



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2016**

Prepared by:
Department of Finance

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2016

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal.....	v
Principal Elected Officials.....	ix
Organization Chart.....	x

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT.....	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis.....	4
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position.....	17
Statement of Activities.....	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	19
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	21
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of the Governmental Funds to the	
Statement of Activities.....	22
Proprietary Funds:	
Statement of Net Position.....	23
Reconciliation of the Proprietary Funds Statement of Net Position	
to the Government-wide Statement of Net Position.....	25
Statement of Revenues, Expenditures, and Changes in Net Position.....	26
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of the Proprietary Funds to the	
Statement of Activities.....	27
Statement of Cash Flows.....	28
Component Units Financial Statements:	
Statement of Net Position.....	29
Statement of Activities.....	30
Notes to the Basic Financial Statements	31

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2016

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT’S DISCUSSION AND ANALYSIS:	
Schedule of Funding Progress – Other Post-Employment Benefits.....	82
Schedule of St. Bernard Parish Government’s Proportionate Share of the Net Pension Liability.....	83
Schedule of St. Bernard Parish Government’s Contributions.....	84
Notes to Required Supplementary Information – Pension Plan Schedules.....	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hazard Mitigation Grant Fund.....	88
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Disaster Recovery Fund.....	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Consolidated Fire Protection District No. 1-2.....	90
Notes to Required Supplementary Information – Budgetary Comparison.....	91
 OTHER SUPPLEMENTARY INFORMATION	
Non-Major Governmental Funds:	
Non-major Governmental Fund Descriptions.....	92
Combining Balance Sheet.....	95
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	99
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Criminal Court.....	103
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Council on Aging.....	104
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recreation District.....	105
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Public Works.....	106
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road Lighting District No. 1.....	107
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Workforce Investment Act.....	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Health.....	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Communications.....	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Housing and Redevelopment.....	111
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Urban Mass Transportation Administration.....	112

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2016

TABLE OF CONTENTS (CONTINUED)

Schedule of Revenues, Expenditures, and Changes in Fund Balance –	<u>Page</u>
Budget and Actual – Garbage District No. 1.....	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual – Deputy Witness Fees.....	114
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual – Assessor’s Fund.....	115
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual – CDBG Fund.....	116
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual – Federal & State Grants Fund.....	117
 Non-Major Proprietary Funds:	
Non-Major Proprietary Fund Descriptions.....	118
Combining Statement of Net Position.....	119
Combining Statement of Revenues, Expenses, and Changes in	
Net Position.....	120
Combining Statement of Cash Flows.....	121
 Non-Major Internal Service Funds:	
Non-Major Internal Service Fund Descriptions.....	122
Combining Statement of Net Position.....	123
Combining Statement of Revenues, Expenditures, and Changes in	
Net Position.....	124
Combining Statement of Cash Flows.....	125
 Schedule of Council Members’ Compensation.....	126
Schedule of Compensation, Benefits and Other Payments	
to the Agency Head.....	127
Financial Data Schedules.....	128

STATISTICAL SECTION (UNAUDITED)

Table of Contents.....	133
Table 1 – Net Position by Component.....	134
Table 2 – Changes in Net Position.....	135
Table 3 – General Government Tax Revenues by Source.....	137
Table 4 – Fund Balances of Governmental Funds.....	138
Table 5 – Changes in Fund Balances of Governmental Funds.....	139
Table 6 – Assessed Value and Estimated Actual Value of Taxable Property.....	140
Table 7 – Direct and Overlapping Governments.....	141
Table 8 – Principal Property Taxpayers.....	142
Table 9 – Property Tax Levies and Collections.....	143
Table 10 – Principal Sale Taxpayers.....	144
Table 11 – Sales and Use Tax Rates – All Governments.....	145
Table 12 – Sales and Use Tax Collections – All Governments.....	146
Table 13 – Ratios of Outstanding Debt by Type.....	147

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2016

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Table 14 – Ratios of General Debt Outstanding.....	148
Table 15 – Direct and Overlapping Governmental Activities Debt.....	149
Table 16 – Legal Debt Margin Information.....	150
Table 17 – Pledged – Revenue Coverage.....	151
Table 18 – Demographic and Economic Statistics.....	152
Table 19 – Principal Employers.....	153
Table 20 – Full-time Parish Employees by Function.....	154
Table 21 – Operating Indicators by Function.....	155

SINGLE AUDIT SECTION

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND UNIFORM GUIDANCE

Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	157
Independent Auditors’ Report on Compliance for Each Major Program, and on Internal Control Over Compliance Required by the Uniform Guidance.....	159
Schedule of Expenditures of Federal Awards.....	161
Notes to Schedule of Expenditures of Federal Awards.....	164
Schedule of Findings and Questioned Costs.....	165
Summary Schedule of Prior Audit Findings.....	169
Management's Corrective Action Plan	170

INTRODUCTORY SECTION



Guy McInnis
Parish President

St. Bernard Parish Government

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Chalmette, Louisiana 70043
Fax (504) 278 - 4330

June 29, 2017

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

State law requires that all general-purpose local governments publish, within six (6) months of the close of each fiscal year, a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of St. Bernard Parish Government for the year ended December 31, 2016.

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

Carr, Riggs and Ingram, LLC, a firm of licensed certified public accountants, has audited the Parish's financial statements and has issued an unmodified ("clean") opinion on St. Bernard Parish's financial statements for the year ended December 31, 2016. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

Factors Affecting Financial Condition

Local Economy

St. Bernard Parish has an estimated residential population of 46,450 people, which is approximately 65% of the population size since Hurricane Katrina in 2005. The Parish depends heavily on the oil and gas industry as its main source of revenues. The Parish has begun to see a decline in road royalties, severance tax, and sales tax due to the decline in drilling and leasing. Road royalties and severance tax declined 43.46% and 30.73%, respectively while sales tax revenue decreased less than 1.00%. The Parish's gas and oil dependent revenues decreased \$403,509 and \$3,385,124 compared to 2015 and 2014, respectively. The Parish has been persistently monitoring these revenues and making adjustments to the budget and believes the declining revenues will level off in 2017. The Parish is determined to continually working towards the advancement of the Parish and providing the best services possible for its citizens. The Parish stands firm to do more with less.

Long-term Financial Planning

The five (5) year Capital Improvement Plan is being updated to present to the St. Bernard Parish Council. Currently, the Parish has several long-term projects financed through bond funding, including Jackson/Packenham, Submerged Roads, bike paths throughout the Parish, and several Coastal Restoration projects.

The Parish received \$6.99 million in 2015 from the BP Oil Spill settlement, in which, \$2.5 has been set aside in the 2017 budget for Coastal projects, including the construction of the Delacroix Pier and Pavilion.

