percent of their average final compensation multiplied by the number of years of creditable service, not to exceed one hundred percent of their average final compensation. Death and disability benefits are also provided.

Covered employees are required by statute to contribute 7% of their compensation for active members and .5% of salary for DROP participants to the System. In addition, the sheriffs and ex officio tax collectors are required to contribute .2 percent of taxes collected to the System. Actual employee contributions made for the year ended December 31, 1995 were \$11,528 or 7% of covered payroll. Beginning July 1, 1995 it was determined by the Public Retirement System's Actuarial Committee that employer contributions of 3.25% of covered payroll were necessary to provide actuarially required contributions to the System. From July 1, 1994 to June 30, 1995, the employer contribution rate was 2.5% of covered payroll. Actual employer contributions made for the year ended December 31, 1995 were \$4,703 or 2.85% of covered payroll from July 1, 1995 to December 31, 1995.

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to

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13. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

District Attorneys' Retirement System (Continued)

assist users in assessing the plan's funding status on a going-concern basis, assessing progress made in accumulating sufficient assets to pay benefits when due and making comparisons among government pension plans and employers. The DARS does not conduct separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1995, for the DARS as a whole, determined through an actuarial valuation performed as of that date, was \$67,539,299. The System's net assets available for benefits on that date were \$67,557,002, with assets in excess of the pension benefit obligation of \$17,703.

Historical trend information is available in the separately issued retirement system reports issued by the administrators of the System. The trend information provides information about progress made in accumulating sufficient assets to pay benefits when due.

Registrars of Voters Employees' Retirement System

Registrars of voters, their deputies, and their permanent employees in each parish are eligible to participate in the Registrars of Voters Employees' Retirement System (System), a cost-sharing, multiple employer public employee retirement system. As of June 30, 1995, there were 328 members covered by the plan on a statewide basis, of which 121 are retired or survivor beneficiaries, 10 are terminated and due benefits and 197 are active employees. The payroll for parish government employees covered by the System for the year ended December 31, 1995 was \$18,365.

Under Louisiana Revised Statute 11:2032 members are eligible to retire at age 60 with ten years of creditable service or at age 55 with 20 years. Members with 30 years of service can retire at any age. The annual retirement allowance is equal to three percent of the member's average final compensation for each year of creditable service. Death and disability benefits are also available. Benefits are established by State statute.

In lieu of terminating employment and accepting a service retirement allowance, any member with eleven or more years of service at age 61, twenty-one or more years of service at age 56, or thirty-one or more years of service at any age may elect to participate in the Deferred Retirement Option Plan for up to two years and defer the receipt of benefits.

Covered employees are required by state statute to contribute 7% of their compensation to the system. The parish government is required by the same statute to contribute the remaining amounts necessary should employee contributions and tax monies be insufficient to fund the system. For the year ended June 30, 1995 employers were not required to contribute since ad valorem taxes were sufficient to pay the employers' actuarial contribution. The employee contributions for the year ended December 31, 1995 were \$1,286.

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13. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

Registrars of Voters Employees' Retirement System (Continued)

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to assist users in assessing the plan's funding status on a going-concern basis, assessing progress made in accumulating sufficient assets to pay benefits when due and making comparisons among government pension plans and employers. The System does not make separate measurements of assets and pension obligations for individual employers. The pension benefit obligation at June 30, 1995, for the System as a whole was \$28,018,888. The System's net assets available for benefits on that date were \$31,064,347, with assets in excess of the pension benefit obligation of \$3,045,459.

Ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is available in the separately issued retirement system report issued by the administrators of the System.

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.

GOVERNMENTAL FUNDS:

RESERVED FUND BALANCES:

Reserve for Debt Service

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

	<u>Debt Service Funds</u>
Reserves 1994	\$2,298,434
Payments 1995	(1,507,234)
Collections 1995	<u>1,535,271</u>
Reserves 1995	<u>\$2,326,471</u>

Reserve for Incomplete Projects:

The parish government reserved \$2,485,254 for incomplete projects as of December 31, 1995.

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14. RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS: (Continued)

GOVERNMENTAL FUNDS: (Continued)

DESIGNATED FUND BALANCES: (Continued)

The parish government designated \$425,000 of the Capital Projects Fund. These funds were dedicated for the construction of a Senior Citizen's Facility for the St. Bernard Parish Council on Aging.

PROPRIETARY FUNDS:

WATER AND SEWER COMMISSION

RESERVED RETAINED EARNINGS:

The St. Bernard Water and Sewer Commission has established three reserves as reflected on the balance sheet.

Reserve for Capital Renewal and Replacement

The reserve for capital renewal and replacement 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 five percent of the prior month's operating expenses.) In addition, net assets acquired with commission funds are included in the reserve per board resolution. The reserved retained earnings are \$5,362,016 at December 31, 1995.

Reserve for Construction

The reserve for construction was established in accordance with bond requirements and commission resolution. The reserved funds pay for construction projects required by the United States Environmental Protection Agency. The commission also irrevocably pledges money held in this reserve to the bond holders as additional security for the bonds. Upon completion of the projects, any remaining funds will be reserved for debt service to satisfy any deficiency in funds needed to pay principal and interest on the \$10,650,000 bond issue dated August 1, 1986 and principal and interest on the \$1,350,000 bond issue dated December 1, 1991 and principal and interest on the \$7,950,000 bond issue dated April 1, 1994. In addition, the construction projects are capitalized when completed and included in the reserve and the long-term portion of the 1986, 1991 and 1994 revenue bonds payable to reduce the reserve. The reserved retained earnings are \$1,038,764 at December 31, 1995.

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14. RESERVED AND DESIGNATED FUND BALANCES/RETAINED EARNINGS: (Continued)

PROPRIETARY FUNDS: (Continued)

WATER AND SEWER COMMISSION (Continued)

RESERVED RETAINED EARNINGS: (Continued)

Reserve for Debt Service

The reserve for debt service 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 1986, 1991 and 1994 revenue bond. 2) The debt service reserve account accumulates interest on the \$1,111,165 of bond proceeds set aside for the benefit of bond holders. In addition, the related 1986, 1991 and 1994 bond principal and accrued interest reduces the reserve. As of December 31, 1995, the reserved fund balance is \$(449,678).

15. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - PROPRIETARY FUNDS:

The St. Bernard Parish Water and Sewer Commission provides certain continuing health care insurance benefits for its retired employees. Substantially all of the Commission's employees become eligible for these benefits if they reach normal retirement age while working for the Commission. As of the year end, fourteen retirees were eligible and receiving benefits. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the Commission. Retirees and active employees are responsible for dependent coverage costs. The Commission's costs of providing retiree health care insurance benefits are recognized as expenses when the monthly premiums are paid. For four months the retirees' monthly premiums were \$98 and for eight months \$72. Expenditures are recognized as retirees' claims are paid. For the year ended December 31, 1995, the cost of retirees' premiums was \$15,322.

16. SELF INSURANCE-PROPRIETARY FUNDS:

Enterprise Funds

The St. Bernard Parish Water and Sewer Commission is self-insured for hospitalization claims up to approximately \$20,000 per employee or an aggregate of approximately \$288,790 per year. The excess is insured under an insurance policy. The fund is administered by an independent insurance service company.

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:

Claims liability at 12/31/94	\$ 40,846
Less: claims paid during the year	(233,394)
Plus: claims incurred	<u>234,182</u>
Claims liability at 12/31/95	<u>\$ 41,634</u>

The claims liability at December 31, 1995 is presented at current value and has not been discounted.

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16. SELF INSURANCE-PROPRIETARY FUNDS: (Continued)

Internal Service Fund

The parish government established a self insurance fund for their workman's compensation, unemployment compensation, general and automobile liability. 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% co-insurance clause with a maximum liability to the parish of \$1,000,000. The fund is administered by an independent insurance service company.

The estimated claims and liabilities are computed by subtracting paid claims from the reserves previously set up to arrive at "remaining reserves" and then "developing" that number based on rates between 1 and 2.5 over a three year period determined by the third party administrator using historical data.

The following represents a reconciliation of total claims liabilities:

Claims liabilities at 12-31-94	\$1,237,381
Less claims paid during 1995	(655,156)
Plus provision for incurred claims	<u>655,156</u>
Claims liabilities at 12-31-95	<u>\$1,237,381</u>

17. TRANSFERS - PROPRIETARY FUNDS:

Water & Sewer Commission

An operating transfer of \$679,180 was made between the St. Bernard Parish Water and Sewer Commission and Water District No. 1, Water District No. 2, Sewer District No. 1 and Sewer District No. 2. The transfer was made for the Commission's portion of ad valorem taxes and state revenue sharing.

18. DAMAGE - RIVER INTAKE STRUCTURE:

The Commission suffered substantial damage to its Mississippi River water intake crib, fender and pipe from batture to crib in two separate tow boat accidents during 1994. The net book value of the structure at the time of the accident including portions not damaged is \$730,050. To date a portion of the assets has been recovered by insurance in the amount of \$364,135. As of December 31, 1995 insurance proceeds received exceed the expenditures incurred, thus, a deferred credit of \$5,085 is recorded in the financial statements at year end. These monies will be used in the future to repair the damaged structure. The estimated cost to repair the damaged structure is \$785,000. The Commission plans to recoup any loss from the accident from the negligent party. Through April 22, 1996 the Commission has incurred \$411,874 in cost to repair the damaged structure.

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19. 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. The affairs and business of the Corporation are managed by a board of directors. 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, 1995.

<u>Balance Sheet</u>	
Assets	\$ <u>18,461</u>
Retained Earnings	\$ <u>18,461</u>
<u>Income Statement</u>	
Concession sales	\$181,094
Less refunds, commissions and cost of goods sold	<u>(45,830)</u>
Gross profit	135,264
Less expenses	76,555
Less transfers to St. Bernard Parish Government	<u>21,442</u>
Net income	\$ <u>37,267</u>

20. CHANGE IN APPLICATION OF ACCOUNTING PRINCIPLE:

GOVERNMENTAL FUNDS:

During the current year the parish government changed its method of allocating general and administrative expenditures, and legislative expenditures to other funds. In the prior year the allocation included allocating general and administrative expenditures and legislative expenditures from the General and Sales Tax Funds to the special revenue and internal service funds. In the current year the allocation excluded expenditures from the Sales Tax Fund and was recorded in only seven special revenue funds and the Internal Service Fund. As a result, in the prior year, \$2,084,109 of general and administrative expenditures, and legislative expenditures from the General and Sales Tax Funds were allocated to special revenue funds. During the current year \$431,542 of general and administrative, and legislative expenditures were allocated to other funds. Of this amount, \$368,442 was allocated to special revenue funds and \$63,100 was allocated to the Internal Service Fund. The change has no effect on net income, net assets or total equity of the parish government.

During the current year the parish government changed its policy of recording equipment purchases and major street repairs. In the prior year, equipment purchases were recorded in the respective fund in which the equipment will be used. Additionally, major street repairs were recorded in the Public Works Fund. During the current year, the parish government began recording all

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

20. CHANGE IN APPLICATION OF ACCOUNTING PRINCIPLE: (Continued)

GOVERNMENTAL FUNDS: (Continued)

equipment and capital purchases totalling \$1,331,750 in the capital projects fund. Additionally all major street repairs totalling \$417,744 in the current year, are currently being recorded in the capital projects fund. The change has no effect on net income, net assets or total equity of the parish government.

21. SECTION 8 HOUSING PROGRAM INVESTIGATION:

Apparent irregularities involving the Section 8 Housing Program were discovered by the St. Bernard Parish Government during 1995. The matter was referred to the Department of Housing and Urban Development (HUD) and subsequently turned over to the Federal Bureau of Investigation for investigation. As a result of the investigation \$139,696 of ineligible payments have been identified and must be returned to the federal program. It is the parish's contention that these amounts will be paid by the individuals responsible. No payment has been requested by the parish government from HUD. However, individuals responsible have been court ordered to make restitution. To date \$10,482 has been received by the parish as restitution.

22. SUBSEQUENT EVENT:

On April 9, 1996 the St. Bernard Parish Government defeased a portion of the 1986 Sales Tax Public Improvement Bonds in the amount of \$2,750,000 with an interest rate ranging from 7.7% to 8% and debt service payments from \$180,000 to \$390,000 by issuing \$2,740,000 Series ST-1995 Public Improvement Refunding Bonds. The interest rate on the new bonds range from 3.75% to 5.0% and mature on March 1, 2006 with debt service payments ranging from \$175,000 to \$350,000.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Generally accepted accounting principles require the disclosure of fair value of financial instruments where it is considered practicable to estimate fair value. Because no readily available market exists for a portion of the reporting entity's financial instruments, fair value for these instruments is based on judgments regarding current economic conditions, interest rate risk characteristics, loss experience and other factors. Many of these estimates involve uncertainties and matters of significant judgment and cannot be determined with precision. Therefore, the calculated fair value estimates cannot always be substantiated by comparison to independent markets and, in many cases may not be realized in a current sale of the instruments. Changes in assumptions could significantly affect the estimates.

The following assumptions were made by the St. Bernard Parish Government, the St. Bernard Water and Sewer Commission, and the St. Bernard Home Mortgage Authority on estimating the fair value of its financial instruments at December 31, 1995 and March 31, 1996:

- a) Cash and cash equivalents - for these short-term instruments, the carrying amount is a reasonable estimate of fair value.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

23. FAIR VALUE OF FINANCIAL INSTRUMENTS: (Continued)

- b) Investments - the fair value of U.S. Government Securities and guaranteed investment contracts is based on quoted market prices. The fair value of certificates of deposit approximates the carrying value.
- c) Mortgage loans receivable - fair value is estimated using rates currently offered for loans of similar remaining terms and collateral and is based on the discounted value of contractual cash flows.
- d) Bonds payable - fair value is estimated using rates for currently issued bonds and is based on the discounted value of contractual cash flows.
- e) Other liabilities - fair value is estimated at face value of the amount due to the Corps of Engineers at December 31, 1995.

GOVERNMENTAL FUNDS:

The estimated fair values of financial assets and financial liabilities of the governmental funds at December 31, 1995 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 6,215,475	\$ 6,215,475
Investments	1,538,900	1,538,900
Financial liabilities:		
Bonds payable	10,744,314	12,258,160
Other liabilities	6,730,000	6,730,000

PROPRIETARY FUNDS:

The estimated fair values of financial assets and financial liabilities of the St. Bernard Water and Sewer Commission at December 31, 1995 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 2,043,156	\$ 2,043,156
Financial liabilities:		
Bonds payable	13,571,000	14,141,929

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

23. FAIR VALUE OF FINANCIAL INSTRUMENTS: (Continued)

PROPRIETARY FUNDS: (Continued)

The estimated fair values of financial assets and financial liabilities of the St. Bernard Home Mortgage Authority at March 31, 1996 are as follows:

	<u>1991 Program</u>		<u>1992 Program</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:				
Cash and cash equivalents	\$ 182,532	\$ 182,532	\$ 102,886	\$ 102,886
Investments	--	--	792,106	952,993
Mortgage loans receivable	2,266,344	2,589,804	1,212,587	1,342,391
Financial liabilities:				
Bonds payable	2,259,075	2,660,096	1,837,185	2,172,716

The estimated fair values of financial assets of the Internal Service Fund at December 31, 1995 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 188,579	\$ 188,579
Investments	400,000	400,000

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.