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

Major Initiatives

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

- Violet – Dravo sewer improvements
- Lake Borgne pump engine upgrades
- Clear well/raw water
- Jean Lafitte storm drains

- Revitalization of Old Arabi
- Mississippi River Trail & Trailheads
- Numerous canal crossing projects
- Waterline replacement projects
- Sewer Lift Station rehab
- Parish wide subsurface drainage improvements
- Three million gallon domestic water tank repair
- LED street lighting

Acknowledgments

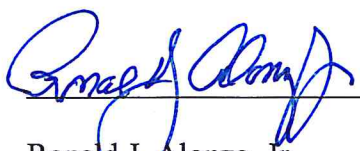
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

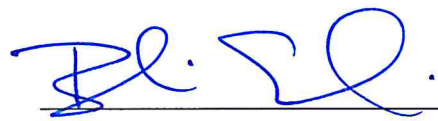
We believe that our current CAFR will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

We would like to thank the Parish Council for their unfailing support for elevating and maintaining the highest standards of professionalism in the management of the Parish's finances.

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

Respectfully submitted,


 Ronald J. Alonzo, Jr.
 Chief Administrator Officer


 Blair Ellinwood
 Director of Finance

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PRINCIPAL ELECTED OFFICIALS
DECEMBER 31, 2016**

PARISH PRESIDENT

Guy McInnis

PARISH COUNCIL MEMBER

Richard J. Lewis – Member at Large West

Kerri Callais – Member at Large East

Gillis McCloskey – District A

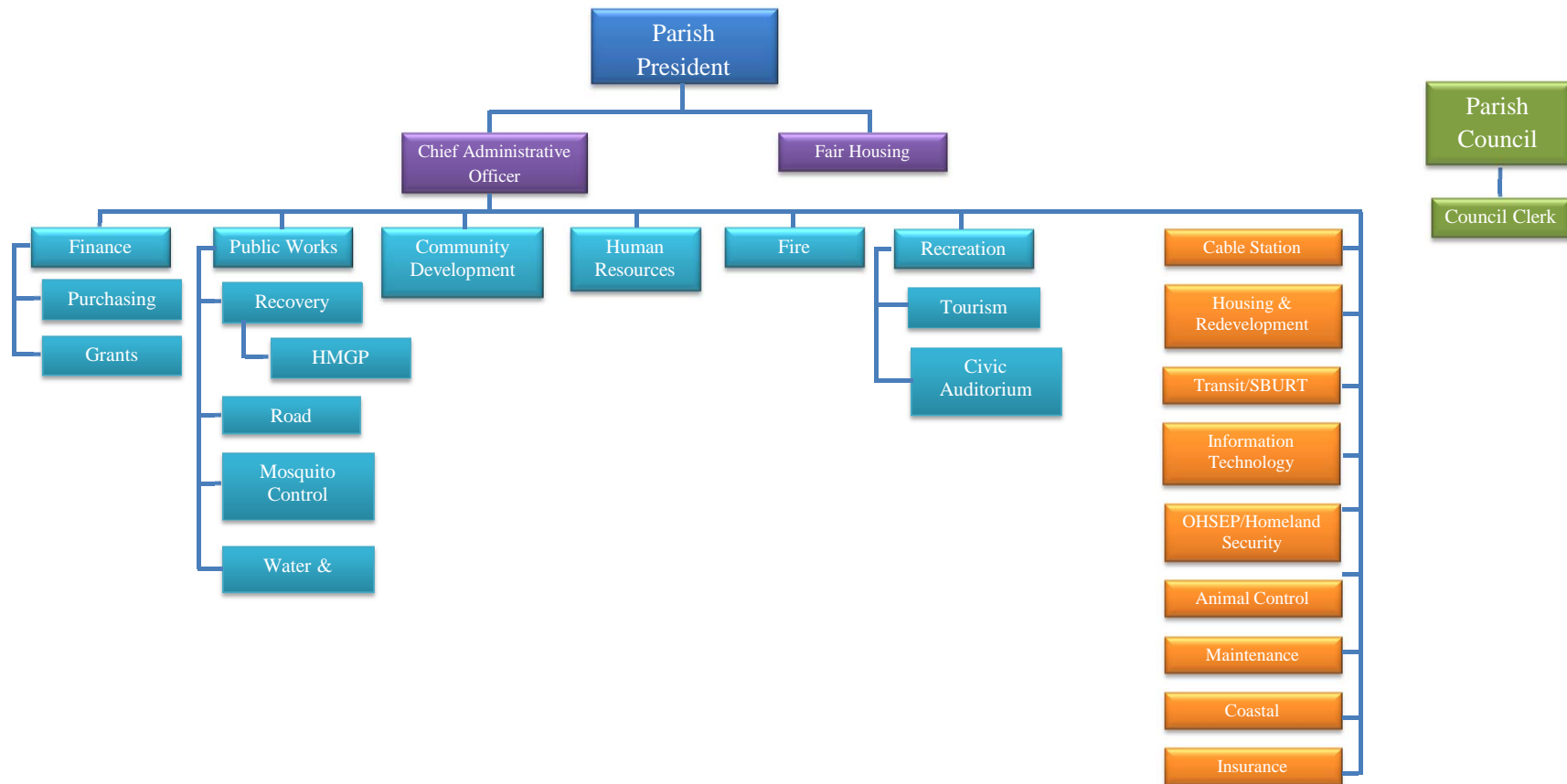
Nathan J. Gorbaty – District B

Howard Luna – District C

Wanda Alcon – District D

Manuel “Monty” Montelongo – District E

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
ORGANIZATIONAL CHART
December 31, 2016



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Bernard Parish Government (the "Parish") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Parish's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Parish as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress - Other Post-Employment Benefits, budgetary comparison information, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Employer Contributions to Pension Funds on pages 4-15 and 62-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Schedules, Schedule of Compensation Paid to Council Members, Schedule of Compensation, Benefits and Other Payments to Agency Head, Financial Data Schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017, on our consideration of the Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

June 29, 2017

REQUIRED SUPPLEMENTARY INFORMATION

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the St. Bernard Parish Government (the "Parish"), financial performance provides an overview of the Parish's financial activities for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the Parish's basic financial statements and the notes to the basic financial statements.

Financial Highlights

- The Parish's net position balance on the government-wide basis was \$647,013,019 at December 31, 2016.
- The government-wide statement of activities reported an increase in net position of \$33,935,001.
- 2016 general fund tax revenues decreased by \$329,024 compared to 2015.
- The general fund reported an excess of revenues and other financing sources over expenses and other financing uses of \$2,145,397 for a total ending fund balance at December 31, 2016 of \$12,402,051. \$4,065,371 of fund balance is restricted or non-spendable, while \$6,891,492 is assigned for coastal restoration and \$1,445,188 is unassigned.
- Total governmental funds reported an excess of revenues and other financing sources over expenses and other financing uses of \$1,899,016 for the year ended December 31, 2016.
- Total cash and cash equivalents of governmental funds amounted to \$40,417,874 at December 31, 2016, an increase of \$4,781,949 compared to December 31, 2015.
- The Parish implemented: GASB issued Statement No. 77 – Tax Abatement Disclosures and GASB issued Statement No. 82 – Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73.

Overview of the Financial Statements

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

The statement of activities presents information showing how the Parish's net position changed during the year ended December 31, 2016. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. earned but unused leave for vacations).

The government-wide financial statements distinguish functions of the Parish that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Parish include general government, public safety, public works, sanitation, culture and recreation, health and welfare, and interest on long-term debt. The business-type activity of the Parish includes the water and sewerage operations of the Water & Sewer Division and Water Districts (the Division) and the rental income, concession sales and operations of the events facilities.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statement. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources. Such information may be useful in evaluating government's financing requirements.

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

The Parish maintains 18 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for its four major funds: the General Fund, Hazard Mitigation Grant Fund, Disaster Recovery Fund and Consolidated Fire Protection District No. 1-2 Fund. Data from the other governmental funds are combined under the heading "Non-major Governmental Funds."

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

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

The basic proprietary fund financial statements can be found on pages 23-30 of this report.

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

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

Other Supplemental Information. The combining statements referred to earlier in connection with non-major governmental, proprietary and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92-125 of this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. The Parish's assets and deferred outflows exceeded liabilities and deferred inflows by \$647,013,019 at December 31, 2016.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

Table 1
Net Position
December 31, 2016 and 2015

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015 (Restated)	2016	2015	2016	2015 (Restated)
Current and other assets	\$ 109,756,801	\$ 109,203,970	\$ 21,991,970	\$ 20,797,590	\$ 131,748,771	\$ 130,001,560
Capital assets	397,858,737	391,125,797	218,856,937	207,008,127	616,715,674	598,133,924
Total assets	<u>507,615,538</u>	<u>500,329,767</u>	<u>240,848,907</u>	<u>227,805,717</u>	<u>748,464,445</u>	<u>728,135,484</u>
Deferred outflows	10,342,240	4,542,971	1,938,178	488,361	12,280,418	5,031,332
Other liabilities	34,658,432	30,710,991	8,619,564	3,813,207	43,277,996	34,524,198
Long-term liabilities	56,885,401	52,729,960	11,463,787	4,581,894	68,349,188	57,311,854
Total liabilities	<u>91,543,833</u>	<u>83,440,951</u>	<u>20,083,351</u>	<u>8,395,101</u>	<u>111,627,184</u>	<u>91,836,052</u>
Deferred inflows	1,859,548	1,282,878	245,112	100,945	2,104,660	1,383,823
Net position:						
Net investment of						
capital assets	367,215,411	357,038,864	209,192,549	196,619,074	576,407,960	553,657,938
Restricted	13,215,014	15,236,622	4,735,936	5,351,524	17,950,950	20,588,146
Unrestricted	44,123,972	47,873,423	8,530,137	17,827,434	52,654,109	65,700,857
Total net position	<u>\$ 424,554,397</u>	<u>\$ 420,148,909</u>	<u>\$ 222,458,622</u>	<u>\$ 219,798,032</u>	<u>\$ 647,013,019</u>	<u>\$ 639,946,941</u>

The Parish's statement of net position reflects its investment in capital assets, land, construction-in-progress, infrastructure, buildings and equipment, less any related debt outstanding used to acquire those assets, in the amount of \$576,407,960 at December 31, 2016. The Parish uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Debt service funds have accumulated \$6,093,721 at December 31, 2016 to provide for the servicing of annual interest and principal payments on bonds and are classified in restricted net position. The unrestricted net position decreased by \$3,190,364, which is primarily due to the change in net position described on the next page.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

Government-wide Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<u>Revenues:</u>						
Program revenues:						
Charges for services	\$ 3,346,854	\$ 3,381,027	\$ 13,099,159	\$ 12,060,280	\$ 16,446,013	\$ 15,441,307
Operating grants and contributions	10,870,638	21,131,977	-	516,129	10,870,638	21,648,106
Capital grants and contributions	28,211,921	32,249,132	1,488,453	-	29,700,374	32,249,132
General revenues:						
Ad valorem taxes	13,258,151	13,241,834	-	-	13,258,151	13,241,834
Sales taxes	14,387,437	14,408,732	3,596,859	3,602,185	17,984,296	18,010,917
Other taxes	1,101,197	1,330,176	-	-	1,101,197	1,330,176
Unrestricted grants and investment earnings	191,898	188,079	58,245	51,670	250,143	239,749
Gain/(Loss) on disposal of assets	-	(415,762)	-	(10,149)	-	(425,911)
Other general revenues	4,098,820	11,958,219	269,818	238,289	4,368,638	12,196,508
Total revenues	<u>75,466,916</u>	<u>97,473,414</u>	<u>18,512,534</u>	<u>16,458,404</u>	<u>93,979,450</u>	<u>113,931,818</u>
Program expenses:						
General government	29,705,306	34,043,529	-	-	29,705,306	34,043,529
Public safety	14,970,179	10,872,392	-	-	14,970,179	10,872,392
Public works	5,816,392	16,398,444	-	-	5,816,392	16,398,444
Sanitation	6,143,008	5,596,379	-	-	6,143,008	5,596,379
Culture and recreation	2,334,365	3,010,246	-	-	2,334,365	3,010,246
Health and welfare	11,491,363	9,154,803	-	-	11,491,363	9,154,803
Interest on long-term debt	1,199,102	1,305,453	178,775	164,219	1,377,877	1,469,672
Water and sewer	-	-	13,993,556	22,753,572	13,993,556	22,753,572
Events facilities	-	-	1,220,910	938,067	1,220,910	938,067
Total expenses	<u>71,659,715</u>	<u>80,381,246</u>	<u>15,393,241</u>	<u>23,855,858</u>	<u>87,052,956</u>	<u>104,237,104</u>
Net (expense) revenue before transfers	3,807,201	17,092,168	3,119,293	(7,397,454)	6,926,494	9,694,714
Transfers in (Out)	<u>458,703</u>	<u>2,306,733</u>	<u>(458,703)</u>	<u>(2,306,733)</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,265,904	19,398,901	2,660,590	(9,704,187)	6,926,494	9,694,714
Net Position - beginning	393,279,986	384,811,818	219,798,032	229,288,537	613,078,018	614,100,355
Prior period adjustment	<u>27,008,507</u>	<u>(10,930,733)</u>	<u>-</u>	<u>213,682</u>	<u>27,008,507</u>	<u>(10,717,051)</u>
Net Position - beginning, as restated	<u>420,288,493</u>	<u>373,881,085</u>	<u>219,798,032</u>	<u>229,502,219</u>	<u>640,086,525</u>	<u>603,383,304</u>
Net Position - ending	<u>\$ 424,554,397</u>	<u>\$ 393,279,986</u>	<u>\$ 222,458,622</u>	<u>\$ 219,798,032</u>	<u>\$ 647,013,019</u>	<u>\$ 613,078,018</u>