ST. BERNARD PARISH GOVERNMENT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1995

	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
ASSETS:						
Cash	\$ 229,574	\$ 964,455	\$ 100,346	\$ 15,479	\$ 47,441	\$ 38,222
Investment	--	--	--	--	--	--
Receivables - net	801,568	462,504	1,073,247	331,157	96,123	213,592
Due from other funds	--	--	350,000	--	--	10,000
Other assets	--	--	1,081	--	--	--
TOTAL ASSETS	\$ 1,031,142	\$ 1,426,959	\$ 1,524,674	\$ 346,636	\$ 143,564	\$ 261,814
LIABILITIES AND FUND EQUITY:						
Liabilities:						
Accounts payable	\$ 192,797	\$ 101,675	\$ 187,113	\$ 31,568	\$ 4,556	\$ 13,322
Payroll deductions payable	--	--	--	--	--	--
Advances from other funds	275,000	--	1,125,000	--	--	--
Due to other funds	1,019,793	1,794,451	810,903	282,278	113,603	281,312
Other liabilities	35,292	--	144,375	3,625	--	--
Total liabilities	1,522,882	1,896,126	2,267,391	317,471	118,159	294,634
Fund Equity:						
Fund balances (deficit):						
Unreserved - undesignated	(491,740)	(469,167)	(742,717)	10,490	25,405	(32,820)
Reserve for uncompleted Contracts	--	--	--	18,675	--	--
Total fund equity	(491,740)	(469,167)	(742,717)	29,165	25,405	(32,820)
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,031,142	\$ 1,426,959	\$ 1,524,674	\$ 346,636	\$ 143,564	\$ 261,814

JOB 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
\$ 41,531	\$ 311,127	\$ 118,024	\$ 4,166	\$ 166,010	\$ 2,022	\$ 1,257
--	--	--	--	--	--	--
34,266	117	--	3,090	53,097	--	--
--	--	--	11,292	--	2,000	66,560
--	299	--	--	--	--	--
<u>\$ 75,797</u>	<u>\$ 311,543</u>	<u>\$ 118,024</u>	<u>\$ 18,548</u>	<u>\$ 219,107</u>	<u>\$ 4,022</u>	<u>\$ 67,817</u>
\$ --	\$ --	\$ 28,870	\$ 6,824	\$ --	\$ 753	\$ 49,447
5,098	--	--	--	--	--	--
--	--	--	--	--	--	--
5,300	211,253	85,068	12,579	128,336	2,423	28,895
64,050	69,506	--	--	--	--	--
<u>74,448</u>	<u>280,759</u>	<u>113,938</u>	<u>19,403</u>	<u>128,336</u>	<u>3,176</u>	<u>78,342</u>
1,349	30,784	4,086	(855)	90,771	846	(10,525)
--	--	--	--	--	--	--
<u>1,349</u>	<u>30,784</u>	<u>4,086</u>	<u>(855)</u>	<u>90,771</u>	<u>846</u>	<u>(10,525)</u>
<u>\$ 75,797</u>	<u>\$ 311,543</u>	<u>\$ 118,024</u>	<u>\$ 18,548</u>	<u>\$ 219,107</u>	<u>\$ 4,022</u>	<u>\$ 67,817</u>

ST. BERNARD PARISH GOVERNMENT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1995

	ENVIRON- MENTAL MITIGATION FUND	DEPUTY WITNESS FEE FUND	LIBRARY FUND	ROAD LIGHTING DISTRICT NO. 1 FUND	GROUP HOME FUND	GROUP HOME RESIDENT FUND
ASSETS:						
Cash	\$ 3,099	\$ 2,379	\$ 372,530	\$ 6,205	\$ 33,878	\$ 1,134
Investments	---	---	300,000	---	---	---
Receivables - net	---	---	559,287	183,475	41,033	---
Due from other funds	---	3,912	---	---	200	---
Other assets	---	---	---	---	---	236
TOTAL ASSETS	<u>\$ 3,099</u>	<u>\$ 6,291</u>	<u>\$ 1,231,817</u>	<u>\$ 189,680</u>	<u>\$ 75,111</u>	<u>\$ 1,370</u>
LIABILITIES AND FUND EQUITY:						
Liabilities:						
Accounts payable	\$ ---	\$ 10,950	\$ 2,229	\$ 14,045	\$ 16,085	\$ ---
Payroll deductions payable	---	---	---	---	---	---
Advances from self insurance	---	---	---	---	---	---
Due to other funds	---	1,815	8,210	180,690	286,879	200
Other liabilities	---	---	---	---	20	---
Total liabilities	---	<u>12,765</u>	<u>10,439</u>	<u>194,735</u>	<u>302,984</u>	<u>200</u>
Fund Equity:						
Fund balances (deficit):						
Unreserved - undesignated	3,099	(6,474)	1,221,378	(5,055)	(227,873)	1,170
Reserve for uncompleted Contracts	---	---	---	---	---	---
Total fund equity	<u>3,099</u>	<u>(6,474)</u>	<u>1,221,378</u>	<u>(5,055)</u>	<u>(227,873)</u>	<u>1,170</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,099</u>	<u>\$ 6,291</u>	<u>\$ 1,231,817</u>	<u>\$ 189,680</u>	<u>\$ 75,111</u>	<u>\$ 1,370</u>

HUMAN RESOURCES FUND	CIVIC AUDITORIUM FUND	COMMUNICATIONS FUND	COMMUNITY DEVELOPMENT FUND	RENTAL REHABILITATION FUND	TOTAL
\$ 64,742	\$ 17,500	\$ 78,246	\$ 13,802	\$ --	\$ 2,633,169
--	--	200,000	--	--	500,000
142,335	--	23,344	21,350	63,387	4,102,972
170,072	68,130	--	18,153	--	700,319
--	--	--	--	--	1,616
<u>\$ 377,149</u>	<u>\$ 85,630</u>	<u>\$ 301,590</u>	<u>\$ 53,305</u>	<u>\$ 63,387</u>	<u>\$ 7,938,076</u>
\$ 11,767	\$ 10,624	\$ 58	\$ 29,006	\$ --	\$ 711,689
--	--	--	--	--	5,098
--	--	--	--	--	1,400,000
180,537	92,296	53,780	115,005	--	5,695,606
--	33,134	50	35	--	350,087
<u>192,304</u>	<u>136,054</u>	<u>53,888</u>	<u>144,046</u>	<u>--</u>	<u>8,162,480</u>
184,845	(50,424)	247,702	(90,741)	63,387	(243,079)
--	--	--	--	--	18,675
<u>184,845</u>	<u>(50,424)</u>	<u>247,702</u>	<u>(90,741)</u>	<u>63,387</u>	<u>(224,404)</u>
<u>\$ 377,149</u>	<u>\$ 85,630</u>	<u>\$ 301,590</u>	<u>\$ 53,305</u>	<u>\$ 63,387</u>	<u>\$ 7,938,076</u>

ST. BERNARD PARISH GOVERNMENT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1995

	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
REVENUES:						
Taxes						
Ad valorem	\$ 447,843	\$ 447,844	\$ 1,106,016	\$ 317,912	\$ 91,221	\$ --
Other taxes, penalties, interest, etc.	615	615	114,600	437	125	--
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues:						
Federal grants	84,674	--	4,923	--	--	247,082
State grants:						
Parish transportation fund	657,137	--	--	--	--	--
State revenue sharing	61,263	61,264	56,943	53,542	19,213	--
Other state funds	981,916	--	--	--	--	--
Fees, charges and commission for services	111,613	--	2,535	38	--	93,063
Fines and forfeitures	--	--	--	--	--	--
Use of money and property	27,188	52,331	6,261	22,274	3,660	6,634
Other revenues	22,286	4,733	1,516	26,349	--	2,725
Total revenues	<u>2,394,535</u>	<u>566,787</u>	<u>1,292,794</u>	<u>420,552</u>	<u>114,219</u>	<u>349,504</u>
EXPENDITURES:						
General government:						
Legislative	--	49,063	--	--	--	6,036
Judicial	--	--	--	--	--	--
Finance and administrative	--	155,089	--	--	--	19,078
Other general government	--	--	--	--	--	256,825
Public safety	--	--	4,662,710	--	--	--
Public works	2,902,776	2,884,186	--	--	--	--
Health and welfare	--	--	--	--	99,023	--
Culture and recreation	--	--	--	813,596	--	--
Capital outlay	77,825	398	11,337	24,342	--	104,059
Total expenditures	<u>2,980,601</u>	<u>3,088,736</u>	<u>4,674,047</u>	<u>837,938</u>	<u>99,023</u>	<u>385,998</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(586,066)</u>	<u>(2,521,949)</u>	<u>(3,381,253)</u>	<u>(417,386)</u>	<u>15,196</u>	<u>(36,494)</u>
OTHER FINANCING SOURCES:						
Operating transfers in	--	2,576,454	2,631,000	360,485	--	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>(586,066)</u>	<u>54,505</u>	<u>(750,253)</u>	<u>(56,901)</u>	<u>15,196</u>	<u>(36,494)</u>
Fund balance (deficit) - beginning of year	94,326	(523,672)	7,536	86,066	10,209	3,674
Residual Equity Transfer	--	--	--	--	--	--
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (491,740)</u>	<u>\$ (469,167)</u>	<u>\$ (742,717)</u>	<u>\$ 29,165</u>	<u>\$ 25,405</u>	<u>\$ (32,820)</u>

JOB 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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
3,370,010	879,856	326,385	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	39,175	36,671	--	--
--	--	--	--	178,083	--	--
--	8,911	5,221	57	5,046	77	136
35,543	1,646	1,027	--	--	407	5,023
<u>3,405,553</u>	<u>890,413</u>	<u>332,633</u>	<u>39,232</u>	<u>219,800</u>	<u>484</u>	<u>5,159</u>
--	13,520	5,279	--	--	--	--
--	--	--	180,014	48,084	21,015	439,356
--	42,738	16,688	--	--	--	--
3,326,241	--	--	--	--	--	--
--	--	--	--	--	--	--
--	807,258	309,216	--	--	--	--
--	--	--	--	--	--	--
79,312	338	--	840	17,010	--	1,078
<u>3,405,553</u>	<u>863,854</u>	<u>331,183</u>	<u>180,854</u>	<u>65,094</u>	<u>21,015</u>	<u>440,434</u>
--	26,559	1,450	(141,622)	154,706	(20,531)	(435,275)
--	--	--	139,000	--	19,000	422,630
--	26,559	1,450	(2,622)	154,706	(1,531)	(12,645)
1,349	4,225	2,636	1,767	26,837	2,377	2,120
--	--	--	--	(90,772)	--	--
<u>\$ 1,349</u>	<u>\$ 30,784</u>	<u>\$ 4,086</u>	<u>\$ (855)</u>	<u>\$ 90,771</u>	<u>\$ 846</u>	<u>\$ (10,525)</u>

ST. BERNARD PARISH GOVERNMENT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1995

	ENVIRON- MENTAL MITIGATION FUND	DEPUTY WITNESS FEE FUND	LIBRARY FUND	ROAD LIGHTING DISTRICT NO. 1 FUND	GROUP HOME FUND	GROUP HOME RESIDENT FUND
REVENUES:						
Taxes						
Ad valorem	\$ --	\$ --	\$ 555,342	\$ 177,611	\$ --	\$ --
Other taxes, penalties, interest, etc.	--	--	--	245	--	--
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues:						
Federal grants	--	--	--	--	237,005	--
State grants:						
Parish transportation fund	--	--	--	--	--	--
State revenue sharing	--	--	74,495	24,391	--	--
Other state funds	--	--	--	--	27,821	--
Fees, charges and commission for services	--	--	12,726	--	--	--
Fines and forfeitures	--	63,324	11,907	--	--	--
Use of money and property	145	80	44,459	1,543	7,045	72
Other revenues	--	200	8,950	--	228	248
Total revenues	<u>145</u>	<u>63,604</u>	<u>707,879</u>	<u>203,790</u>	<u>272,099</u>	<u>320</u>
EXPENDITURES:						
General government:						
Legislative	--	--	--	--	8,188	--
Judicial	--	63,240	--	--	--	--
Finance and administrative	--	--	--	--	25,884	--
Other general government	30	--	--	--	--	--
Public safety	--	--	--	--	--	--
Public works	--	--	--	621,702	--	--
Health and welfare	--	--	--	--	471,700	--
Culture and recreation	--	--	346,850	--	--	--
Capital outlay	--	--	157,498	--	5,445	--
Total expenditures	<u>30</u>	<u>63,240</u>	<u>504,348</u>	<u>621,702</u>	<u>511,217</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>115</u>	<u>364</u>	<u>203,531</u>	<u>(417,912)</u>	<u>(239,118)</u>	<u>320</u>
OTHER FINANCING SOURCES:						
Operating transfers in	--	--	--	380,000	--	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>115</u>	<u>364</u>	<u>203,531</u>	<u>(37,912)</u>	<u>(239,118)</u>	<u>320</u>
Fund balance (deficit) - beginning of year	2,984	(6,838)	1,017,847	32,857	11,245	850
Residual Equity Transfer	--	--	--	--	--	--
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 3,099</u>	<u>\$ (6,474)</u>	<u>\$ 1,221,378</u>	<u>\$ (5,055)</u>	<u>\$ (227,873)</u>	<u>\$ 1,170</u>

HUMAN RESOURCES FUND	CIVIC AUDITORIUM FUND	COMMUNICATIONS FUND	COMMUNITY DEVELOPMENT FUND	RENTAL REHABILITATION FUND	TOTAL
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,143,789
--	--	181,278	--	--	297,915
--	--	--	204,693	--	204,693
616,290	--	--	20,306	--	5,786,531
--	--	--	--	--	657,137
--	--	--	--	--	351,111
--	--	--	19,298	--	1,029,035
--	240,841	--	27,633	--	564,295
--	--	--	--	--	253,314
2,319	552	15,626	124	--	209,761
471	--	100	6,225	63,387	181,064
<u>619,080</u>	<u>241,393</u>	<u>197,004</u>	<u>278,279</u>	<u>63,387</u>	<u>12,678,645</u>
3,505	--	2,771	--	--	88,362
--	--	--	--	--	751,709
11,079	--	8,761	--	--	279,317
--	--	--	--	--	3,583,096
--	--	101,397	--	--	4,764,107
--	--	--	--	--	6,408,664
633,658	--	--	660,930	6,996	2,988,781
--	438,792	--	--	--	1,599,238
31,800	6,195	54,690	7,813	--	579,980
<u>680,042</u>	<u>444,987</u>	<u>167,619</u>	<u>668,743</u>	<u>6,996</u>	<u>21,043,254</u>
<u>(60,962)</u>	<u>(203,594)</u>	<u>29,385</u>	<u>(390,464)</u>	<u>56,391</u>	<u>(8,364,609)</u>
<u>168,632</u>	<u>115,000</u>	<u>--</u>	<u>298,000</u>	<u>--</u>	<u>7,110,201</u>
107,670	(88,594)	29,385	(92,464)	56,391	(1,254,408)
77,175	38,170	218,317	1,723	6,996	1,120,776
--	--	--	--	--	(90,772)
<u>\$ 184,845</u>	<u>\$ (50,424)</u>	<u>\$ 247,702</u>	<u>\$ (90,741)</u>	<u>\$ 63,387</u>	<u>\$ (224,404)</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.

ST. BERNARD PARISH GOVERNMENT
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1995

	IMPROVEMENT BOND FUNDS		
	SERIES A,B,C	SERIES 1977	SERIES 1986
ASSETS:			
Cash	\$ 52,203	\$ 204,038	\$ 230,307
Cash with fiscal agent	--	11,049	--
Investments	--	--	--
Receivables - net	132,616	--	--
Due from other funds	4,267	--	--
	\$ 189,086	\$ 215,087	\$ 230,307
TOTAL ASSETS	\$ 189,086	\$ 215,087	\$ 230,307

LIABILITIES AND FUND EQUITY

LIABILITIES:			
Matured bonds and interest payable	\$ --	\$ 11,049	\$ --
Due to other funds	--	--	--
Total liabilities	--	11,049	--
FUND EQUITY:			
Fund balances - reserved for debt service	--	204,038	230,307
Unreserved and undesignated	189,086	--	--
Total fund equity	189,086	204,038	230,307
TOTAL LIABILITIES AND FUND EQUITY	\$ 189,086	\$ 215,087	\$ 230,307

BOND RESERVE 1973 AND 1986 FUND	BOND RESERVE 1977 FUND	1990 GENERAL OBLIGATION BOND FUND	TOTAL
\$ 57,882	\$ 64,023	\$ 126,774	\$ 735,227
--	--	--	11,049
405,600	458,300	175,000	1,038,900
12,005	13,565	583,722	741,908
--	--	--	4,267
<u>\$ 475,487</u>	<u>\$ 535,888</u>	<u>\$ 885,496</u>	<u>\$ 2,531,351</u>

\$ --	\$ --	\$ --	\$ 11,049
--	--	4,745	4,745
--	--	4,745	15,794

475,487	535,888	880,751	2,326,471
--	--	--	189,086
<u>475,487</u>	<u>535,888</u>	<u>880,751</u>	<u>2,515,557</u>
<u>\$ 475,487</u>	<u>\$ 535,888</u>	<u>\$ 885,496</u>	<u>\$ 2,531,351</u>

ST. BERNARD PARISH GOVERNMENT
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1995

	IMPROVEMENT BOND FUNDS		
	SERIES A, B, C	SERIES 1977	SERIES 1986
REVENUES:			
Taxes - ad valorem	\$ 141,301	\$ --	\$ --
Use of money and property	3,012	8,953	7,409
Total revenues	<u>144,313</u>	<u>8,953</u>	<u>7,409</u>
EXPENDITURES:			
General government:			
Finance and administrative	4,568	66	77
Debt service:			
Principal retirement	120,000	285,000	155,000
Interest and bank charges	2,727	155,931	240,339
Total expenditures	<u>127,295</u>	<u>440,997</u>	<u>395,416</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>17,018</u>	<u>(432,044)</u>	<u>(388,007)</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>--</u>	<u>448,025</u>	<u>401,083</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	17,018	15,981	13,076
Fund balance - beginning of year	<u>172,068</u>	<u>188,057</u>	<u>217,231</u>
FUND BALANCE - END OF YEAR	<u>\$ 189,086</u>	<u>\$ 204,038</u>	<u>\$ 230,307</u>

BOND RESERVE 1973 AND 1986	BOND RESERVE 1977 FUND	1990 GENERAL OBLIGATION BOND FUND	TOTAL
\$ --	\$ --	\$ 627,211	\$ 768,512
23,546	26,211	12,581	81,712
<u>23,546</u>	<u>26,211</u>	<u>639,792</u>	<u>850,224</u>
--	67	20,045	24,823
--	--	175,000	735,000
--	--	373,237	772,234
<u>--</u>	<u>67</u>	<u>568,282</u>	<u>1,532,057</u>
<u>23,546</u>	<u>26,144</u>	<u>71,510</u>	<u>(681,833)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>849,108</u>
23,546	26,144	71,510	167,275
<u>451,941</u>	<u>509,744</u>	<u>809,241</u>	<u>2,348,282</u>
\$ <u>475,487</u>	\$ <u>535,888</u>	\$ <u>880,751</u>	\$ <u>2,515,557</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.

ST. BERNARD PARISH GOVERNMENT
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
DECEMBER 31, 1995

	DRAINAGE AND SIPHON <u>FUND</u>	FIRE DIS- TRICT 1-2 C.I. SERIES BOND <u>FUND</u>	ROAD DISTRICT PROJECT BOND <u>FUND</u>
ASSETS:			
Cash	\$ 140,925	\$ 3,790	\$ 7,839
Receivables - net	--	--	--
Due from other funds	--	--	4,265
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 140,925</u>	<u>\$ 3,790</u>	<u>\$ 12,104</u>

LIABILITIES AND FUND EQUITY

LIABILITIES:			
Accounts payable	\$ --	\$ --	\$ --
Claims payable	--	--	--
Retainage payable	--	--	--
Due to other funds	--	--	--
Total liabilities	<u> </u>	<u> </u>	<u> </u>
FUND EQUITY:			
Fund balances:			
Unreserved - undesignated	140,925	3,790	12,104
Reserve for incomplete contracts	--	--	--
Designated	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total fund equity	<u>140,925</u>	<u>3,790</u>	<u>12,104</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 140,925</u>	<u>\$ 3,790</u>	<u>\$ 12,104</u>

PUBLIC IMPROVEMENT BOND SERIES D,E,F,G	DRAINAGE CONSTRUCTION BONDS OF 1967 AND 1982 FUND	CAPITAL PROJECTS	TOTAL
\$ 162,618	\$ 54,503	\$ 496,588	\$ 866,263
64,238	226,156	--	290,394
--	2,400,478	1,150,000	3,554,743
<u>226,856</u>	<u>2,681,137</u>	<u>1,646,588</u>	<u>4,711,400</u>
\$ 14,405	\$ 161,485	\$ 354,970	\$ 530,860
--	--	496,800	496,800
50,429	--	--	50,429
162,000	164,265	--	326,265
<u>226,834</u>	<u>325,750</u>	<u>851,770</u>	<u>1,404,354</u>
--	--	326,492	483,311
22	2,355,387	43,326	2,398,735
--	--	425,000	425,000
<u>22</u>	<u>2,355,387</u>	<u>794,818</u>	<u>3,307,046</u>
\$ <u>226,856</u>	\$ <u>2,681,137</u>	\$ <u>1,646,588</u>	\$ <u>4,711,400</u>

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ST. BERNARD PARISH GOVERNMENT

CHALMETTE, LOUISIANA

DECEMBER 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-17-96

ST. BERNARD PARISH GOVERNMENT

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Ms. Joanne Sanders
Engagement Manager
Legislative Auditor's Office
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Ms. Sanders:

Pursuant to Louisiana revised statute 24:513 we are notifying you that during our audit of the St. Bernard Parish Government for the year ended December 31, 1995 we discovered that an employee altered three faxed quotes from vendors on a purchase between \$5,000 and \$10,000. The public documents were altered to reflect 1995 dates when in fact they were quotes for 1996. Based on our testing in this area this appears to be an isolated incident. We have informed the proper officials of St. Bernard Parish about the incident. It is our opinion that the parish is taking proper action on the matter and that no other action is necessary at this time.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

By William Stamm
William G. Stamm, CPA
Partner

WGS/djt

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May 31, 1996

St. Bernard Parish Council
Chalmette, LA 70043

In planning and performing our audit of the financial statements of the St. Bernard Parish Government for the year ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect St. Bernard Parish Government's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

SEPARATION OF DUTIES:

Through testing of the cash receipts and disbursements systems in the JTPA program, it was discovered there is a lack of separation of duties. Although it is not the specific responsibility of one employee, there are many instances in which one employee performs conflicting duties. We are aware of the constraints over separating conflicting duties due to the limited number of employees and funding. However, we recommend evaluating the system to determine the possibility of separating conflicting duties. The JTPA program is aware of the problem and is attempting to make the necessary corrections.

CASH RECEIPTS:

Through testing of contracts it was discovered that the finance department does not obtain copies of all contracts entered into by the Civic Auditorium. As a result, the parish cannot independently compute the income from the Civic Auditorium. We recommend that the finance department obtain copies of all contracts entered into by the Civic Auditorium as well as the monthly event schedule so that receipts can be reconciled to planned events each month.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above are material weaknesses.

Other conditions came to our attention during the course of the audit which are not considered reportable conditions; however, we felt these conditions should be presented to management.

CASH RECEIPTS:

Through testing the liquor and beer permits system it was noted that liquor and beer permits are not pre-numbered. Liquor and beer permits should be pre-numbered to strengthen controls in this area. We recommend all permits should be pre-numbered for controls over the permits.

FIXED ASSETS:

The parish has made tremendous progress in implementing a fixed assets system in the last year. However, due to errors noted while testing the fixed assets system, which projected to a total error of \$58,339, we recommend that the parish continue to refine the fixed asset system implemented to further increase controls over fixed assets. We also recommend that the parish continue to monitor additions and deletions of assets and the movement of assets from one location to another. In addition, we recommend the parish continue to maintain supporting documentation for the purchase of assets and that they ensure that all assets owned by the parish are tagged and assigned an identification number. The parish has hired a fixed assets clerk who continues to implement the fixed asset system.

As a result of our audit, it was discovered that the administration does have policies and procedures for the accounting of fixed assets. However, it is our understanding that these policies and procedures have not been approved by the administration nor has the policy been distributed to all appropriate personnel. We recommend that the policies and procedures be approved by the governing authority and distributed to the appropriate personnel. It is our understanding that the policies and procedures were distributed to department heads in early 1996.

GENERAL:

In the current year, it was noted the parish government received a payment of \$56,700 for lease of parish land. This lease had expired in a prior year and had not been renewed. All property and land which is leased out by the parish should have a lease detailing the responsibilities of the two parties involved. With no lease in existence, the responsibilities of the lessee and lessor are not documented in case of any disputes. We recommend that a lease be drawn up and executed for the lease of this land.

As of December 31, 1995, the general ledger and the actual liability for fourth quarter contributions to the Parochial Employees Retirement System did not agree. Because the P.E.R.S. fund is a holding fund, there should be no difference between the general ledger amount and the actual amount due to the retirement system. It appears the general ledger is misstated by mispostings which have accumulated over the years. We recommend this difference be investigated and the necessary adjustments be made to the account. Additionally, we recommend that the quarterly reports filed with the retirement system be reconciled to the general ledger each quarter.

During the testing of the parish government's work order system, instances were noted where work order dates fell after the date the work was scheduled and completed. The scheduling policy requires that work orders be distributed to supervisors the Thursday preceding the week the work is to be performed. The instances noted were the result of incidental repairs which required immediate attention. We recommend that the policy for issuing work orders be revised to exclude minor incidental repairs.

During the testing of the Self Insurance Fund, we discovered the parish estimates the insurance premiums for insurance not covered through their self insurance plan. These estimates were not adjusted to actual premiums paid on behalf of the respective departments and were largely unchanged from prior year amounts. We recommend that the premiums for all insurance not covered by the self insurance fund be paid directly by the department to which the premium relates.

During the testing of the Self Insurance Fund it was noted that cash reconciliations prepared by the fiscal agent of cash held by the fiscal agent are being reviewed, however, the balance is not being reconciled to the general ledger by parish personnel. These reconciliations should be reviewed and agreed to the general ledger by parish personnel on a monthly basis. As a result, it is possible a misstatement in cash could go unnoticed. We recommend that this cash account be reconciled on a monthly basis.

During 1994, the Self Insurance Fund paid off three certificates of indebtedness on behalf of the Public Works Fund and the Consolidated Fire Protection District No. 1-2 Fund. As a result the Self Insurance Fund is a bondholder for these bonds. Consequently, the Public Works Fund and the Consolidated Fire Protection District No. 1-2 Fund are required to pay these funds back to the Self Insurance Fund based on the original certificate payment schedules. As of December 31, 1995, these two funds had not made any payments to the insurance fund. We recommend that the Public Works Fund and the Consolidated Fire Protection District No. 1-2 Fund make all required payments in accordance with the related certificate payment schedule.

We also noted instances of noncompliance to state and local laws as follows:

PURCHASING AND PUBLIC BID LAW:

During the testing of the Louisiana Public Bid Law, an instance was noted where telephone and/or facsimile quotes were not documented for a purchase of materials and supplies totalling between \$5,000 and \$10,000. 1996 quotes were used to document a 1995 purchase. In accordance with L.R.S. 38:2212(A) purchases of materials and supplies between \$5,000 and \$10,000 are required to have three quotes obtained by telephone or facsimile. We recommend that all purchases falling within the above criteria have quotes obtained and documented.

The Louisiana Public Bid Law requires purchases of items which collectively exceed \$10,000 should be bid and awarded to the lowest bidder meeting specifications. Through testing, it was discovered that purchases of janitorial supplies, office supplies, and uniform rental were not put out to bid in a timely manner. Lapses in the contracts ranged from two weeks to six months. We recommend that the parish government monitor all supply contracts and take measures to ensure they are renewed in a timely manner.

LOUISIANA BUDGET ACT:

The parish did not certify completion of the public hearing for the proposed budget by publishing a notice after completion of the public hearing as required by L.R.S. 38:1306E. We recommend the parish take the appropriate steps to comply with this section of the law. This requirement of the law was met for the 1996 budget.

During the testing of compliance with the Louisiana Budget Act, it was noted that the parish government did not publish a general summary of the proposed 1995 budget in the official journal ten days prior to the first public hearing. A general summary indicative of the proposed budget should be published in the official journal ten days prior to the date of the first public hearing. As a result, the parish government is in noncompliance with the Louisiana Budget Act. We recommend the parish take the appropriate steps to comply with this section of the law. This requirement of the law was met for the 1996 budget.

COLLATERALIZATION:

During the course of our audit it was noted that cash balances held at Regions Bank were undercollateralized at December 31, 1995. To fully protect deposits, L.R.S. 39:1225 requires all amounts on deposit at each depositing authority be fully collateralized at all times. We recommend that the collateralization of cash balances be closely monitored to avoid this situation in the future.

TRANSFER - CRIMINAL COURT FUND:

During the current year, it was noted that the Criminal Court Fund had not made the required transfer of one half of their ending fund balance totalling \$26,837 for the year ended 1994 in accordance with L.R.S. 15:571.11. In addition, there are amounts totalling \$10,727 due to the General Fund from the Criminal Court Fund which have been outstanding for over one year. The Criminal Court Fund should make the required transfer of one half of their ending fund balance in a timely manner as well as the transfer of other amounts due to the General Fund. We recommend that the proper authorities be notified of the outstanding balances due to the General Fund so that they may be reimbursed.

INVESTMENT POLICY:

During the course of our audit, it was noted that for the year ended December 31, 1995, the parish government did not develop and adopt an investment policy. L.R.S. 33:2955(D) requires all political subdivisions of the state shall develop and adopt an investment policy that details and clarifies investment objectives and procedures and constraints necessary to reach such objectives. We recommend that the parish government develop and adopt the required investment policy to comply with the law. It is our understanding that the parish government has since developed an investment policy which is expected to be adopted in the near future.

BOND COMPLIANCE:

For the year ended December 31, 1995, total transfers into the 1977 Sales Tax Sinking Fund were \$2,660 less than the amount required by the bond indenture for the same period. Transfers should be made into the sinking fund in accordance with the bond indenture. As a result, the parish government is not in compliance with the bond indenture. It appears that this was an isolated incident. We recommend that all transfers be made in accordance with the amounts listed in the bond indenture.

If the above noted weaknesses were strengthened, the parish government would have a more efficient and effective system. If we can be of aid in the implementation of any changes, please do not hesitate to contact us.

We would like to express our sincere appreciation for the cooperation and assistance from the parish government's personnel during the course of our audit.

This report is intended solely for the information and use of management, the Council of St. Bernard Parish, and the Legislative Auditor.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

William Stamm

William G. Stamm, CPA
Partner

WGS/ct

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INDEPENDENT AUDITOR'S REPORT

May 31, 1996

St. Bernard Parish Council
Chalmette, Louisiana 70043

We have audited the accompanying general purpose financial statements of the St. Bernard Parish Government as of and for the year ended December 31, 1995, as listed in the index to the report. These financial statements are the responsibility of the St. Bernard Parish Government. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Government." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 8 to the financial statements, St. Bernard Parish and the Levee District are obligated to make a cash contribution in the amount of \$6,730,000 for the Lake Pontchartrain Hurricane Protection Project after a study is complete if the study does not reduce the nonfederal share. The expenditure and the corresponding current liability in the Governmental Fund has not been recorded in the accompanying general purpose financial statements. The liability continues to be reflected in the General Long Term Debt Account Group.

In our opinion, except for not recording the expenditure and current liability in the Governmental Fund as discussed in the previous paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the St. Bernard Parish Government as of December 31, 1995, 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 a report dated May 31, 1996 on our consideration of the St. Bernard Parish Government's internal control structure and a report dated May 31, 1996 on its compliance with laws and regulations.

As discussed in Note 10 to the financial statements, the St. Bernard Parish Government is a defendant in numerous law suits seeking damages which cannot be quantified. These lawsuits are in various stages of resolution, and their ultimate outcome cannot presently be determined. Accordingly no provision for any liability that may result has been made in the accompanying general purpose financial statements.

As discussed in Note 20 to the financial statements, in the current year the parish government changed in the governmental funds its method of allocating common expenditures to other funds and changed its method of recording movable fixed assets.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the index to the report is presented for purposes of additional analysis and is not a required part of the financial statements of the St. Bernard Parish Government. 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 stated in all material respects in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule 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 financial statements taken as a whole.

Duplantier, Chapman, Hogan & Mahler.

	MEMORANDUM ONLY				MEMORANDUM ONLY				MEMORANDUM ONLY			
	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE		ACCOUNT GROUPS		PRIMARY GOVERNMENT		COMPONENT UNIT		REPORTING ENTITY	
	GENERAL FUNDS	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	ENTERPRISE FUND	INTERNAL SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT	COMPONENT UNIT	REPORTING ENTITY	MEMORANDUM ONLY
LIABILITIES AND FUND EQUITY:												
LIABILITIES:												
Accounts payable	\$ 318,269	\$ 711,689	\$ 530,860	\$ —	\$ 290,661	\$ 11,897	\$ —	\$ —	\$ 1,863,376	\$ —	\$ —	\$ 1,863,376
Claims payable (Note 10)	90,000	—	496,800	—	164,305	42,081	—	—	793,186	—	—	793,186
Retainage payable	7,750	—	50,429	—	—	—	—	—	58,179	—	—	58,179
Payroll deductions payable	76,992	5,098	—	—	—	—	—	—	82,090	—	—	82,090
Due to other funds (Note 9)	5,780,518	5,695,606	326,265	4,745	—	979,845	—	—	12,786,979	—	—	12,786,979
Cash overdraft	—	—	—	—	530,107	—	—	—	530,107	—	—	530,107
Deductions from ad valorem taxes	—	—	—	—	20,189	—	—	—	20,189	—	—	20,189
Lease payable (Note 7)	—	—	—	—	19,147	—	—	—	19,147	—	—	19,147
Matured bonds and interest payable	—	—	—	11,049	—	—	—	—	11,049	—	—	11,049
Other liabilities	—	350,087	—	—	—	—	—	—	350,087	—	—	350,087
Payable from restricted assets:												
Bonds payable (Note 8)	—	—	—	—	1,231,000	—	—	—	1,231,000	—	—	1,231,000
Deductions from ad valorem taxes	—	—	—	—	28,678	—	—	—	28,678	—	—	28,678
Accrued interest	—	—	—	—	298,141	—	—	—	298,141	28,660	—	326,801
Customer deposits	—	—	—	—	957,570	—	—	—	957,570	—	—	957,570
Cash overdraft	—	—	—	—	313,023	—	—	—	313,023	—	—	313,023
Other	—	—	—	—	37,785	—	—	—	37,785	—	—	37,785
Estimated claims and judgment (Note 16)	—	—	—	—	—	1,237,381	—	—	1,237,381	—	—	1,237,381
Due to customer deposit account (Note 8)	—	—	—	—	904,553	—	—	—	904,553	—	—	904,553
Advances from other funds (Note 9)	—	1,400,000	—	—	—	—	—	—	1,400,000	—	—	1,400,000
Lease payable (Note 7)	—	—	—	—	29,038	—	—	—	29,038	—	—	29,038
Bonds payable (Note 8)	—	—	—	—	12,340,000	—	—	—	12,340,000	4,096,260	—	16,436,260
General obligations - bonds payable (Note 8)	—	—	—	—	—	—	—	—	—	—	—	—
Other liability (Note 8)	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL LIABILITIES	6,273,529	8,162,480	1,404,354	15,794	17,164,197	2,271,204	10,744,314	6,730,000	52,765,872	4,124,920	56,890,792	56,890,792
FUND EQUITY:												
Investment in general fixed assets	—	—	—	—	—	—	—	—	37,921,224	—	—	37,921,224
Contributed capital	—	—	—	—	16,762,580	—	—	—	16,762,580	—	—	16,762,580
Retained earnings - reserved (Note 14)	—	—	—	—	5,951,102	—	—	—	5,951,102	—	—	5,951,102
Retained earnings - unreserved	—	—	—	—	9,920,452	—	—	—	9,920,452	909,615	—	10,830,067
Fund balances:												
Reserved for incomplete contracts (Note 14)	67,844	18,675	2,398,735	—	—	—	—	—	2,485,254	—	—	2,485,254
Reserved for debt service (Note 14)	—	—	—	2,326,471	—	—	—	—	2,326,471	—	—	2,326,471
Unreserved - undesignated	3,595,558	(243,079)	483,311	189,086	—	3,134,817	—	—	7,159,693	—	—	7,159,693
Designated (Note 14)	—	—	425,000	—	—	—	—	—	425,000	—	—	425,000
Total fund equity	3,663,402	(224,404)	3,307,046	2,515,557	32,634,134	3,134,817	37,921,224	37,921,224	82,951,776	909,615	83,861,391	83,861,391
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,936,931	\$ 7,938,076	\$ 4,711,400	\$ 2,531,351	\$ 49,798,331	\$ 5,406,021	\$ 37,921,224	\$ 17,474,314	\$ 135,717,648	\$ 5,034,535	\$ 140,752,183	\$ 140,752,183

See accompanying notes.