Total revenue decreased by \$19,952,368, or 17.51%, from \$113,931,818 in 2015 to \$93,979,450 in 2016. Operating grants and contributions decreased by \$10,777,468, or 49.78%, in 2016. The decrease in operating grants and contributions of \$10,777,468 is partly attributed to the Parish's decrease in funding under the Coastal Impact Assistant Program from \$6,551,734 in 2015 to \$1,089,676 in 2016. In addition, the Parish received one time revenues in 2015 from FEMA for forced account labor. Capital grants and contributions have decreased by \$2,548,758, or 7.90%, from \$21,648,106 in 2015 to 10,870,638 in 2016. The Parish expects to see a decrease in capital projects as FEMA projects began ending. Other revenues decreased by \$7,827,870, or 64.18%, from \$12,196,508 in 2015 to \$4,368,638 2016. This large decrease is primarily due to one-time revenue received in 2015 through a litigation settlement.

Total expenses were \$87,052,956 in 2016, a decrease of \$17,184,148, or 16.49%, compared to \$104,237,104 in 2015. Public works expense decreased \$10,582,052, or 64.53%, from \$16,398,444 in 2015 to \$5,816,392 in 2016 due to several one-time expenditures in 2015. The Parish had a change in estimate during 2015 which increased expenditures by \$1,577,944. The Parish also had an increase in professional services in 2015 in the amount of \$6,462,028 due to litigation. Water and Sewer expenses

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

decreased by \$8,760,016, or 38.50%, from \$22,753,572 in 2015 to \$13,993,556 in 2016 due to a change in estimate that occurred in 2015. The change in estimate was a one-time increase in expenses by \$9,271,957.

Financial Analysis of the Government's Funds

Governmental Funds

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

At December 31, 2016, the Parish's governmental funds reported a combined fund balance of \$21,285,913, a decrease of \$4,121,256 in comparison with the prior year. Included in this amount is a deficit of \$6,020,272, which constitutes unassigned fund balance. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$191,600), 2) restricted for particular purposes (\$13,215,014), 3) committed for particular purposes (\$956,564), or 4) assigned for particular purposes (\$12,901,445).

Proprietary Funds

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

Unrestricted net position of the Water and Sewer Division and the non-major business-type activities at the end of the year amounted to \$7,342,253.

General Fund

The General Fund is the chief operating fund of the Parish. During the year ended December 31, 2016, the general fund's fund balance increased by \$2,145,397 from \$10,256,654 to \$12,402,051. Key factors relative to this change are as follows:

- Total revenues decreased by \$9,671,592 from 2015 to 2016. Federal grant revenues decreased by \$10,363,623 as compared to the prior year due to the Parish creating a new fund called Federal and State Grants to account for all grant funding, which moved these grants out of the General Fund and into a Special Revenue Fund. The Parish believes this will allow the General Fund to show the true costs to the Parish while excluding grants that can be misleading by adding additional one-time revenues and one-time expenditures.
- Expenditures decreased in 2016 to \$14,208,367 compared to \$26,444,916 in 2015, a decrease of \$12,236,549, which represents a 46.27% decrease in expenditures. This decrease is a result of the creation of the Federal and State Grants Fund, which removed all grant funded projects out of the General Fund and into a Special Revenue Fund. There was also an increase in professional services directly related to one-time litigation costs that occurred in 2015, which increased 2015 expenditures by \$6,462,028.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

- Other financing sources (uses), net, totaled \$(594,697) in 2016, representing a decrease of \$6,585,504, or 109.93%, in comparison to 2015. This large decrease is due to one-time proceeds from the litigation settlement received in 2015 in the amount of \$9,359,306 compared to \$1,780,006 in 2016.
- Charges for Services increased by \$910,624, or 61.02%, from \$1,492,232 in 2015 to \$2,402,856 in 2016. This increase is due to the selling of lots through the Louisiana Land Trust Program.
- Property taxes decreased in 2016 to \$875,422 compared to \$962,864 in 2015, a decrease of \$87,442 which represents a 9.08% decrease in property tax revenues.
- Federal funds decreased \$10,363,623, or 97.11%, due to the creation of the Federal and State Grant Fund.
- Miscellaneous and other revenues increased from \$449,291 in 2015 to \$674,740 in 2016, an increase of \$225,449, or 50.18%, due to one-time worker compensation reimbursements received in 2016.

The accompanying table shows the amount of General Fund revenues by source for 2016 and 2015:

Revenues	2016 Actual	% of Total	Increase (Decrease) Over 2015	2015 Actual	% of Total
Taxes	\$ 12,169,165	58.18%	\$ (329,024)	\$ 12,498,189	33.37%
Licenses and permits	1,327,469	6.35%	1,279	1,326,190	3.54%
Intergovernmental	337,922	1.62%	(10,457,721)	10,795,643	28.85%
Charges for services	2,402,856	11.49%	910,624	1,492,232	3.99%
Fines and forfeitures	34,146	0.16%	(23,331)	57,477	0.15%
Use of money and property	2,163	0.01%	1,132	1,031	0.00%
Other revenues	674,740	3.23%	225,449	449,291	1.21%
Other financing sources	3,972,054	18.99%	(6,827,212)	10,799,266	28.87%
	<u>\$ 20,920,515</u>	<u>100.00%</u>	<u>\$ (16,498,804)</u>	<u>\$ 37,419,319</u>	<u>100.00%</u>

The accompanying table shows the amount of general fund expenditures by source for 2016 and 2015:

Expenditures	2016 Actual	% of Total	Increase (Decrease) Over 2015	2015 Actual	% of Total
General government	\$ 11,961,208	63.71%	\$ (14,192,349)	\$ 26,153,557	83.68%
Public safety	1,519,332	8.09%	1,519,332	-	0.00%
Health and welfare	590,132	3.14%	590,132	-	0.00%
Capital outlay	137,695	0.73%	(153,664)	291,359	0.93%
Operating transfers out	4,566,751	24.32%	(241,708)	4,808,459	15.39%
	<u>\$ 18,775,118</u>	<u>100.00%</u>	<u>\$ (12,478,257)</u>	<u>\$ 31,253,375</u>	<u>100.00%</u>

Hazard Mitigation Grant Fund

This special revenue fund is used to account for funding from the Department of Homeland Security. Primarily Hazard Mitigation Grant (the "HMGP") funding is for construction projects associated with Hurricanes Katrina, Rita and Gustav. The HMGP funding is a reimbursement basis grant where expenditures and related revenues have been accrued along with some advance funding for elevation of qualified homes. Revenues amounted to \$13,757,917 in 2016 compared to \$4,227,007 in 2015, while

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

expenditures totaled \$12,070,798 in 2016 compared to \$3,607,724 in 2015. Revenues and expenditures are beginning to increase as the construction phases of the projects are beginning to take place.