ST. BERNARD PARISH GOVERNMENT
ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1995

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES: (NOTE 1)					
Taxes:					
Ad valorem	\$ 361,190	\$ 3,143,789	\$ --	\$ 768,512	\$ 4,273,491
Sales taxes	11,294,573	--	--	--	11,294,573
Other taxes, penalties, and interest, etc.	734,446	297,915	--	--	1,032,361
Licenses and permits	872,979	204,693	--	--	1,077,672
Federal grants	38,168	5,786,531	148,307	--	5,973,006
State funds:					
Parish transportation funds	--	657,137	--	--	657,137
State revenue sharing	62,841	351,111	--	--	413,952
Other state funds	256,710	1,029,035	241,944	--	1,527,689
Fees, charges, and commissions for services	573,120	564,295	--	--	1,137,415
Fines and forfeitures	--	253,314	--	--	253,314
Use of money and property	267,019	209,761	41,665	81,712	600,157
Other revenues	13,764	181,064	--	--	194,828
Total revenues	<u>14,474,810</u>	<u>12,678,645</u>	<u>431,916</u>	<u>850,224</u>	<u>28,435,595</u>
EXPENDITURES: (NOTE 1)					
General government:					
Legislative	238,448	88,362	--	--	326,810
Judicial	477,687	751,709	--	--	1,229,396
Elections	48,660	--	--	--	48,660
Finance and administrative	1,649,070	279,317	--	24,823	1,953,210
Other general government	519,670	3,583,096	--	--	4,102,766
Public safety	1,078,963	4,764,107	--	--	5,843,070
Public works	--	6,408,664	1,077,985	--	7,486,649
Health and welfare	112,046	2,988,781	--	--	3,100,827
Culture and recreation	--	1,599,238	--	--	1,599,238
Economic development	72,711	--	--	--	72,711
Capital outlay	40,088	579,980	1,331,750	--	1,951,818
Debt service - principal retirement	3,283	--	--	735,000	738,283
Debt service - interest and service charges	3,847	--	--	772,234	776,081
Total expenditures	<u>4,244,473</u>	<u>21,043,254</u>	<u>2,409,735</u>	<u>1,532,057</u>	<u>29,229,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,230,337</u>	<u>(8,364,609)</u>	<u>(1,977,819)</u>	<u>(681,833)</u>	<u>(793,924)</u>
OTHER FINANCING SOURCES (USES): (NOTE 1)					
Operating transfers in	515,500	7,110,201	4,493,449	849,108	12,968,258
Operating transfers out	(12,968,258)	--	--	--	(12,968,258)
Total other financing sources (uses)	<u>(12,452,758)</u>	<u>7,110,201</u>	<u>4,493,449</u>	<u>849,108</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(2,222,421)</u>	<u>(1,254,408)</u>	<u>2,515,630</u>	<u>167,275</u>	<u>(793,924)</u>
FUND BALANCE - BEGINNING OF YEAR	5,795,051	1,120,776	791,416	2,348,282	10,055,525
RESIDUAL EQUITY TRANSFER	<u>90,772</u>	<u>(90,772)</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,663,402</u>	<u>\$ (224,404)</u>	<u>\$ 3,307,046</u>	<u>\$ 2,515,557</u>	<u>\$ 9,261,601</u>

See accompanying notes.

ST. BERNARD PARISH GOVERNMENT
ALL PROPRIETARY FUND TYPES
COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1995

	ENTERPRISE FUND	INTERNAL SERVICE FUND	TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY
OPERATING REVENUE: (NOTE 1)					
User fees	\$ 6,314,697	\$ --	\$ 6,314,697	\$ --	\$ 6,314,697
Other operating income	363,876	2,118,821	2,482,697	--	2,482,697
Interest earned on mortgage loans	--	--	--	338,238	338,238
Interest earned on investments	--	27,477	27,477	84,037	111,514
Total operating income	<u>6,678,573</u>	<u>2,146,298</u>	<u>8,824,871</u>	<u>422,275</u>	<u>9,247,146</u>
OPERATING EXPENSES: (NOTE 1)					
Salaries and wages	2,748,297	--	2,748,297	--	2,748,297
Utilities	969,654	--	969,654	--	969,654
Contractual services, supplies and materials	1,205,408	--	1,205,408	--	1,205,408
Outside services	38,402	220,108	258,510	--	258,510
Insurance premiums	318,611	331,405	650,016	--	650,016
Claims paid	--	363,356	363,356	--	363,356
Interest	--	--	--	346,355	346,355
Operating expenses	--	--	--	45,369	45,369
Other	272,590	76,406	348,996	--	348,996
Depreciation	2,746,413	--	2,746,413	--	2,746,413
Amortization of deferred financing costs (Note 1)	--	--	--	42,164	42,164
Servicing fees	--	--	--	13,461	13,461
Mortgage loan insurance costs	--	--	--	4,104	4,104
Total operating expenses	<u>8,299,375</u>	<u>991,275</u>	<u>9,290,650</u>	<u>451,453</u>	<u>9,742,103</u>
OPERATING INCOME (LOSS)	<u>(1,620,802)</u>	<u>1,155,023</u>	<u>(465,779)</u>	<u>(29,178)</u>	<u>(494,957)</u>
NONOPERATING REVENUE (EXPENSE):					
Ad valorem taxes for repayment of bonds	878,178	--	878,178	--	878,178
Ad valorem taxes for operations and maintenance	639,344	--	639,344	--	639,344
State revenue sharing	103,235	--	103,235	--	103,235
Interest income	122,594	98,000	220,594	--	220,594
Interest expense	(777,380)	--	(777,380)	--	(777,380)
Deduction from ad valorem taxes for debt retirement and operating and maintenance	(48,867)	--	(48,867)	--	(48,867)
Total nonoperating revenue	<u>917,104</u>	<u>98,000</u>	<u>1,015,104</u>	<u>--</u>	<u>1,015,104</u>
NET INCOME (LOSS)	<u>\$ (703,698)</u>	<u>\$ 1,253,023</u>	<u>\$ 549,325</u>	<u>\$ (29,178)</u>	<u>\$ 520,147</u>

See accompanying notes.

ST. BERNARD PARISH GOVERNMENT
 ALL PROPRIETARY FUND TYPES
 COMBINED STATEMENT OF CHANGES IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 1995

	ENTERPRISE FUND			INTERNAL SERVICE FUND	TOTAL (MEMORANDUM ONLY)	COMPONENT UNIT	TOTAL (MEMORANDUM ONLY)
	RETAINED EARNINGS	CONTRIBUTED CAPITAL	TOTAL		PRIMARY GOVERNMENT		REPORTING ENTITY
BEGINNING BALANCE	\$ 15,484,839	\$ 17,588,593	\$ 33,073,432	\$ 1,881,794	\$ 34,955,226	\$ 938,793	\$ 35,894,019
Net income	(703,698)	--	(703,698)	1,253,023	549,325	(29,178)	520,147
Other - donated lines	--	264,400	264,400	--	264,400	--	264,400
Depreciation on contributed capital	1,090,413	(1,090,413)	--	--	--	--	--
Residual equity transfer	--	--	--	--	--	--	--
ENDING BALANCE	<u>\$ 15,871,554</u>	<u>\$ 16,762,580</u>	<u>\$ 32,634,134</u>	<u>\$ 3,134,817</u>	<u>\$ 35,768,951</u>	<u>\$ 909,615</u>	<u>\$ 36,678,566</u>

See accompanying notes.

ST. BERNARD PARISH GOVERNMENT
ALL PROPRIETARY FUND TYPES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1995

	ENTERPRISE FUND	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ --	\$ --
Operating income (loss)	(1,620,802)	1,253,023
Sub-total	<u>(1,620,802)</u>	<u>1,253,023</u>
Reconciliation of operating income (loss)/net income (loss) to net cash provided (used) by operating activities:		
Amortization of deferred financing costs	--	--
Amortization of investment discount	--	--
Amortization of bond discount	--	--
Depreciation and amortization	2,746,413	--
Provision for uncollectible accounts	4,578	--
Other	--	--
Change in assets and liabilities:		
Increase in accounts receivable	(14,881)	(25,400)
Decrease in inventory	15,467	--
Decrease in prepaid expenses	12,940	--
Increase (decrease) in accounts payable and accruals	70,972	10,972
Increase in unbilled charges	(85,289)	--
Decrease (increase) in accrued interest receivable	--	(98,000)
Decrease (increase) in accounts receivable - other	111,053	--
Decrease in accrued interest payable	--	--
Increase in due from other funds	--	(2,035,179)
Decrease in due to other funds	--	979,845
Interest paid to finance insurance	(8,280)	--
Interest paid on bonds payable	--	--
Interest received on investments	--	--
Total adjustments	<u>2,852,973</u>	<u>(1,167,762)</u>
Net cash provided by operating activities	<u>1,232,171</u>	<u>85,261</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Ad valorem taxes - operations and maintenance	577,690	--
State revenue sharing	101,490	--
Bond redemptions	--	--
Interest paid on bonds payable	--	--
Net cash provided (used) by noncapital financing activities	<u>679,180</u>	<u>--</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Ad valorem taxes - debt retirement	982,862	--
Payment on capital lease	(9,007)	--
Interest paid on capital lease	(3,676)	--
Purchase of capital assets	(898,941)	--
Principal paid on bonds	(1,323,000)	--
Interest paid on revenue bonds	(789,973)	--
Net cash used for capital financing activities	<u>(2,041,735)</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on cash management account	115,838	--
Interest earned on investments	--	--
Decease in mortgage loans receivable	--	--
Net cash provided by investing activities	<u>115,838</u>	<u>--</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,546)	85,261
Cash and cash equivalents - beginning of year (Note 6)	<u>2,057,702</u>	<u>103,318</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 6)	<u>\$ 2,043,156</u>	<u>\$ 188,579</u>

See accompanying notes.

TOTAL (MEMORANDUM ONLY)		TOTAL (MEMORANDUM ONLY)
PRIMARY GOVERNMENT	COMPONENT UNIT	REPORTING ENTITY
\$ --	\$ (29,178)	\$ (29,178)
(367,779)	--	(367,779)
<u>(367,779)</u>	<u>(29,178)</u>	<u>(396,957)</u>
--	42,164	42,164
--	(55,886)	(55,886)
--	72,623	72,623
2,746,413	--	2,746,413
4,578	--	4,578
--	6,896	6,896
(40,281)	--	(40,281)
15,467	--	15,467
12,940	--	12,940
81,944	--	81,944
(85,289)	--	(85,289)
(98,000)	(14,401)	(112,401)
111,053	--	111,053
--	(3,591)	(3,591)
(2,035,179)	--	(2,035,179)
979,845	--	979,845
(8,280)	--	(8,280)
--	277,323	277,323
--	(21,235)	(21,235)
<u>1,685,211</u>	<u>303,893</u>	<u>1,989,104</u>
<u>1,317,432</u>	<u>274,715</u>	<u>1,592,147</u>
577,690	--	577,690
101,490	--	101,490
--	(356,467)	(356,467)
--	(277,323)	(277,323)
<u>679,180</u>	<u>(633,790)</u>	<u>45,390</u>
982,862	--	982,862
(9,007)	--	(9,007)
(3,676)	--	(3,676)
(898,941)	--	(898,941)
(1,323,000)	--	(1,323,000)
(789,973)	--	(789,973)
<u>(2,041,735)</u>	<u>--</u>	<u>(2,041,735)</u>
115,838	--	115,838
--	21,235	21,235
--	272,602	272,602
<u>115,838</u>	<u>293,837</u>	<u>409,675</u>
70,715	(65,238)	5,477
<u>2,161,020</u>	<u>474,651</u>	<u>2,635,671</u>
\$ <u>2,231,735</u>	\$ <u>409,413</u>	\$ <u>2,641,148</u>

ST. BERNARD PARISH GOVERNMENT
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUE: (Note 1)			
Other operating income	\$1,758,612	\$2,118,821	\$ 360,209
Interest earned on investments	6,000	27,477	21,477
Total operating income	<u>1,764,612</u>	<u>2,146,298</u>	<u>381,686</u>
OPERATING EXPENSES: (Note 1)			
Outside services	65,125	220,108	(154,983)
Insurance premiums	146,850	331,405	(184,555)
Claims paid	751,380	363,356	388,024
Other	36,645	76,406	(39,761)
Estimated claims and judgments			0
Total operating expenses	<u>1,000,000</u>	<u>991,275</u>	<u>8,725</u>
OPERATING INCOME	764,612	1,155,023	390,411
NONOPERATING REVENUE (EXPENSE):			
Interest income	--	98,000	98,000
Total nonoperating revenue	<u>--</u>	<u>98,000</u>	<u>98,000</u>
NET INCOME	764,612	1,253,023	488,411
OPERATING TRANSFERS IN	285,850	--	(285,850)
RETAINED EARNINGS - Beginning of year	<u>504,649</u>	<u>1,881,794</u>	<u>1,377,145</u>
RETAINED EARNINGS - END OF YEAR	<u>\$1,555,111</u>	<u>\$3,134,817</u>	<u>\$ 1,579,706</u>

See accompanying notes.

ST. BERNARD PARISH GOVERNMENT
ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES: (NOTE 1)						
Taxes:						
Ad valorem	\$ 341,500	\$ 361,190	\$ 19,690	\$ 2,937,500	\$ 3,143,789	\$ 206,289
Sales taxes	11,175,630	11,294,573	118,943	--	--	--
Other taxes, penalties, and interest, etc.	772,600	734,446	(38,154)	287,083	297,915	10,832
Licenses and permits	860,800	872,979	12,179	243,398	204,693	(38,705)
Federal grants	32,000	38,168	6,168	5,622,810	5,786,531	163,721
State funds:						
Parish transportation funds	--	--	--	612,000	657,137	45,137
State revenue sharing	49,952	62,841	12,889	353,574	351,111	(2,463)
Other state funds	272,570	256,710	(15,860)	1,522,979	1,029,035	(493,944)
Fees, charges, and commissions for services	591,975	573,120	(18,855)	781,435	564,295	(217,140)
Fines and forfeitures	--	--	--	8,500	253,314	244,814
Use of money and property	244,500	267,019	22,519	146,837	209,761	62,924
Other revenues	14,767	13,764	(1,003)	46,912	181,064	134,152
Total revenues	<u>14,356,294</u>	<u>14,474,810</u>	<u>118,516</u>	<u>12,563,028</u>	<u>12,678,645</u>	<u>115,617</u>
EXPENDITURES: (NOTE 1)						
General government:						
Legislative	32,019	238,448	(206,429)	93,936	88,362	5,574
Judicial	532,120	477,687	54,433	809,107	751,709	57,398
Elections	15,920	48,660	(32,740)	--	--	--
Finance and administrative	1,204,955	1,649,070	(444,115)	339,767	279,317	60,450
Other general government	409,296	519,670	(110,374)	3,647,472	3,583,096	64,376
Public safety	981,277	1,078,963	(97,686)	4,980,724	4,764,107	216,617
Public works	--	--	--	6,469,958	6,408,664	61,294
Health and welfare	101,170	112,046	(10,876)	3,123,735	2,988,781	134,954
Culture and recreation	--	--	--	1,611,769	1,599,238	12,531
Economic development	88,695	72,711	15,984	--	--	--
Capital outlay	17,250	40,088	(22,838)	373,367	579,980	(206,613)
Debt service - principal retirement	3,300	3,283	17	--	--	--
Debt service - interest and service charges	2,200	3,847	(1,647)	--	--	--
Total expenditures	<u>3,388,202</u>	<u>4,244,473</u>	<u>(856,271)</u>	<u>21,449,835</u>	<u>21,043,254</u>	<u>406,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,968,092</u>	<u>10,230,337</u>	<u>(737,755)</u>	<u>(8,886,807)</u>	<u>(8,364,609)</u>	<u>522,198</u>
OTHER FINANCING SOURCES (USES): (NOTE 1)						
Operating transfers in		515,500	515,500	9,764,500	7,110,201	(2,654,299)
Operating transfers out	(11,530,233)	(12,968,258)	(1,438,025)	(315,850)	--	315,850
Total other financing sources (uses)	<u>(11,530,233)</u>	<u>(12,452,758)</u>	<u>(922,525)</u>	<u>9,448,650</u>	<u>7,110,201</u>	<u>(2,338,449)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(562,141)</u>	<u>(2,222,421)</u>	<u>(1,660,280)</u>	<u>561,843</u>	<u>(1,254,408)</u>	<u>(1,816,251)</u>
FUND BALANCE - BEGINNING OF YEAR	5,795,051	5,795,051	--	1,120,771	1,120,776	5
RESIDUAL EQUITY TRANSFER	75,000	90,772	15,772	(75,000)	(90,772)	(15,772)
FUND BALANCE - END OF YEAR	<u>\$ 5,307,910</u>	<u>\$ 3,663,402</u>	<u>\$ (1,644,508)</u>	<u>\$ 1,607,614</u>	<u>\$ (224,404)</u>	<u>\$ (1,832,018)</u>

See accompanying notes.