Disaster Recovery Fund

The Disaster Recovery fund primarily accounts for grants received as a result of Hurricanes Katrina, Rita, Isaac and Gustav from the federal government. FEMA, as authorized by the Stafford Act, assists individuals, as well as state and local governments, with response to and recovery from disasters. The FEMA grants are reimbursement basis grants where expenditures and related revenues have been accrued. The deficit in the Disaster Recovery fund at December 31, 2016 of \$6,589,435 is partially attributable to \$11,360,239 of revenue that has been deferred and will be collected by the Parish in future years and cash advances received for which expenditures will be incurred in future years. Revenue amounted to \$13,933,992 in 2016 compared to \$20,795,793 in 2015, while expenditures totaled \$13,316,809 in 2016 compared to \$18,721,847 in 2015. Revenues and expenditures for Hurricanes Katrina, Rita and Gustav in the FEMA fund are decreasing as funding for the emergencies comes to an end and projects are closed out.

Consolidated Fire Protection District No. 1-2

The Consolidated Fire Protection District No. 1-2 (the "Fire District") accounts for maintenance and daily operations of the fire protection facilities, along with training and continuing education. The Fire District is primarily funded by ad valorem taxes and 2% of the State of Louisiana distribution of fire insurance premium taxes. The Fire District's fund balance at December 31, 2016 amounted to \$2,127,455 which was a decrease of \$1,285,201. Revenue amounted to \$9,166,757 in 2016 compared to \$9,371,042 in 2015, a decrease of \$204,285. This decrease is due to a decrease in property taxes of \$126,226 or 1.42% from \$8,859,578 in 2015 to \$8,733,352 in 2016. There was also a decrease in charges of services in the amount of 77,913, or 77.75%, due to a decline in fire details associated with the film industry. Expenditures totaled \$10,181,914 in 2016 compared to \$9,490,034 in 2015, which is an increase of \$691,880. This increase is due to an increase in workers compensation from \$409,690 in 2015 to \$838,570 in 2016, a \$428,880 or 104.68% increase. The Fire Department also purchased a new fire engine in 2016 in the amount of \$424,389.

Special Revenue Funds – Non-major

The Non-Major Special Revenue funds are used to account for the recording of special purpose revenues and grants. Total fund balance for the Non-Major Special Revenue funds was \$2,817,305 at December 31, 2016, which was a \$810,199 decrease compared to the prior year fund balance, as restated, of \$3,627,424. Revenues during the year ended December 31, 2016 increased by \$5,035,453 primarily due to the creation of the Federal and State Grants fund. Federal funds increased by \$4,964,404, or 47.13%, from \$10,532,813 in 2015 to \$15,497,217 in 2016. The newly created Federal and State Grant fund brought in \$5,823,236 in federal funding. Expenditures during the year ended December 31, 2016 increased by \$7,115,973 as a result of the creation of the Federal and State Grant fund. The Federal and State Grant fund had \$6,691,994 in expenditures, of which \$2,348,696 was for other general governmental and \$4,343,298 was for capital outlay. Other general government expenditures increased \$2,542,957, or 252.69%, and capital outlay increased by \$4,784,463, or 444.94%, primarily due to the creation of the Federal and State Grant fund. There was also an increase in expenditures in Public Works of \$221,336, or 6.08%, due to an increase operating supplies and insurances. Workforce Investment Act, which is an expenditure driven federal grant program, had a decrease in expenditures of \$608,938, or 28.18%, due to a decrease in funding.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

Debt Service Funds

The Debt Service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Total fund balance for the Debt Service funds was \$3,583,996 at December 31, 2016, which was a \$46,508 increase compared to the prior year balance of \$3,537,488. The increase in fund balance is due to a decrease in sinking requirements which are satisfied via transfers in. Transfers, net were \$4,505,610 for the year ended December 31, 2016, which was a \$34,358 decrease compared to prior year activity of \$4,539,968. Expenditures during the year ended December 31, 2016 decreased by \$16,353 as a result of interest and principal payments.

Capital Project Funds

The Capital Projects funds are used to account for all resources and expenditures in connection with the acquisition of capital facilities and repair and maintenance projects other than those accounted for in the recovery funds relating to FEMA, HMGP and CDBG. Total fund balance for the Capital Project funds was \$6,804,957 at December 31, 2016, a decrease of \$537,787 from the prior year. Capital Projects fund expenditures during 2016 totaled \$2,138,095, a decrease of \$666,933 from the prior year primarily due to the decline of projects in the General Capital Project fund. The General Capital Project fund had expenditures of \$2,516,609 in 2015 and \$1,953,095 in 2016, a decrease of \$563,514, or 22.39%, due to available funding decreasing.

Enterprise Funds

The Enterprise funds are used to account for operations of the water and sewer and events facilities of the Parish. Total net position for the Enterprise funds was \$221,270,738 at December 31, 2016, an increase of \$2,325,115. Total operating revenues increased \$868,435, or 7.22%, to \$13,099,159 for the year ended December 31, 2016. This increase is due primarily to the increase in water and sewer fees that were implemented in March 2015, while 2016 revenues reflect a full years of increased water and sewer fees. Total operating expenses decreased \$8,145,142, or 34.99%, to \$15,136,045 for the year ended December 31, 2016. This decrease from the prior year is due to a change in estimate. The change in estimate increased expenditures by \$9,271,957 in 2015. Water and Sewer Division increased personnel services and related benefits by \$663,484, or 28.64%, from \$2,641,117 in 2015 to \$2,980,396 in 2016 primarily as a result of better serving the community's needs. Contractual services, supplies and materials were \$1,018,581 in 2016 and \$810,865 in 2015, respectively, which is an increase of \$207,716 or 25.62%.

Non-operating revenues and expenditures increased by \$755,137, or 18.57%, primarily due to an increase in federal funding received for water and sewer lines repairs within the Parish as system components begin aging.

Internal Service Funds

The Internal Service funds are used to account for the risk management services provided throughout the Parish. Total net position for the Internal Service funds was \$1,695,789 at December 31, 2016, an increase of \$581,839 from the prior year. Charges for services increased by \$1,137,709 from \$1,114,003 to \$2,251,712 during the year ended December 31, 2016 due to the belief that claims would be paid in 2016. Total operating expenses decreased by \$841,411 from \$2,521,328 to \$1,679,917 during the year ended December 31, 2016 due to the claims still outstanding and not ready for payment.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

General Fund Budgetary Highlights

Variances between general fund amended budget and actual are delineated in the schedule below. Total revenues are \$16,948,461, or 0.01%, over budgeted amounts. Actual expenditures were 0.09% more than budgeted.

	2016		Variance with Final Budget Over/(Under)
	Budget	Actual	
Revenues			
Taxes	\$ 12,169,341	\$ 12,169,165	\$ (176)
Licenses and permits	1,321,577	1,327,469	5,892
Intergovernmental	337,922	337,922	-
Charges for services	2,399,902	2,402,856	2,954
Fines and forfeitures	34,146	34,146	-
Use of money and property	15	2,163	2,148
Other revenues	684,463	674,740	(9,723)
Total Revenues	16,947,366	16,948,461	1,095
Expenditures	14,181,288	14,193,568	(12,280)
Other Financing Sources (Uses), net	(594,697)	(594,697)	-
Net Change in Fund Balance	<u>\$ 2,171,381</u>	<u>\$ 2,160,196</u>	<u>\$ (11,185)</u>

Capital Assets

Capital assets at December 31, 2016 and 2015 are as follows (net of depreciation):

The Parish's net investment in capital assets as of December 31, 2016 amounts to \$616,715,674 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, building and land improvements, furniture, fixtures and equipment, machinery and equipment and infrastructure.

	2016	2015
Land	\$ 20,408,058	\$ 20,368,190
Construction in progress	130,385,934	94,273,646
Buildings and improvements	217,752,235	221,685,955
Furniture, machinery and equipment	20,894,064	21,248,216
Infrastructure	453,866,461	452,067,845
Accumulated depreciation	(226,591,078)	(211,509,928)
	<u>\$ 616,715,674</u>	<u>\$ 598,133,924</u>

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

- Construction in progress has begun on the Parish's canal crossing which is funded via FEMA.
- Design and construction has begun on the water and sewer line projects throughout the Parish.
- Construction is underway with the submerged roads project, the Arabi overlay, Jackson/Packenham, and several other projects throughout the Parish.
- Depreciation expense for the year amounted to \$21,297,789.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

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

Debt Administration

Outstanding debt at December 31, 2016 totaled \$43,263,196, which is secured by specific revenue sources (property, sales taxes or charges for services).

	<u>2016</u>	<u>2015</u>
2012 Sales Tax Refunding bonds	\$ 27,425,000	\$ 30,460,000
2004 Sales Tax bonds	430,000	475,000
2008 Sales Tax Refunding bonds	2,290,000	2,990,000
Total bonds	30,145,000	33,925,000
Limited Tax Certificates of Indebtedness, Series 2014	1,760,000	1,985,000
Limited Tax Certificates of Indebtedness, Series 2015	-	2,215,662
Limited Tax Certificates of Indebtedness, Series 2016	4,500,000	-
Total certificates of indebtedness	6,260,000	4,200,662
LDHH - Drinking Water Revolving Loan	4,679,032	249,272
LDEQ - Clean Water Revolving Loan	2,179,164	454,574
Total revolving loans	6,858,196	703,846
Total outstanding debt	<u>\$ 43,263,196</u>	<u>\$ 38,829,508</u>

The following is a summary of debt transactions:

Balance at January 1, 2016	\$ 38,829,508
New issues	10,654,349
Payments	(6,220,661)
Balance at December 31, 2016	<u>\$ 43,263,196</u>

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

Major long-term debt transactions for the year ended December 31, 2016 include the following:

- Total Other Post-Employment benefits increased \$1,366,465 during the fiscal year.
- During the year ended December 31, 2016, the Parish drew down substantial amounts on the Drinking Water Revolving Loan not to exceed \$11,000,000. The balance at December 31, 2016 was \$4,679,032. The Parish also drew down on the Clean Water State Revolving Loan not to exceed \$10,000,000. The balance at December 31, 2016 was \$2,179,164.
- The Parish paid in full the 2015 certificates of indebtedness in the amount of \$2,215,662 in January 2016. The Parish issued 2016 certificates of indebtedness in the amount of \$4,500,000 in July 2016 and paid the certificates in full February 2017.
- At December 31, 2016, the Parish record an increase to net pension liability of \$5,925,038 in the governmental activities and \$1,481,260 increase in the business-type activities.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

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

Economic Factors and Next Year's Budget and Rates

The Parish's primary recurring funding sources are Sales Tax and Ad Valorem Tax. In 2015, actual Sales Tax collections were \$17,984,296, which was a decrease of \$26,621, or 0.15%, when compared to prior year. The Parish projects a 1.76% increase in Sales Tax revenues in 2017 over 2016 primarily due to the oil and gas industries within the Parish performing large scale construction projects as well as sales tax audits occurring. In 2016, actual Ad Valorem Tax collections were \$13,258,151 and the Parish estimates no significant change in Ad Valorem revenues in 2017. The Parish is projecting no major changes in its primary funding sources in 2017. Due to the economic climate, primarily oil and gas industry has begun to level out within the Parish.

Expectation is such that by the end of 2017 it is estimated that the Parish will be substantially complete in its storm-related recovery efforts that will total in excess of \$1 billion with the possibility of an additional \$150 million from FEMA for drainage projects throughout the Parish. Significant Parish-wide infrastructure repairs, hazard mitigation measures, aggressive marketing of lots made vacant by Hurricane Katrina, an exceptionally rated public school system, state of the art recreational facilities, low crime rate and other factors will continue to make the Parish an attractive community that should bolster its population and help increase the taxable population. A new state of the art hospital has continued to grow the area's medical care services and offer competitive job opportunities. Real estate values are increasing as evident by the builder bundle program of Parish owned vacant lots, which is producing beautiful new construction in the western side of the Parish at a premium price. The average lot price is up significantly when compared to the previous years. The Parish continues to apply for federal and state grants in order to improve the quality of life for its residents. The Parish has developed a Grants Department to head and oversee from the application phase to construction. Examples of this include federal and state grants that will fund a bike trail along the Mississippi River levee and 40 Arpent Canal, a new playground for Parish children, federal loans to improve the waterline and sewer systems throughout the Parish and the anticipation of new bike paths connecting the current paths together throughout the Parish. The Parish also has plans to design and construct the Delacroix pier and pavilion for citizens to enjoy.

While the Parish has seen a substantial amount of film production and significant revenues from such over recent years, 2016 began to show a decline in this revenue stream. The Parish is not expecting to see additional revenues in 2017.