CAPITAL PROJECTS FUND			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ --	\$ --	\$ --	\$ 765,705	\$ 768,512	\$ 2,807
--	--	--	--	--	--
--	--	--	--	--	--
--	148,307	148,307	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
411,000	241,944	(169,056)	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
23,522	41,665	18,143	56,200	81,712	25,512
<u>434,522</u>	<u>431,916</u>	<u>(2,606)</u>	<u>821,905</u>	<u>850,224</u>	<u>28,319</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	18,707	24,823	(6,116)
--	--	--	--	--	--
1,233,072	1,077,985	155,087	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
365,000	1,331,750	(966,750)	--	--	--
--	--	--	(966,750)	735,000	(1,701,750)
--	--	--	763,268	772,234	(8,966)
<u>1,598,072</u>	<u>2,409,735</u>	<u>(811,663)</u>	<u>(184,775)</u>	<u>1,532,057</u>	<u>(1,716,832)</u>
<u>(1,163,550)</u>	<u>(1,977,819)</u>	<u>(814,269)</u>	<u>1,006,680</u>	<u>(681,833)</u>	<u>(1,688,513)</u>
1,065,000	4,493,449	(3,428,449)	834,733	849,108	14,375
--	--	--	(104,000)	--	104,000
<u>1,065,000</u>	<u>4,493,449</u>	<u>(3,428,449)</u>	<u>730,733</u>	<u>849,108</u>	<u>118,375</u>
(98,550)	2,515,630	2,614,180	159,663	167,275	7,612
791,336	791,416	80	2,348,282	2,348,282	--
<u>\$ 692,786</u>	<u>\$ 3,307,046</u>	<u>\$ 2,614,260</u>	<u>\$ 2,507,945</u>	<u>\$ 2,515,557</u>	<u>\$ 7,612</u>

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

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.

REPORTING ENTITY:

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 financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the 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 financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish 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 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 has determined that the following component units are part of the reporting entity:

	<u>Criteria Used</u>
St. Bernard Parish Library	1
St. Bernard Parish Water and Sewer Commission	1
St. Bernard Parish Home Mortgage Authority	1
St. Bernard Parish Commerce Commission	2

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REPORTING ENTITY: (Continued)

These primary government (parish government) 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.

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.

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 financial statements are described as follows:

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.

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

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.

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 be 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.

Internal Service Fund

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.

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS:

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 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.

The modified accrual basis of accounting is used by all governmental fund types. 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 accompanying financial statements utilize the following practices in recording revenues and expenditures:

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.

Sales and use tax revenues are recognized by the parish on the accrual basis.

Substantially all other revenues are recorded when received.

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

BASIS OF ACCOUNTING: (Continued)

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 tax of \$2,011,093, ad valorem taxes of \$4,000,280, other state funds of \$647,373, federal grants of \$469,628 and road royalty of \$188,391.

Advance To/From Other Funds

Noncurrent portions of long term interfund loans or receivables are reported as advances.

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 account group.

BUDGETS:

The following summarizes the budget activities of the parish government for the year ended December 31, 1995:

	<u>1995 Budget Year</u>
Completed & Available for	
Public Inspection	November 25, 1994
Public Notices	November 25, 1994
Public Hearings	November 30, 1994
Council Adoption	March 7, 1995
Budget Amendments	February 22, 1995, March 7, 1995, March 21, 1995, April 4, 1995, April 18, 1995, May 2, 1995, June 27, 1995, August 1, 1995, August 15, 1995, September 15, 1995, September 19, 1995, October 3, 1995, November 7, 1995, November 21, 1995, December 5, 1995

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

BUDGETS: (Continued)

The parish government adopted annual budgets for the general fund, and all special revenue funds, capital project funds and debt service funds. All funds for which a budget was adopted are included in these financial statements. The budgets are prepared on the modified accrual basis of accounting. All appropriations except an appropriation for a capital expenditure shall 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 accompanying financial statements include the original adopted budget and all subsequent revisions.

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.

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 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.

SALES AND USE TAX:

St. Bernard Parish has a four and one half percent sales and use tax. Two percent is dedicated to the parish government, two percent is dedicated to the St. Bernard Parish School Board, and a half percent 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.

FUND EQUITY:

Reserves

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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

FUND EQUITY: (Continued)

Designated Fund Balances

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

Residual Equity Transfer:

A residual equity transfer represents a 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.

PROPRIETARY FUNDS:

ENTERPRISE FUNDS:

WATER AND SEWER COMMISSION:

ORGANIZATION:

The St. Bernard Parish Water and Sewer Commission (the 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 is providing 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.

REPORTING ENTITY:

The Commission was determined to be a component unit of the St. Bernard Parish Government because the parish government appoints the governing board of the Commission. A comprehensive annual financial statement may be obtained from the St. Bernard Water and Sewer Commission.

PRINCIPLES OF COMBINATION:

The combined financial statements include the accounts of the St. Bernard Parish Water & Sewer Commission and the subdistricts as of and for the year ended December 31, 1995 after elimination of all significant inter-district

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

WATER AND SEWER COMMISSION: (Continued)

PRINCIPLES OF COMBINATION: (Continued)

balances and transactions. The combined 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.

BASIS OF ACCOUNTING:

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following practices were used:

Revenues

The Commission's customers are billed monthly and the accompanying 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 and January and February of the following year.

Substantially all other revenues are recorded when earned.

Expenses

The Commission's salaries are paid bi-weekly and are accrued at year end.

The Commission's unamortized debt expense is comprised of costs associated with the 1986, 1991 and 1994 Revenue Bond Issues and the 1991 General Obligation Refunding Bond Issues of Sewer District No. 1 and 2. The remaining cost of issuance on the 1986 Revenue Bond Issue of \$75,859 is amortized on a straight-line basis over the remaining 3 year life of the bonds due to defeasance of the 1986 Revenue Bond Issue during 1994. 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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

WATER AND SEWER COMMISSION: (Continued)

BASIS OF ACCOUNTING: (Continued)

Expenses (Continued)

the bond. The cost of issuance of the Sewer District No. 1 1991 General Obligation Refunding Bond Issue of \$34,700 is amortized using straight-line method over the 11 1/2 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 1/2 year life of the bond. The remaining unamortized debt expense on all bond issues at December 31, 1995 is \$416,534.

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.

Use of Estimates

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

Inventory

The Commission 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.

Prepaid Items

The Commission's insurance costs are recognized as expenses over the period covered by the insurance policy.

ST. BERNARD PARISH GOVERNMENT
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1995

	DRAINAGE AND SIPHON FUND	FIRE DIS- TRICT 1-2 C.I. SERIES BOND FUND	ROAD DISTRICT PROJECT BOND FUND
REVENUES:			
Use of money and property	\$ 6,668	\$ 178	\$ 366
Federal grants	--	--	--
Other state funds	--	--	--
Total revenues	<u>6,668</u>	<u>178</u>	<u>366</u>
EXPENDITURES:			
Public works	--	73	72
Capital outlay	--	--	--
Total expenditures	<u>--</u>	<u>73</u>	<u>72</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,668</u>	<u>105</u>	<u>294</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	6,668	105	294
Fund balance at beginning of year	<u>134,257</u>	<u>3,685</u>	<u>11,810</u>
FUND BALANCE AT END OF YEAR	<u>\$ 140,925</u>	<u>\$ 3,790</u>	<u>\$ 12,104</u>

PUBLIC IMPROVEMENT BOND SERIES D,E,F,G	DRAINAGE CONSTRUCTION BONDS OF 1967 AND 1982 FUND	CAPITAL PROJECTS	TOTAL
\$ 5,594	\$ 4,351	\$ 24,508	\$ 41,665
148,307	--	--	148,307
5,000	236,944	--	241,944
<u>158,901</u>	<u>241,295</u>	<u>24,508</u>	<u>431,916</u>
235,905	388,095	453,840	1,077,985
--	--	1,331,750	1,331,750
<u>235,905</u>	<u>388,095</u>	<u>1,785,590</u>	<u>2,409,735</u>
<u>(77,004)</u>	<u>(146,800)</u>	<u>(1,761,082)</u>	<u>(1,977,819)</u>
--	2,400,000	2,093,449	4,493,449
(77,004)	2,253,200	332,367	2,515,630
<u>77,026</u>	<u>102,187</u>	<u>462,451</u>	<u>791,416</u>
\$ <u>22</u>	\$ <u>2,355,387</u>	\$ <u>794,818</u>	\$ <u>3,307,046</u>

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF CHANGES IN LONG-TERM DEBT
 FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>LONG-TERM OUTSTANDING BALANCE JANUARY 1, 1995</u>
<u>GOVERNMENTAL FUND TYPES:</u>			
<u>BONDS:</u>			
Public Improvement:			
Series C - Civic Center	June 1, 1965	\$ 1,600,000	\$ 120,000
Series ST-1977	June 1, 1977	5,350,000	2,845,000
Series ST-1986	Aug. 1, 1986	3,750,000	3,070,000
General Obligation:			
Series 1982-B	June 15, 1982	60,000	37,597
Series 1990	Feb. 1, 1990	<u>5,850,000</u>	<u>5,410,000</u>
 TOTAL BONDS		 16,610,000	 11,482,597
<u>OTHER LONG-TERM OBLIGATIONS:</u>			
Corps of Engineers:			
Hurricane Protection Project	1974	<u> --</u>	<u>6,730,000</u>
 TOTAL GENERAL LONG-TERM DEBT		 <u>\$16,610,000</u>	 <u>\$18,212,597</u>

<u>ADDITIONS</u>	<u>REDEMPTIONS</u>	LONG-TERM OUTSTANDING BALANCE DECEMBER 31, <u>1995</u>	MATURITIES OUTSTANDING DECEMBER 31, <u>1995</u>	INTEREST RATE
\$ --	\$ 120,000	\$ --	--	3.5-3.7
--	285,000	2,560,000	1996-2002	5.50-5.75
--	155,000	2,915,000	1996-2006	7.70-11.00
--	3,283	34,314	1996-2002	10.60-10.70
--	<u>175,000</u>	<u>5,235,000</u>	1996-1999	6.75-11.00
--	738,283	10,744,314		
--	--	<u>6,730,000</u>	1996	
\$ --	\$ <u>738,283</u>	<u>\$17,474,314</u>		

ST. BERNARD PARISH GOVERNMENT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN LONG-TERM DEBT
 FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>OUTSTANDING BALANCE JANUARY 1, 1995</u>
<u>ENTERPRISE FUND TYPES:</u>			
Sewer Commission:			
Revenue Bonds	Aug. 1, 1986	\$10,650,000	\$ 895,000
Revenue Bonds	Dec. 1, 1991	1,350,000	1,245,000
Revenue Bonds	Apr. 1, 1994	7,950,000	7,900,000
Water District No. 1:			
Public Improvement Bonds	Feb. 1, 1965	1,950,000	110,000
Public Improvement Bonds	Sept. 1, 1973	2,500,000	620,000
Sewer District No. 1:			
Public Improvement Bonds	Sept. 1, 1965	600,000	42,000
Public Improvement Bonds	Sept. 1, 1991	675,000	605,000
Sewer District No. 2:			
Public Improvement Bonds	Aug. 1, 1966	1,675,000	295,000
Public Improvement Bonds	June 1, 1971	240,000	7,000
General Obligation Bonds	Feb. 1, 1985	2,500,000	115,000
General Obligation Bonds	Sept. 1, 1991	<u>3,295,000</u>	<u>3,060,000</u>
Total Water and Sewer Commission		<u>33,385,000</u>	<u>14,894,000</u>
Home Mortgage Authority:			
Single Family Revenue Bonds - 1992 Program Series C		607,505	705,924
Single Family Refunding Bonds - 1991 Program		4,435,000	2,414,999
1992 Program Series B-1		1,819,653	1,224,171
1992 Program Series B-2		<u>29,218</u>	<u>35,010</u>
Total Home Mortgage Authority		<u>6,891,376</u>	<u>4,380,104</u>
TOTAL PROPRIETARY FUND TYPES		<u>\$40,276,376</u>	<u>\$19,274,104</u>

<u>ADDITIONS</u>	<u>REDEMPTIONS</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 1995</u>	<u>MATURITIES OUTSTANDING DECEMBER 31, 1995</u>	<u>INTEREST RATE</u>
\$ --	\$ 430,000	\$ 465,000	1996 - 2006	6.15 - 8.00
--	40,000	1,205,000	1996 - 2011	6.00 - 7.10
--	115,000	7,785,000	1996 - 2006	3.00 - 5.20
--	110,000	--	--	--
--	155,000	465,000	1996 - 1998	5.50 - 5.70
--	42,000	--	--	--
--	50,000	555,000	1996 - 2003	4.70 - 6.50
--	145,000	150,000	1996 - 1996	4.25
--	1,000	6,000	1996 - 2001	4.25 - 6.00
--	115,000	--	--	--
--	120,000	2,940,000	1996 - 2005	4.70 - 6.65
--	<u>1,323,000</u>	<u>13,571,000</u>		
55,042	--	760,966	1996 - 2014	7.65
--	155,924	2,259,075	1996 - 2012	8.00
14,268	200,543	1,037,896	1996 - 2011	7.84
3,314	--	38,324	1996 - 2014	9.25
<u>72,624</u>	<u>356,467</u>	<u>4,096,261</u>		
\$ <u>72,624</u>	\$ <u>1,679,467</u>	\$ <u>17,667,261</u>		

ST. BERNARD PARISH GOVERNMENT
 SUPPLEMENTARY INFORMATION
 COMPENSATION PAID PARISH COUNCIL MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 1995

Charles Ponstein, Council Chairman	\$ 8,354
Daniel Dysart	7,246
Calvin E. Callais	7,200
Clay A. Cosse	7,200
Scott Wolfe	7,200
James J. Licciardi, Jr.	7,200
Henry J. Rodriguez, Jr.	<u>7,200</u>
 TOTAL	 <u>\$51,600</u>

COMPENSATION PAID PARISH COUNCIL MEMBERS

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 shall receive \$1,200 per annum in addition to the regular annual compensation. The salary of the first president of the parish shall be \$45,000 per annum. The parish president has elected not to receive a salary for the year ended December 31, 1995.

ST. BERNARD PARISH GOVERNMENT
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1995

May 31, 1996

St. Bernard Parish Council
Chalmette, Louisiana

We have audited the general purpose financial statements of the St. Bernard Parish Government as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996. In our report our opinion was qualified for not recording the expenditure and current liability in the Governmental Fund for a current obligation of the parish government.

We conducted our audit in accordance with generally accepted auditing standards and *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.

The management of St. Bernard Parish Government is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, *estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures.* The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the *design and operation of policies and procedures may deteriorate.*

In planning and performing our audit of the general purpose financial statements of the St. Bernard Parish Government for the year ended December 31, 1995, we considered its internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

GENERAL

The St. Bernard Parish Government did not have two witnesses sign contracts entered into involving the Civic Auditorium. All contracts entered into by the parish should be signed by two witnesses. We recommend that the parish have two witnesses sign each contract entered into by the parish. We also recommend that the finance department obtain copies of all contract entered into by the Civic Auditorium as well as monthly event schedule so that receipts can be reconciled to planned events each month.