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2016

Requests for Information

This financial report is designed to provide a general overview of the Parish's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Department of Finance, St. Bernard Parish, 8201 W. Judge Perez Drive, Chalmette, Louisiana 70043.

BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			
	Governmental Activities	Business Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 41,940,841	\$ 8,354,048	\$ 50,294,889	\$ 6,751,015
Investments	1,075,166	-	1,075,166	7,785,021
Investments - land held for sale	3,056,500	-	3,056,500	-
Receivables:				
Sales and use taxes	2,307,832	576,958	2,884,790	-
Property taxes	11,243,181	-	11,243,181	954,312
Customer	-	1,281,431	1,281,431	-
Intergovernmental	20,700,975	114,563	20,815,538	1,349,260
Other	533,725	14,521	548,246	6,856
Unbilled charges	-	705,776	705,776	-
Internal balances	(4,332,633)	4,332,633	-	-
Prepaid expenditures	202,435	154,068	356,503	-
Inventory	-	292,394	292,394	-
Restricted assets - cash and cash equivalents	-	5,313,543	5,313,543	396
Loan and interest receivable	33,028,779	852,035	33,880,814	-
Capital assets:				
Land and construction in progress	74,924,099	75,869,983	150,794,082	-
Other capital assets, net of depreciation	322,934,638	142,986,954	465,921,592	3,234,788
Total assets	\$ 507,615,538	\$ 240,848,907	\$ 748,464,445	\$ 20,798,006
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on pension obligation	\$ 10,342,240	\$ 1,938,178	\$ 12,280,418	\$ 100,651.00
Total deferred outflows of resources	\$ 10,342,240	\$ 1,938,178	\$ 12,280,418	\$ 100,651.00
LIABILITIES				
Accounts payables	\$ 19,496,402	\$ 6,305,963	\$ 25,802,365	\$ 3,750
Claims payable	2,000,870	384,173	2,385,043	-
Retainage payable	2,184,734	336,847	2,521,581	-
Salaries and payroll deductions payable	817,462	151,517	968,979	7,693
Customer deposits	-	1,292,631	1,292,631	-
Accrued interest payable	379,205	14,571	393,776	5,966
Advance collections	5,279,759	133,862	5,413,621	-
Certificates of indebtedness	4,500,000	-	4,500,000	-
Long-term non-current liabilities:				
Due within one year	4,221,378	1,286,902	5,508,280	893,987
Due in more than one year	52,664,023	10,176,885	62,840,908	1,523,184
Total liabilities	\$ 91,543,833	\$ 20,083,351	\$ 111,627,184	\$ 2,434,580
DEFERRED INFLOWS				
Deferred inflows on pension obligation	\$ 1,859,548	\$ 245,112	\$ 2,104,660	\$ 11,905.00
Total deferred inflows of resources	\$ 1,859,548	\$ 245,112	\$ 2,104,660	\$ 11,905.00
NET POSITION				
Net investment in capital assets	\$ 367,215,411	\$ 209,192,549	\$ 576,407,960	\$ 3,234,788
Restricted for:				
Capital projects	313,966	2,094,689	2,408,655	-
Debt service	3,608,473	2,485,248	6,093,721	-
Federal programs	4,529,953	-	4,529,953	-
Public safety	2,103,463	-	2,103,463	-
Other purposes	2,659,159	155,999	2,815,158	-
Unrestricted	44,123,972	8,530,137	52,654,109	15,217,384
Total net position	\$ 424,554,397	\$ 222,458,622	\$ 647,013,019	\$ 18,452,172

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities								
General government								
Judicial	\$ 3,999,898	\$ 52,320	\$ -	\$ -	\$ (3,947,578)	\$ -	\$ (3,947,578)	
Other general government	25,705,408	3,061,124	3,507,354	28,211,921	9,074,991	-	9,074,991	
Public safety	14,970,179	36,107	-	-	(14,934,072)	-	(14,934,072)	
Public works	5,816,392	12,674	660,932	-	(5,142,786)	-	(5,142,786)	
Sanitation	6,143,008	-	-	-	(6,143,008)	-	(6,143,008)	
Culture and recreation	2,334,365	184,629	160,356	-	(1,989,380)	-	(1,989,380)	
Health and welfare	11,491,363	-	6,541,996	-	(4,949,367)	-	(4,949,367)	
Interest on long-term debt	1,199,102	-	-	-	(1,199,102)	-	(1,199,102)	
Total governmental activities	71,659,715	3,346,854	10,870,638	28,211,921	(29,230,302)	-	(29,230,302)	
Business-Type Activities								
Water and sewer	13,993,556	12,169,502	-	1,488,453	-	(335,601)	(335,601)	
Events facilities	1,220,910	929,657	-	-	-	(291,253)	(291,253)	
Interest on long-term debt	178,775	-	-	-	-	(178,775)	(178,775)	
Total business-type activities	15,393,241	13,099,159	-	1,488,453	-	(805,629)	(805,629)	
Total	\$ 87,052,956	\$ 16,446,013	\$ 10,870,638	\$ 29,700,374	(29,230,302)	(805,629)	(30,035,931)	
Component Units								
Total Component Units	\$ 5,152,245	\$ 8,176	\$ 3,549,435	\$ -				\$ (1,594,634)
General Revenues								
Taxes:								
Property taxes					13,258,151	-	13,258,151	1,183,335
Sales and use taxes					14,387,437	3,596,859	17,984,296	-
Severance					431,377	-	431,377	-
E telephone					392,760	-	392,760	-
Other					277,060	-	277,060	-
Fines and forfeitures					218,983	-	218,983	-
State revenue sharing (unrestricted)					76,589	-	76,589	10,704
Parish road royalty					241,323	-	241,323	-
Other general revenues (expenses)					1,085,110	275,318	1,360,428	157,538
Interest and investment earnings					191,898	58,245	250,143	182,898
Proceeds from insurance settlement					273,541	(5,500)	268,041	-
Proceeds from litigation settlement					1,780,006	-	1,780,006	-
Miscellaneous revenues					423,268	-	423,268	2,587
Transfers					458,703	(458,703)	-	-
Total general revenues and transfers					33,496,206	3,466,219	36,962,425	1,537,062
Change in net position					4,265,904	2,660,590	6,926,494	(57,572)
Net position - beginning of year					393,279,986	219,798,032	613,078,018	203,545
Prior period adjustment (Note 21)					27,008,507	-	27,008,507	-
Net position - beginning of year, As Restated					420,288,493	219,798,032	640,086,525	203,545
Net position - end of year					\$ 424,554,397	\$ 222,458,622	\$ 647,013,019	\$ 145,973