SEPARATION OF DUTIES

Through testing of the cash receipts and disbursements systems in the JTPA program, it was discovered there is a lack of separation of duties. Although it is not the specific responsibility of one employee, there are many instances in which one employee performs conflicting duties. We are aware of the constraints over separating conflicting duties due to the limited number of employees and funding. However, we recommend evaluating the system to determine the possibility of separating conflicting duties. The JTPA program is aware of the problem and is attempting to make the necessary corrections.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to management of St. Bernard Parish in a separate letter dated May 31, 1996.

This report is intended for the information of the administration of St. Bernard Parish, the St. Bernard Parish Council and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duglark, Hopmann, Hoyer & Math

ST. BERNARD PARISH GOVERNMENT
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 1995

May 31, 1996

St. Bernard Parish Council
Chalmette, Louisiana

We have audited the general-purpose financial statements of the St. Bernard Parish Government as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996. In our report our opinion was qualified for not recording the expenditure and current liability in the Governmental Fund for a current obligation of the parish government. We have also audited the St. Bernard Parish Government's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 31, 1996.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether St. Bernard Parish Government complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of St. Bernard Parish Government in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the St. Bernard Parish Government, and on the compliance of St. Bernard Parish Government with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated May 31, 1996.

The management of St. Bernard Parish Government is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless

occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable Costs/Cost Principles
- Drug-Free Workplace Act
- Administrative Requirements
- Davis Bacon Act

Specific Requirements

- Matching and level of effort
- Reporting
- Types of service
- Eligibility
- Claims for advances and reimbursements

Accounting Controls

- Cash receipts
- Purchasing
- Treasury
- Financial reporting
- Payroll
- Data processing
- Property and equipment

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the St. Bernard Parish Government expended 89 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the parish government's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the parish government's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

WATER AND SEWER COMMISSION: (Continued)

BASIS OF ACCOUNTING: (Continued)

Fixed Assets and Long-Term Liabilities

Property, plant and equipment of the Commission are included on the balance sheets of the respective funds. Interest costs incurred during construction are not capitalized. Depreciation of all exhaustible fixed assets are 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. Depreciation is computed using the straight-line method, over the following useful lives, stated in years:

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

Long-term liabilities are recognized within the enterprise funds.

LEVIED TAXES:

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Water District No. 1:		
Maintenance	3.40	3.36
Bond and interest	Variable	1.69
Sewer District No. 1:		
Maintenance	3.59	3.61
Bond and interest	Variable	6.08
Sewer District No. 2:		
Maintenance	2.09	2.06
Bond and interest	Variable	6.21

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

WATER AND SEWER COMMISSION: (Continued)

COMPENSATED ABSENCES:

Employees earn two to five weeks of paid vacation each year, which vest but accumulate up to 90 days. In addition, employees earn 12 days of sick leave each year, which may accumulate to an unlimited number of days and does not vest. At December 31, 1995, there are no leave benefits that require disclosure or accrual in accordance with Generally Accepted Accounting Principles.

RESTRICTED ASSETS:

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

FUND EQUITY:

Contributed Capital

The Commission'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.

Reserves

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

ALLOWANCE FOR DOUBTFUL ACCOUNTS:

The St. Bernard Parish Water and Sewer Commission has established an allowance for doubtful accounts for write-off of delinquent accounts. The Commission's allowance is based on management's best estimate of uncollectible amounts. The allowance for doubtful accounts at December 31, 1995 is \$30,954.

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

HOME MORTGAGE AUTHORITY:

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 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 issued by the Authority are general obligations of the Authority and are not an obligation 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.

BASIS OF PRESENTATION:

The Home Mortgage Authority's fiscal year ends March 31, 1996. The combined financial statements include the activities of the Authority for the fiscal year end. A comprehensive annual financial statement may be obtained from the Home Mortgage Authority.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

HOME MORTGAGE AUTHORITY: (Continued)

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.

AMORTIZATION:

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

Premiums and discounts on the purchase of investments are amortized over the life of the security using the level yield method.

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

STATEMENTS OF CASH FLOWS:

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.

INTERNAL SERVICE FUND:

SELF-INSURANCE FUND:

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. The fund is administered by an independent insurance service company.

BASIS OF ACCOUNTING:

The financial statements have been prepared on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles. The following practices were used.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

INTERNAL SERVICE FUND: (Continued)

SELF-INSURANCE FUND: (Continued)

BASIS OF ACCOUNTING: (Continued)

Estimated Liability for Claims and Judgments

The estimated claims and liability 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.

Revenue

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

Statement of Cash Flows:

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

TOTAL COLUMNS ON COMBINED STATEMENTS:

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

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS:

Public Works Fund

The Public Works Fund is used to account for the operations and maintenance of all parish roads and bridges, 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. The deficit fund equity of \$491,740 will be absorbed as part of the 1996 budget.

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. The deficit fund equity of \$5,055 will be absorbed as a part of the 1996 budget.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

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 and state revenue sharing. The deficit fund equity of \$469,167 will be absorbed through future fees.

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 two percent of the State of Louisiana distribution of fire insurance premium taxes. The deficit fund equity of \$742,717 will be absorbed as part of the 1996 budget.

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.

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 services it performs. 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. The deficit fund equity of \$32,820 will be absorbed through future fees.

Jobs Training Partnership Act Fund

The Jobs Training Partnership Act Fund 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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

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.

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 \$855 will be absorbed as part of the 1996 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. 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, 1995, \$90,772 is to be transferred. The parish General Fund is due \$37,564 from prior years not being transferred.

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.

District Attorney General Fund

The District Attorney General Fund is used to account for the salaries and expenses of the Office 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 to be budgeted annually by the parish government at the same time it prepares its annual budget. The deficit fund equity of \$10,525 will be absorbed as a part of the 1996 budget.

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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

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 voluntary 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 \$6,474 will be absorbed over the next few years through court fees.

Human Resources Fund

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

Group Home Fund

The Group Home Fund is used to account for the activity of the Boys and Girls Group Home. The Group Homes are for juvenile delinquents and emotionally disadvantaged children. The revenues are derived from federal and state grants. The deficit fund equity of \$227,873 will be absorbed as a part of the 1996 budget.

Group Home Residents Fund

The Group Home Residents Fund is used to account for the allowance given to children residing at the Group Home. The revenue is derived from federal and state grants.

Library Fund

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

Rental Rehabilitation Fund

The Rental Rehabilitation Fund is used to account for the property rehabilitation loans provided to owners of real property within urban homesteading areas or owners of real property for which rehabilitation is necessary or appropriate for carrying out CDBG activities.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

Civic Auditorium Fund

The Civic Auditorium Fund is used to account for the maintenance and operation of the St. Bernard Parish Cultural Center (Center). Revenues are derived from fees charged for the use of the Center. The deficit fund equity of \$50,424 will be absorbed through future fees.

Communication Fund

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

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 \$90,741 will be absorbed as part of the 1996 budget.

FUND DESCRIPTIONS - DEBT SERVICE FUNDS:

Public Improvement Bonds Series A, B, and C Fund

The Public Improvement Bonds Series A, B, and C Fund is used to accumulate monies for the payment of bonds dated June 1, 1965. Series A was issued for the purpose of acquiring land and buildings for recreational purposes, and acquiring necessary equipment therefor. Series B was issued for the purpose of constructing public buildings consisting of incinerators for the parish and acquiring all necessary land, equipment and furnishings therefor. Series C was issued for the purpose of constructing an auditorium for the parish and acquiring all necessary land, equipment and furnishings therefor. Each series is secured by an ad valorem tax levy.

Public Improvement Bonds Series 1977 Fund

The Public Improvement Bonds Series 1977 Fund is used to accumulate monies for the payment of bonds dated June 1, 1977, which were issued for the purpose of paying all or any part of the cost of public works, buildings, improvements and facilities in the parish. The bonds are secured from the proceeds of a special one-half of one percent sales and use tax.

Public Improvement Bonds Series 1986 Fund

The Public Improvement Bond Series 1986 Fund is used to accumulate monies for the payment of bonds dated August 1, 1977, which were issued for the purpose of paying all or any part of the cost of public works, buildings, improvements and facilities in the parish. The bonds are secured from the proceeds of a special one-half of one percent sales and use tax.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - DEBT SERVICE FUNDS: (Continued)

Bond Reserve 1973 and 1986 Fund

The Bond Reserve 1973 and 1986 Fund was established to comply with the bond resolutions of the Public Improvement Bonds, Series 1973 and Series 1986. This account was established for depositing transfers of sales tax from the Sales Tax Fund amounting to \$1,500 per month until the sum of \$405,600 has been accumulated therein, unless there is default in connection with the payment of the bonds which requires withdrawals from this fund for the purpose of paying maturing principal and interest on the bonds, or additional parity bonds are issued in which event additional payments will be required.

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 account is used for transfers of sales tax from the sales tax account. The sum of \$7,500 is to be transferred monthly and deposited into the Reserve Fund. Payments into the Reserve Fund will cease after an amount equal to the highest combined principal and interest requirements for any succeeding bond year in the amount of \$446,513 has been accumulated therein.

1990 General Obligation Bond Fund

The 1990 General Obligation Bond Fund is used to accumulate monies for the payment of bonds dated February 1, 1990 which 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 bonds are secured by an ad valorem tax.

FUND DESCRIPTIONS - CAPITAL PROJECTS:

Drainage & 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 the pumping stations.

Fire District 1-2 C.I. Series Bond

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.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - CAPITAL PROJECTS: (Continued)

Public Improvement Bonds Series D, E, F, and G Fund

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

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 new 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 or special revenue operating accounts.

2. FUND DEFICITS:

The following individual funds had deficit fund balances at December 31, 1995.

	<u>Deficit Amount</u>
<u>Governmental Fund:</u>	
<u>Special Revenue Funds:</u>	
Civic Auditorium Fund	\$ 50,424
Community Development Fund	90,741
Consolidated Fire Protection No. 1-2 Fund	742,717
Deputy Witness Fee Fund	6,474
District Attorney General Fund	10,525
Garbage District No. 1 Fund	469,167
Group Home Fund	227,873
Judicial Court Reporter Fund	855
Public Works Fund	491,740
Road Lighting District No. 1 Fund	5,005
Urban Mass Transportation Administration Fund	32,820

All noted deficits will be absorbed through fees over future years or as part of the 1996 budget.

3. REVENUES, EXPENDITURES AND FINANCING SOURCES - ACTUAL AND BUDGET:

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

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

3. REVENUES, EXPENDITURES AND FINANCING SOURCES - ACTUAL AND BUDGET: (Continued)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>DIFFERENCE</u>	<u>PERCENTAGE DIFFERENCE</u>
REVENUES:				
Special Revenue Funds:				
Urban Mass Transportation Administration Fund	\$ 349,504	\$ 486,148	\$ (136,644)	(28.11)%
Housing Rent Subsidy Fund	890,413	1,087,009	(196,596)	(18.09)
Housing Voucher Fund	332,633	390,440	(57,807)	(14.81)
Group Home Fund	272,099	474,050	(201,951)	(42.60)
Civic Auditorium Fund	241,393	260,005	(18,612)	(7.16)
Community Development Fund	278,279	308,423	(30,144)	(9.77)
Capital Projects Funds:				
Public Improvement Bond Series D,E,F,&G Fund	158,901	338,000	(179,099)	(52.99)
EXPENDITURES:				
General Fund	4,244,473	3,388,202	856,271	25.27
Special Revenue Funds:				
Criminal Court Fund	65,094	20,848	44,246	212.23
Contingency Criminal Court "A" Fund	21,015	--	21,015	100.00
Deputy Witness Fees Fund	63,240	53,681	9,559	17.81
Human Resources Fund	680,042	350,297	329,745	94.13
Communications Fund	167,619	120,764	46,855	38.80
Capital Projects Funds:				
Capital Projects Fund	1,785,590	815,000	970,590	119.09
Debt Service Funds:				
Public Improvement Bond Series A,B,C Fund	127,295	--	127,295	100.00
OPERATING TRANSFERS IN:				
Special Revenue Funds:				
Public Works	--	500,000	(500,000)	(100.00)
Garbage	2,576,454	3,220,000	(643,546)	(19.99)
Fire	2,631,000	3,935,000	(1,304,000)	(33.14)
Health	--	2,500	(2,500)	(100.00)
Housing Voucher	--	30,000	(30,000)	(100.00)
Judicial Court Reporter	139,000	150,000	(11,000)	(7.33)
Criminal Court Fund A	19,000	22,000	(3,000)	(13.64)
District Attorney	422,630	505,000	(82,370)	(16.31)
Environmental Mitigation	--	35,000	(35,000)	(100.00)
Road Lighting	380,000	420,000	(40,000)	(9.52)
Group Home	--	30,000	(30,000)	(100.00)
Civic Auditorium	115,000	145,000	(30,000)	(20.69)
Community Development	298,000	420,000	(122,000)	(29.05)
OPERATING TRANSFERS OUT:				
General Fund	12,452,758	11,530,233	922,525	(8.00)

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

4. GENERAL FIXED ASSETS:

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

	December 31, <u>1994</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustment (1)</u>	December 31, <u>1995</u>
Land, buildings and improvements	\$27,151,209	\$ 496,800	\$ --	\$ 856,308	\$28,504,317
Furniture, equipment trucks and automobiles	<u>14,454,573</u>	<u>1,455,018</u>	<u>27,242</u>	<u>(6,465,442)</u>	<u>9,416,907</u>
	<u>\$41,605,782</u>	<u>\$1,951,818</u>	<u>\$27,242</u>	<u>\$(5,609,134)</u>	<u>\$37,921,224</u>

(1) During 1995 the parish government updated their fixed asset records. As a result, an adjustment was required to report the fixed assets at the actual carrying value as of December 31, 1995. The above adjustment is a result of the cumulative effect of the change in the carrying value of the fixed assets.

5. PROPERTY, PLANT AND EQUIPMENT:

The following is a summary of property, plant and equipment for the Proprietary Fund Types (Water and Sewer Commission):

Land	\$ 141,569
Pipeline system	49,791,428
Plant, machinery and equipment	<u>31,486,110</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	81,419,107
Less accumulated depreciation	<u>(37,515,431)</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>\$ 43,903,676</u>

The composition of property, plant and equipment at December 31, 1995, by entity, is as follows:

Commission	\$31,172,721
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	81,419,107
Less accumulated depreciation	<u>(37,515,431)</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>\$43,903,676</u>

Depreciation expense totaled \$2,689,115 for the year ended December 31, 1995.

6. CASH, CASH EQUIVALENTS, AND INVESTMENTS:CASH:GOVERNMENTAL FUNDS AND INTERNAL SERVICE FUND:

Deposits of the government are held by several financial institutions. At December 31, 1995, the government has \$8,591,314 in deposits (bank balances) of which \$8,438,419 are fully insured or collateralized and \$152,895 are uninsured and uncollateralized.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

6. CASH, CASH EQUIVALENTS, AND INVESTMENTS:CASH AND CASH EQUIVALENTS: (Continued)PROPRIETARY FUNDS:ENTERPRISE FUNDS:WATER AND SEWER COMMISSION:

Deposits of the St. Bernard Water and Sewer Commission in the amount of \$1,253,666 (bank balance) are held by several financial institutions and are fully insured or collateralized as of December 31, 1995.

For purposes of the Statement of Cash Flows for the St. Bernard Parish Water and Sewer Commission cash and cash equivalents consist of the following accounts:

	End of Year	Beginning of Year
Non-restricted cash	\$ 117,919	\$ 7,284
Restricted cash	1,925,237	2,050,418
Total cash and cash equivalents	<u>\$2,043,156</u>	<u>\$2,057,702</u>

The Water and Sewer Commission paid interest during the year of \$896,469.

Noncash Capital Financing Activities:

Donated lines	\$264,400
Capital lease - computer equipment	45,371
Total noncash capital financing activities	<u>\$309,771</u>

Noncash Noncapital Financing Activities:

Due to customer meter deposit account	<u>\$904,553</u>
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HOME MORTGAGE AUTHORITY:

The Home Mortgage Authority has deposits (bank balance) of \$467 as of March 31, 1996. The deposits are insured by FDIC Insurance.

For purposes of cash flows the Home Mortgage Authority had cash and cash equivalents totalling \$409,413 at the end of the year and \$474,651 at the beginning of the year. The Home Mortgage Authority paid interest during the year of \$346,355.

The Authority invests in the Marquis Treasury Securities Money Market Fund which is considered a cash equivalent. The Marquis Treasury Securities Money Market Fund invests exclusively in obligations issued by the U.S. Treasury and backed by its full faith and credit and in repurchase agreements involving such obligations. However, an investment in the fund is neither insured nor guaranteed by the U.S. Government. The Money Market Funds are held by a subcustodian in the name of the Authority. The Funds are managed by the Trustee Bank of the Authority.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

6. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

CASH AND CASH EQUIVALENTS: (Continued)

PROPRIETARY FUNDS: (Continued)

INTERNAL SERVICE FUND:

SELF-INSURANCE FUND:

For purposes of cash flows the Self Insurance Fund had cash and cash equivalents totalling \$188,579 at the end of the year and \$103,318 at the beginning of the year.

INVESTMENTS:

GOVERNMENTAL AND PROPRIETARY FUNDS:

Under state law the entity may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the entity may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The parish government's investments are categorized below to give an indication of the level of risk assumed by the parish government at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the parish government or in the parish government's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer'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 broker or dealer, or by its trust department or agent but not in the parish government's name.

	<u>Market Value</u>	<u>Carrying Value</u>	<u>Category</u>
<u>Governmental Fund</u>			
Certificate of deposit	\$1,538,900	\$1,538,900	1
<u>Proprietary Funds</u>			
St. Bernard Parish			
Self-Insurance Fund:			
Certificate of deposit	400,000	400,000	1
St. Bernard Parish			
Home Mortgage Authority:			
Guaranteed investment contracts	96,545	96,545	2
U.S. Government securities	856,448	695,561	2
St. Bernard Parish			
Water and Sewer Commission:			
Certificates of deposit	<u>1,111,165</u>	<u>1,111,165</u>	1
	<u>\$4,003,058</u>	<u>\$3,842,171</u>	

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

6. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

INVESTMENTS: (Continued)

GOVERNMENTAL AND PROPRIETARY FUNDS: (Continued)

U.S. Government securities and guaranteed investment contracts are carried at amortized cost.

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

7. LEASES:

PROPRIETARY FUNDS:

ENTERPRISE FUNDS:

WATER AND SEWER COMMISSION:

The Water and Sewer Commission has a capital lease for a Xerox copier, a Konica copier, and the computer billing system. The Xerox copier cost \$8,370 and is payable in 60 monthly installments of \$249, including interest at 25.613%. The Konica copier cost \$7,998 and is payable in 39 monthly installments of \$260, including interest at 14.892%. The computer system cost \$45,371 and is payable in 36 monthly installments of \$1,493 including interest at 11.361%. The total due, excluding interest, at December 31, 1995, is \$48,185; the amount recorded in the accompanying financial statements under current liabilities is \$19,147; and the remaining \$29,038 is recorded as a long-term liability.

The following is a summary of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 1995.

<u>Year Ending December 31,</u>	<u>Water and Sewer Commission</u>
1996	\$24,128
1997	19,990
1998	11,945
Total minimum lease payments	56,063
Less amount representing interest	(7,878)
Present value of net minimum lease payments	48,185
Less current portion	(19,147)
 TOTAL LONG-TERM LEASE	 <u>\$29,038</u>

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

7. LEASES: (Continued)PROPRIETARY FUNDS: (Continued)ENTERPRISE FUNDS: (Continued)WATER AND SEWER COMMISSION: (Continued)Operating Lease

The Commission receives lease income from a right-of-way agreement. The annual rental income is \$2,500 and is payable for ten years beginning September 1, 1995. At the end of the lease period the agreement may be renegotiated at no less than \$2,500 a year.

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

1996	\$ 2,500
1997	2,500
1998	2,500
1999	2,500
2000	2,500
Thereafter	<u>9,167</u>
Total	<u>\$21,667</u>

Rental income for the year was \$2,500.

8. GENERAL LONG-TERM OBLIGATIONS:ALL FUND TYPES:Bonds Payable

The following is a summary of the bonds payable transactions for the year ended December 31, 1995.

	General Long-term Debt	Enterprise Fund Types	Total Primary Government	Component Unit	Total Reporting Entity
Outstanding at 12-31-94	\$11,482,597	\$14,894,000	\$26,376,597	\$4,380,104	\$30,756,701
Additions	--	--	--	72,624	72,624
Reductions	<u>(738,283)</u>	<u>(1,323,000)</u>	<u>(2,061,283)</u>	<u>(356,467)</u>	<u>(2,417,750)</u>
Outstanding at 12-31-95	<u>\$10,744,314</u>	<u>\$13,571,000</u>	<u>\$24,315,314</u>	<u>\$4,096,261</u>	<u>\$28,411,575</u>

GOVERNMENTAL FUND TYPES:Bonds Payable

Scheduled payments for each of the next five years are as follows:

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

8. GENERAL LONG-TERM OBLIGATIONS: (Continued)GOVERNMENTAL FUND TYPES: (Continued)Bonds Payable (Continued)

1996	\$ 658,595
1997	713,986
1998	764,377
1999	824,846
2000	885,315
Thereafter	<u>6,897,195</u>
	<u>\$10,744,314</u>

Other Long-Term Obligations

The parish government and the Lake Borgne Basin Levee District have jointly furnished assurances to the Department of the Army, New Orleans District, Corps of Engineers to maintain a contribution rate consistent with the Flood Control Act of 1965 modified by the Water Resources Development Act of 1974 (PL-251) for the Lake Pontchartrain Hurricane Protection Project.

Based on the assurances furnished, the parish government and the Levee District are obligated to make a cash contribution in the amount of \$6,730,000 to the project. The Water Resources Development Act of 1990 signed November 1990 postponed the 6.73 million balloon payment to 1991. On October 31, 1992 House Bill 6167 was signed into law which allowed the St. Bernard Parish Government to further defer payment of their share of the project until a study is conducted which reevaluates the portion of benefits which were expected to accrue to the parish but which were not realized. The bill requests the Secretary to reduce the nonfederal share of the capital costs and operation and maintenance attributable to the parish by the percentage of expected benefits which were not realized, if any. The payment, if any, will become due after the study is complete. The amount is not recorded as an expenditure during the current year or a current liability as of December 31, 1995. The amount continues to be recorded in the long-term debt account group as an other liability.

The total cost of the projects (Federal and Nonfederal) is \$59,900,000.

Following is a summary of the changes in other long-term liabilities for the year ended December 31, 1995:

Balance at 12-31-94	\$ 6,730,000
Payments	<u> --</u>
Balance at 12-31-95	<u>\$ 6,730,000</u>

PROPRIETARY FUND TYPES:WATER AND SEWER COMMISSION:

The following is a summary of long-term liabilities and the current portion due at December 31, 1995:

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

8. GENERAL LONG-TERM OBLIGATIONS: (Continued)PROPRIETARY FUND TYPES: (Continued)WATER AND SEWER COMMISSION: (Continued)

	<u>Commission</u>	<u>Water District No. 1</u>	<u>Sewer District</u>		<u>Total</u>
			<u>No. 1</u>	<u>No. 2</u>	
Public improvement general obligation and revenue bonds payable	\$ 9,455,000	\$465,000	\$555,000	\$3,096,000	\$13,571,000
Capital lease payable	48,185	--	--	--	48,185
Due to customer meter deposit account	<u>904,553</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>904,553</u>
TOTAL	10,407,738	465,000	555,000	3,096,000	14,523,738
Less current portion:					
Public improvement and revenue bonds payable	625,000	155,000	50,000	401,000	1,231,000
Capital lease payable	<u>19,147</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,147</u>
Long-term liability payable at December 31, 1995 (net of current portion)	<u>\$ 9,763,591</u>	<u>\$310,000</u>	<u>\$505,000</u>	<u>\$2,695,000</u>	<u>\$13,273,591</u>

Public Improvement Bonds

Public improvement 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 statutory debt limitation for each district follows:

	<u>Limitation</u>	<u>Outstanding Debt</u>
Water District:		
No. 1	\$20,372,278	\$ 465,000
Sewer District:		
No. 1	3,606,631	555,000
No. 2	<u>17,731,364</u>	<u>3,096,000</u>
TOTAL	<u>\$41,710,273</u>	<u>\$4,116,000</u>

The bonds were issued to construct improvements and extensions to the waterworks and sewerage systems.

Revenue Bonds

On April 1, 1994 the Commission defeased a portion of the 1986 Revenue Bond in the amount of \$7,195,000 with an interest rate ranging from 7.50% to 8% and debt service payments from \$400,000 to \$990,000 by issuing \$7,950,000 Series 1994 Revenue Refunding Bonds. The interest rate on the new bonds ranges from 3% to 5.2% and the bonds mature on August 1, 2006 with debt service payments due in annual principal installments ranging from \$115,000 to \$940,000. The balance outstanding at December 31, 1995 is \$7,785,000. One principal installment remains on the 1986 Revenue Bonds resulting in a balance at December 31, 1995 of \$465,000. The 1991 Revenue Bonds are due in annual principal installments of \$40,000 to \$135,000, bearing interest rates of 6.00 to 7.10 percent through August 1, 2011. The balance outstanding at December 31, 1995 is \$1,205,000.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

8. GENERAL LONG-TERM OBLIGATIONS: (Continued)

PROPRIETARY FUND TYPES: (Continued)

WATER AND SEWER COMMISSION: (Continued)

Revenue Bonds (Continued)

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 Commission include all fees, rents, charges, and other income derived, or to be derived by or for the account of the Commission from, or for, the ownership, operation, use, or services of the system and any other amounts paid into and credited to the revenue fund created by the 1986, 1991, and 1994 revenue bond resolutions. Such revenues include, but are not limited to, proceeds of any ad valorem taxes received by the Commission 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 Commission 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 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, 1995, is 1.76 to 1. The bond agreement requires the Commission to establish and maintain the following accounts.

1. 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.
2. A debt service reserve account with the sum equal to the maximum annual debt service on the bonds.
3. A renewal and replacement account with monthly deposits of five percent 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.

The Commission has established and maintained these accounts, and at December 31, 1995, the cash and cash equivalent balances in the debt service account, the debt service reserve account and the renewal and replacement account were \$372,387, \$1,112,981 and \$(313,023), respectively. The account balances in the debt service account and the debt service reserve account exceed minimum requirements of the bond indenture.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

8. GENERAL LONG-TERM OBLIGATIONS: (Continued)

PROPRIETARY FUND TYPES: (Continued)

WATER AND SEWER COMMISSION: (Continued)

Revenue Bonds (Continued)

A schedule of annual debt service requirements for both the public improvement bonds and the revenue bonds for each of the next five years is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 1,231,000	\$ 715,558	\$ 1,946,558
1997	1,216,000	641,640	1,857,640
1998	1,241,000	581,840	1,822,840
1999	1,126,000	523,298	1,649,298
2000	1,166,000	465,995	1,631,995
2001-2012	<u>7,591,000</u>	<u>1,607,023</u>	<u>9,198,023</u>
Total	<u>\$13,571,000</u>	<u>\$4,535,354</u>	<u>\$18,106,354</u>

Customer Deposits

The Commission has used funds from the Customer Meter Deposit Fund to pay operating expenses and capital improvements. At December 31, 1995, the amount of monies owed by the Commission amounted to \$904,553 which consists of \$421,586 due from capital funds and \$482,967 due from operation and maintenance funds.

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.

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 financial statements as of March 31, 1993. At March 31, 1996, \$13,960,000 of the defeased bonds are still outstanding.

ST. BERNARD PARISH GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

8. GENERAL LONG-TERM OBLIGATIONS: (Continued)

PROPRIETARY FUND TYPES: (Continued)

HOME MORTGAGE AUTHORITY: (Continued)

Bonds Payable (Continued)

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:

Single Family Mortgage Revenue Bonds:	
1992 program Series C, zero coupon, due 2014 at maturity value of \$3,000,000, discounted to yield approximately 7.65%. Unamortized discount was \$2,239,035 at March 31, 1996	\$ 760,965
Single Family Mortgage Refunding Bonds:	
1991 program, due 1995-2012, 8%	2,259,075
1992 program Series B-1, due 2011, 7.5% stated rate, discounted to yield approximately 7.84%. Unamortized discount was \$54,812 at March 31, 1996	1,037,896
1992 program Series B-2, zero coupon, due 2014 at maturity value of \$200,000, discounted to yield approximately 9.25%. Unamortized discount was \$161,676 at March 31, 1996	<u>38,324</u> <u>\$4,096,260</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 procedure of the Trust Indentures. The Indenture of the 1991 issue requires monies remaining in the Collection Account of the 1991 Issue shall pay principal of the bonds after the following payments are satisfied:

- a) payment to the Rebate Account in an amount equal to the excess nonmortgage earnings;
- b) payment of all interest due and payable with respect to any overdue bonds and any principal of such overdue bonds;
- c) payment of interest due and payable on any bonds which are not overdue;
- d) payment to the Debt Service Reserve Account (if necessary) to maintain the reserve requirement;

FIXED ASSETS

Federal regulations require that proper records be maintained of fixed assets purchased with federal funds. The parish government should identify those assets purchased with federal funds. It is our understanding that the parish government is presently working on implementing a system to keep track of these assets. When implementing their fixed asset system the parish government should include the date of purchase, source of funds used to purchase the fixed assets, and present location of assets purchased with federal funds.

SEPARATION OF DUTIES

Through testing of the cash receipts and disbursements systems in the JTPA program, it was discovered there is a lack of separation of duties. Although it is not the specific responsibility of one employee, there are many instances in which one employee performs conflicting duties. We are aware of the constraints over separating conflicting duties due to the limited number of employees and funding. However, we recommend evaluating the system to determine the possibility of separating conflicting duties. The JTPA program is aware of the problem and has separated key functions in the subsequent year.

SPECIFIC REQUIREMENTS - REPORTING:

For the year ended December 31, 1995 reconciliations between the federal reports filed with the granting agency and the general ledger were not done for three federal programs. These reconciliations should be performed to ensure that the parish government is recording all cash receipts due from the granting agency. We recommend the reconciliations be performed periodically.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure policies and procedures used in administering federal financial assistance would not be necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of St. Bernard Parish in a separate letter dated May 31, 1996.

This report is intended for the information of the administration of St. Bernard Parish, the St. Bernard Parish Council and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hapman, Hogan & Mahler

ST. BERNARD PARISH GOVERNMENT
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1995

May 31, 1996

St. Bernard Parish Council
Chalmette, Louisiana

We have audited the general purpose financial statements of the St. Bernard Parish Government as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1995. In our report our opinion was qualified for not recording the expenditure and current liability in the Governmental Fund for a current obligation of the parish government.

We conducted our audit in accordance with generally accepted auditing standards and *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.

Compliance with laws, regulations, contracts, and grants applicable to St. Bernard Parish Government is the responsibility of St. Bernard Parish Government's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the parish government's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following material instances of noncompliance, the effects of which have been corrected in St. Bernard Parish Governments 1995 financial statements.

The St. Bernard Parish Government was not in compliance with the Louisiana Budget Act. Louisiana Revised Statute 39:1310 requires that the Parish Government amend their budget when total revenue and other sources are failing to meet budgeted revenues and other sources by five percent or more or total expenditures and other uses are exceeding budgeted expenditures and other uses by five percent or more. Several instances were noted where revenues and other sources fell by more than five percent of projected revenues and where expenditures and other uses exceeded the projected budget by five percent or more (See Footnote No. 3 in the report for a detailed listing of 5% variances.) We recommend that all responsible parties be made aware of the requirements of the Louisiana Budget Act and the importance of complying with all aspects of the law.

We considered the above instances of noncompliance in forming our opinion on whether the 1994 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated May 31, 1996 on those general-purpose financial statements.

We noted certain other instances of noncompliance which we have reported to management in a separate letter dated May 31, 1996.

This report is intended for the information of the administration of St. Bernard Parish, the St. Bernard Parish Council and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Chapman Hogan & Mader

ST. BERNARD PARISH GOVERNMENT
INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE
PROGRAMS AND REQUIREMENTS APPLICABLE TO
NONMAJOR PROGRAM TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1995

May 31, 1996

St. Bernard Parish Council
Chalmette, Louisiana

We have audited the general-purpose financial statements of the St. Bernard Parish Government as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996. In our report our opinion was qualified for not recording the expenditure and current liability in the Governmental Fund for a current obligation of the parish government.

We have also audited St. Bernard Parish Government's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching and level of effort; reporting; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended December 31, 1995. The management of St. Bernard Parish Government is responsible for St. Bernard Parish Government's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about St. Bernard Parish Government's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, St. Bernard Parish Government complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching and level of effort; reporting; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

In connection with our audit of the 1995 general purpose financial statements of St. Bernard Parish Government and with our study and evaluation of St. Bernard Parish Government's internal control systems used to administer federal financial assistance programs, as required by OMB Circular A-128, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing reporting that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on St. Bernard Parish Government's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that St. Bernard Parish Government had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the administration of St. Bernard Parish, the St. Bernard Parish Council and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hapman Hogan & Matus

ST. BERNARD PARISH GOVERNMENT
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 1995

May 31, 1996

St. Bernard Parish Council
Chalmette, Louisiana

We have audited the general purpose financial statements of the St. Bernard Parish Government as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996. In our report our opinion was qualified because of the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the carrying value of the fixed assets and except for not recording the expenditure and current liability in the Governmental Fund for a current obligation of the parish government.

We have applied procedures to test St. Bernard Parish Government's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995.

General Requirements

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Cost/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on St. Bernard Parish Government's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph. With respect to items not tested, except for noncompliance with the Administrative Requirements regarding fixed assets, nothing came to our attention that caused us to believe that St. Bernard Parish Government had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the administration of St. Bernard Parish, the St. Bernard Parish Council and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hazmann, Hogan & Maher

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 1995

MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS RECEIVED DIRECTLY

<u>Federal CFDA Number</u>	<u>Department of Agriculture</u>	<u>Expenditures</u>
10.551	Food Coupon Program (Value of coupons issued)	\$ 6,073,061
10.551	Administrative Costs of Food Coupons Distribution	<u>38,168</u>
	Total Department of Agriculture	<u>6,111,229</u>
	<u>Department of Housing and Urban Development</u>	
14.156	Lower Income Housing Assistance Program (Sec. 8)	879,856
14.177	Housing Voucher	<u>326,385</u>
	Total Department of Housing and Urban Development	<u>1,206,241</u>
	Total Major Federal Financial Assistance Programs Received Directly	<u>7,317,470</u>

MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS
PASSED THROUGH THE STATE OF LOUISIANA

	<u>Department of Labor</u>	
17.246 - 17.250	Jobs Training Partnership Act - Title II-A	893,064
	Jobs Training Partnership Act - Title II-B	582,563
	Jobs Training Partnership Act - Title II-C	747,937
	Jobs Training Partnership Act - Title III-D	176,454
	Jobs Training Partnership Act - Title III-F	502,018
	Jobs Training Partnership Act - 8%	228,057
	Jobs Training Partnership Act - 6%	26,583
	Jobs Training Partnership Act - 5%	23,177
	Jobs Training Partnership Act - Project Independence	190,157
	Mobil Greenteam	<u>35,543</u>
	Total Department of Labor	<u>3,405,553</u>
	<u>Federal Highway Administration</u>	
20.205	Highway Planning and Construction	<u>148,307</u>
	Total Major Federal Financial Assistance Passed Through State of Louisiana	<u>3,553,860</u>
	Total Major Federal Financial Assistance Programs	<u>\$10,871,330</u>

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 1995

NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS RECEIVED DIRECTLY

<u>Federal CFDA Number</u>		<u>Expenditures</u>
	<u>Department of Transportation</u>	
20.507	FTA Operating/Capital Grant	<u>\$247,082</u>
	<u>Department of Agriculture</u>	
10.550	Food Distribution Program	4,313
10.568	Commodities	<u>14,797</u>
	Total Department of Agriculture	<u>19,110</u>
	<u>Federal Emergency Management Agency</u>	
83.503	State and Local Programs and Support - Emergency Management Assistance	<u>139,903</u>
	Total Nonmajor Federal Financial Assistance Programs Received Directly	<u>\$406,095</u>

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 1995

NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS
 PASSED THROUGH THE STATE OF LOUISIANA

<u>Federal CFDA Number</u>	<u>Department of Health & Human Services</u>	<u>Expenditures</u>
13.714	Health Care Financing Agency - Medical Assistance Program	\$ 237,005
13.665	Office of Community Services - Community Services Block Grant	118,106
13.818	Social Security Administration - Low Income Home Energy Assistance and Energy Assistance Weatherization	19,114 11,016
10.558	Daycare Home Program	<u>115,305</u>
	Total Department of Health & Human Services	<u>500,546</u>
	<u>Department of Housing and Urban Development</u>	
14.239	Home Investment Partnerships Program	<u>303,639</u>
	Total Nonmajor Federal Financial Assistance Programs Passed Through State of Louisiana	<u>804,185</u>
	Total Federal Financial Assistance	12,081,610
	State Grant & Other Nonfederal Sources	<u>2,598,778</u>
	Total Intergovernmental Sources	<u>\$14,680,388</u>

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>General Requirements</u>		
Federal Revenue Sharing Department of Transpor- tation and FTA Operating/ Adminstrative - fixed assets	<p>1) Federal regulations require that proper records be maintained of fixed assets purchased with federal funds. The parish government should identify those assets purchased with federal funds. It is our understanding that the parish government is presently working on implementing a system to keep track of these assets. When implementing their fixed asset system the parish government should include the date of purchase, source of funds used to purchase the fixed asset, and present location of assets purchased with federal funds.</p> <p><u>RESPONSE:</u></p> <p>The parish has implemented a fixed asset system and is in the process of compiling data to designate assets purchased with federal funds.</p>	
<u>Specific Requirements</u>		
Food Coupon/ Reporting	<p>(1) Reconciliations between the reports filed with the granting agency and the parish's general ledger were not performed. Additionally, allocation of maintenance costs were not adjusted to actual at the end of the year. As a result the reports were incomplete. The following unrecorded and (questioned) costs were discovered:</p> <p>(a) Retirement expense was understated on FSP-58's from January 1995 through December 1995.</p> <p>(b) Maintenance expenses were understated on FSP-58's from January 1995 through December 1995.</p>	<p style="text-align: right;">\$ 184</p> <p style="text-align: right;">118</p>

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>Specific Requirements (Continued)</u>		
Food Coupon/ Reporting (Continued)	(c) Gas and oil expenses were understated on FSP-58's from January 1995 through December 1995.	98
	(d) Office supplies expense were understated on FSP-58's from January 1995 through December 1995.	13
	(e) Security service expenses were overstated on FSP-58's from January 1995 through December 1995.	(498)
	Federal reimbursement	(85)
		<u>x 50%</u>
	Net question costs	<u>\$ (42)</u>

We recommend the parish government perform reconciliations between the federal reports and the general ledger to ensure the federal reports are complete. In addition, we recommend the parish government investigate the unrecorded and questioned costs and take the appropriate action.

RESPONSE:

We expect to file an amended report for December 1995 to report the questioned costs. The reports are prepared from the general ledger. The differences occurred as a result of the year end adjustments. An attempt will be made to record adjustments more frequently, thereby minimizing the differences.

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>Specific Requirements (Continued)</u>		
Section 8 Rent Subsidy/ Reporting	(2) Upon inspection of the tenant files for Section 8 certificate program, various requirements were not met which resulted in the following unrecorded and (questioned) costs:	
	a) two instances were noted where proper support for income verification was not contained in the file	\$(299)
	b) two instances were noted where proper support for rent increases was not contained in the file	(41)
	c) six instances were noted where utility allowances were calculated incorrectly	64
	d) fourteen instances were noted where the file did not contain all forms required by HUD	--
	Net questioned costs	<u>\$(276)</u>

Tenant files should contain all required forms and information. Utility allowances should be calculated based on actual bedrooms rather than the actual size of the apartment. We recommend that all tenant files be reviewed for required documents and all utility allowance calculations be reviewed for accuracy.

RESPONSE:

The parish will review all files for required forms and will also review required allowance calculations for accuracy.

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 1995

UNRECORDED
 OR
 (QUESTIONED)
 COSTS

PROGRAM
 REQUIREMENT

FINDINGS/NONCOMPLIANCE

Specific Requirements (Continued)

Section 8 Rent Subsidy/
 Reporting (Continued)

- (3) Budget reports for the Section 8 Rent Subsidy program were filed late. These reports should be filed in accordance with the guidelines of the grant. Not filing this report timely is a violation of the grant and could jeopardize future funding. We recommend that these reports be filed timely and make all responsible individuals aware of the timetable in filing these reports.

RESPONSE:

We have since overseen the completion of the federal report. An employee in the department has been appointed as director and we anticipate improvements will be forthcoming in this department's reporting both in the terms of accuracy and timeliness.

- (4) The close out reports (Voucher for Payment of Annual Contributions and Operating Statement and the Balance Sheet) were filed late. These reports should be filed in accordance with the guidelines of the grant. Filing of the required reports late is a violation of the grant and could jeopardize future funding. We recommend that all responsible individuals be made aware of the timetable in filing these reports.

RESPONSE:

This condition will be remedied. See response to Specific Requirements, No. 3.

ST. BERNARD PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>Specific Requirements (Continued)</u>		
Section 8 Housing Voucher/Reporting (Continued)		
	e) one instance was noted where proper support for income verification was not contained in the file	(285)
	Net questioned costs	\$(303)

Tenant files should contain all required forms and information. Utility allowances should be calculated based on actual bedrooms rather than the actual size of the apartment. Additionally, the payment register should be updated for all new contracts signed so that the proper amount is remitted to landlords. We recommend that all tenant files be reviewed for required documents and all utility allowance calculations be reviewed for accuracy. We also recommend that the payment register be updated when a new contract is signed.

RESPONSE:

This condition will be remedied. An employee in the department has been appointed as director and we anticipate improvements will be forthcoming in this department.

- (7) Budget reports for the Section 8 Voucher program were filed late. These reports should be filed in accordance with the guidelines of the grant. Not filing this report timely is a violation of the grant and could jeopardize future funding. We recommend that these reports be filed timely and make all responsible individuals aware of the timetable in filing these reports.

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>Specific Requirements (Continued)</u>		
Section 8 Housing Voucher/Reporting (Continued)	<p style="text-align: center;"><u>RESPONSE:</u></p> <p>This condition will be remedied. See the response to Specific Requirements, No. 3.</p> <p>(8) The close out reports (Voucher for Payment of Annual Contributions and Operating Statement and the Balance Sheet) were filed late. These reports should be filed in accordance with the guidelines of the grant. Filing of the required reports late is a violation of the grant and could jeopardize future funding. We recommend that all responsible individuals be made aware of the timetable in filing these reports.</p> <p style="text-align: center;"><u>RESPONSE:</u></p> <p>This condition will be remedied. See the response to Specific Requirements, No. 3.</p>	
Daycare Home Program/ Reporting	<p>(9) For one month, the Daycare expenditure report was filed late. This report should be filed in accordance with the guidelines of the grant. Not filing this report timely is a violation of the grant and could jeopardize future funding. We recommend that this report be filed timely and make all responsible individuals aware of the timetable in filing this report.</p> <p style="text-align: center;"><u>RESPONSE:</u></p> <p>This condition will be remedied. See the response to Specific Requirements, No. 3.</p>	

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 1995

UNRECORDED
 OR
 (QUESTIONED)
 COSTS

PROGRAM
 REQUIREMENT

FINDINGS/NONCOMPLIANCE

Specific Requirements (Continued)

Daycare Home Program/
 Reporting (Continued)

- (10) Reconciliations between the general ledger and the report filed with the granting agency were not performed in the current year. These reconciliations should be prepared for all federal reports which are filed. We recommend that the reports be agreed to the general ledger and any differences be documented.

RESPONSE:

This condition will be remedied. See the response to Specific Requirements, No. 6.

Community Services
 Block Grant/
 Reporting

- (11) The Community Services Block Grant monthly expenditure reports were filed late. These report should be filed in accordance with the guidelines of the grant. Not filing these reports timely is a violation of the grant and could jeopardize future funding. We recommend that these reports be filed timely and make all responsible individuals aware of the timetable in filing these reports.

RESPONSE:

This condition will be remedied. See the response to Specific Requirements, No. 3.

Federal Emergency
 Management Assistance/
 Reporting

- (12) Reconciliations between the general ledger and the report filed with the granting agency were not performed in the current year. These reconciliations should be prepared for all federal reports which are filed. We recommend that the reports be agreed to the general ledger and any differences be documented.

ST. BERNARD PARISH GOVERNMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
Federal Emergency Management Assistance/ Reporting (Continued)	<p><u>RESPONSE:</u></p> <p>This condition will be remedied. See the response to Specific Requirements, No. 6.</p>	
Liheap Program/ Reporting	<p>(13) Reconciliations between the general ledger and the report filed with the granting agency were not performed in the current year. These reconciliations should be prepared for all federal reports which are filed. We recommend that the reports be agreed to the general ledger and any differences be documented.</p> <p><u>RESPONSE:</u></p> <p>This condition will be remedied. See the response to Specific Requirements, No. 6.</p>	

ST. BERNARD PARISH GOVERNMENT
 FOLLOW-UP ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM/ REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>General Requirements</u>		
Federal Revenue Sharing Department of Transportation and FTA Operating/ Administrative - fixed assets	1) Federal regulations require that proper records be maintained of fixed assets purchased with federal funds. This would include assets purchased with federal revenue sharing funds and any operating equipment of the transit operations purchased with Federal Transit Administration monies. The parish government is presently implementing a system to track these assets, including the date of purchase, source of funds used to purchase the fixed asset, and present location of assets purchased with federal funds. <u>RESPONSE:</u> The Parish is in the process of updating the fixed assets on our newly implemented computer system. We will continue to monitor it thereafter as we have assigned one employee with primary responsibility over fixed asset record custody. Additionally, we have always maintained manual records of transit equipment.	
Rent Subsidy/ Cash Management	2) The Section 8 close out reports were filed in 1996. As a result we could not evaluate whether the parish government achieved proper cash management in this program. Federal cash receipts should be limited to the government's immediate cash needs. We recommend that the close out report be filed so that it can be determined if receipts were limited to the parish government's immediate cash needs.	

ST. BERNARD PARISH GOVERNMENT
 FOLLOW-UP ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM/ REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>General Requirements (Continued)</u>		
Rent Subsidy/ Cash Management (Continued)	<u>RESPONSE:</u> We have since overseen the completion of the close out report. An employee in the department has been appointed as acting director and we anticipate improvements will be forthcoming in this department's reporting both in terms of accuracy and timeliness.	
<u>Specific Requirements</u>		
Food Coupon/Reporting	1) Reconciliations between the federal reports filed with the granting agency and the parish's general ledger were not performed. As a result the reports were incomplete. The following unrecorded costs were discovered.	
	a) State unemployment expense was understated on FSP-58's from January 1994 through December 1994.	\$ 427
	b) Life insurance expense was understated on FSP-58's from January 1994 through December 1994.	10
	c) Retirement expense was understated on FSP-58's from January 1994 through December 1994.	64
	d) Security service expense was understated on FSP-58's from January 1994 through December 1994.	619
	e) Telephone expense was understated on FSP-58's from January 1994 through December 1994	<u>78</u>
		<u>\$1,198</u>

ST. BERNARD PARISH GOVERNMENT
 FOLLOW-UP ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM/ REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>Specific Requirements (Continued)</u>		
Food Coupon/Reporting (Continued)	<p>We recommend the parish government perform reconciliations between the federal reports and the general ledger to ensure the federal reports are complete. In addition, we recommend the parish government investigate the unrecorded cost and take the appropriate action.</p> <p><u>RESPONSE:</u></p> <p>Management has investigated the above unrecorded costs and has amended the December 1994 cost reimbursement report.</p>	
Section 8 Rent Subsidy/ Reporting	<p>2) The Request for Partial Payment of Annual Contribution quarterly report was filed late for three quarters.</p> <p>We recommend that this report be filed timely and that all responsible individuals be made aware of the timetable in filing this report.</p> <p><u>RESPONSE:</u></p> <p>This condition is being remedied. See the response to General Requirements, No. 2.</p> <p>3) The close out report (Voucher for Payment of Annual Contributions and Operating Statement and the Balance Sheet) was not filed as of the date of this report. These reports should be filed in accordance with the guidelines of the grant. Not filing or filing late of required reports is a</p>	

ST. BERNARD PARISH GOVERNMENT
FOLLOW-UP ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1995

UNRECORDED
OR
(QUESTIONED)
COSTS

PROGRAM/
REQUIREMENT

FINDINGS/NONCOMPLIANCE

Specific Requirements (Continued)

Section 8 Rent Subsidy/
Reporting (Continued)

violation of the grant and could jeopardize future funding. We recommend that all responsible individuals be made aware of the timetable in filing these reports.

RESPONSE:

This condition is being remedied. See the response to General Requirements, No. 2.

Housing Voucher Program/
Reporting

- 4) The Housing Voucher close out report was not filed as of the date of this report. This report should be filed in accordance with the guidelines of the grant. Not filing this report timely is a violation of the grant and could jeopardize future funding. We recommend that this report be filed timely and that all responsible individuals be made aware of the timetable in filing this report.

RESPONSE:

This condition is being remedied. See the response to General Requirements, No. 2.

Daycare Home Program/
Reporting

- 5) The Daycare expenditure report was filed late. This report should be filed in accordance with the guidelines of the grant. Not filing this report timely is a violation of the grant and could jeopardize future funding.

We recommend that this report be filed timely and that all responsible individuals be made aware of the timetable in filing this report.

ST. BERNARD PARISH GOVERNMENT
 FOLLOW-UP ON PRIOR YEAR FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 1995

<u>PROGRAM/ REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>UNRECORDED OR (QUESTIONED) COSTS</u>
<u>Specific Requirements (Continued)</u>		
Daycare Home Program/ Reporting (Continued)	<p style="text-align: center;"><u>RESPONSE:</u></p> <p>This condition is being remedied. See the response to General Requirements, No. 2.</p>	
Federal Emergency Management Assistance/ Reporting	<p>6) The Federal Emergency Management Assistance expenditure report was filed late. This report should be filed in accordance with the guidelines of the grant. Not filing this report timely is a violation of the grant and could jeopardize future funding. We recommend that this report be filed timely and that all responsible individuals be made aware of the timetable in filing this report.</p> <p style="text-align: center;"><u>RESPONSE:</u></p> <p>This condition is being remedied. See the response to General Requirements, No. 2.</p>	