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	Special Revenue Funds					Total
	General Fund	Hazard Mitigation Grant Program	Disaster Recovery Fund	Consolidated Fire Protection District No. 1 - 2	Non-Major Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 8,031,247	\$ 5,595,180	\$ 10,925,572	\$ 350,020	\$ 15,515,855	\$ 40,417,874
Investments - land held for sale	3,056,500	-	-	-	-	3,056,500
Receivables:						
Sales and use taxes	1,730,874	-	-	-	576,958	2,307,832
Property taxes	751,078	-	-	7,484,379	3,007,724	11,243,181
Intergovernmental	116,408	3,291,034	12,600,465	14,478	4,678,590	20,700,975
Other	381,235	-	-	79,645	72,626	533,506
Due from other funds	6,448,865	-	8,034,296	-	3,218,720	17,701,881
Prepaid	94,582	-	-	23,992	73,026	191,600
Total assets	<u>\$ 20,610,789</u>	<u>\$ 8,886,214</u>	<u>\$ 31,560,333</u>	<u>\$ 7,952,514</u>	<u>\$ 27,143,499</u>	<u>\$ 96,153,349</u>
LIABILITIES						
Accounts payable	\$ 822,811	\$ 4,020,211	\$ 6,745,053	\$ 304,503	\$ 7,529,480	\$ 19,422,058
Retainage payable	21,091	268,736	1,848,674	-	46,233	2,184,734
Salaries and payroll deductions payable	227,690	4,355	-	376,255	200,462	808,762
Due to other funds	3,533,923	1,084,281	12,916,043	938,845	3,544,054	22,017,146
Advance collections	-	-	5,279,759	-	-	5,279,759
Short-term certificates of indebtedness	500,000	-	-	4,000,000	-	4,500,000
Total liabilities	<u>5,105,515</u>	<u>5,377,583</u>	<u>26,789,529</u>	<u>5,619,603</u>	<u>11,320,229</u>	<u>54,212,459</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	3,103,223	3,369,047	11,360,239	205,456	2,617,012	20,654,977
Total deferred inflows of resources	<u>3,103,223</u>	<u>3,369,047</u>	<u>11,360,239</u>	<u>205,456</u>	<u>2,617,012</u>	<u>20,654,977</u>
FUND BALANCE						
Nonspendable:						
Prepaid items	94,582	-	-	23,992	73,026	191,600
Restricted:						
Mortgage refunding	91,185	-	-	-	-	91,185
Debt service	-	-	-	-	3,608,473	3,608,473
Federal programs	3,879,604	-	-	-	650,349	4,529,953
Council on aging	-	-	-	-	290,010	290,010
Road lighting	-	-	-	-	270,640	270,640
Health	-	-	-	-	720,483	720,483
Communication	-	-	-	-	625,454	625,454
Sanitation	-	-	-	-	51,060	51,060
Culture and recreation	-	-	-	-	583,301	583,301
Court operations	-	-	-	-	16,829	16,829
Public safety	-	-	-	2,103,463	-	2,103,463
Capital outlay	-	-	-	-	313,966	313,966
BP oil spill	-	-	-	-	10,197	10,197
Committed:						
Capital outlay	-	-	-	-	956,654	956,654
Assigned:						
Coastal restoration	6,891,492	-	-	-	-	6,891,492
Capital outlay	-	-	-	-	416,764	416,764
Recovery	-	-	-	-	5,593,189	5,593,189
Unassigned	1,445,188	139,584	(6,589,435)	-	(974,137)	(5,978,800)
Total fund balance	<u>12,402,051</u>	<u>139,584</u>	<u>(6,589,435)</u>	<u>2,127,455</u>	<u>13,206,258</u>	<u>21,285,913</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 20,610,789</u>	<u>\$ 8,886,214</u>	<u>\$ 31,560,333</u>	<u>\$ 7,952,514</u>	<u>\$ 27,143,499</u>	<u>\$ 96,153,349</u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2016

Fund balances - total governmental funds	\$	21,285,913
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The cost of capital assets (land, building, furniture and equipment) purchased or constructed is reported as an expenditures in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Parish as a whole. The cost of those assets is allocated over their estimated useful lives (as depreciation expense) to the various programs and reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$	487,760,618	
Accumulated depreciation		(89,901,881)	397,858,737

Long-term assets consist of:

Loan receivable			33,028,779
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Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.		20,654,977
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Interest expense is accrued at year-end in the government-wide financial statements, but is recorded only if due and payable on the governmental fund financial statements.		(379,205)
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Long-term liabilities consist of:

Bonds payable, net of premium/discount	\$	(30,643,326)	
Net other post-employment benefit obligation		(4,195,483)	
Net pension liability		(20,020,467)	
Compensated absences		(2,026,125)	(56,885,401)

Internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund is included in the governmental activities in the Statement of Net Position.		507,905
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In 2015, the Parish implemented the requirements of GASB Statement No. 68, which provides for the recognition of pension obligations. This includes recognition of related deferred outflows and inflows.

Deferred outflows on pension obligation	\$	10,342,240	
Deferred inflows on pension obligation		(1,859,548)	8,482,692

Net position - governmental activities	\$	424,554,397
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The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue Funds					Non-major Governmental Funds	Total
	General Fund	Hazard Mitigation Grant Program	Disaster Recovery Fund	Consolidated Fire Protection District No. 1 - 2			
REVENUES							
Taxes:							
Property taxes	\$ 875,422	\$ -	\$ -	\$ 8,733,352	\$ 3,504,361	\$ 13,113,135	
Sales and use taxes	10,790,577	-	-	-	3,596,859	14,387,436	
Other	503,166	-	-	17,459	400,573	921,198	
Licenses and permits	1,327,469	-	-	13,815	11,874	1,353,158	
Intergovernmental:							
Federal funds	308,387	13,749,919	13,933,992	-	15,570,217	43,562,515	
State revenue sharing (unrestricted)	12,600	-	-	13,094	46,273	71,967	
Other state funding	16,935	-	-	179,043	986,702	1,182,680	
Charges for services	2,402,856	-	-	22,292	339,194	2,764,342	
Fines and forfeitures	34,146	-	-	-	164,511	198,657	
Use of money and property	2,163	-	-	-	149	2,312	
Other revenues	674,740	7,998	35,916	187,702	691,983	1,598,339	
Total revenues	16,948,461	13,757,917	13,969,908	9,166,757	25,312,696	79,155,739	
EXPENDITURES							
Current							
General government:							
Judicial	2,674,851	-	-	-	228,760	2,903,611	
Other general government	9,286,357	2,298,779	3,165,116	-	3,734,494	18,484,746	
Public safety	1,519,332	-	-	9,757,525	325,105	11,601,962	
Public works	-	-	-	-	4,557,047	4,557,047	
Sanitation	-	-	-	-	4,812,945	4,812,945	
Culture and recreation	-	-	-	-	1,828,936	1,828,936	
Health and welfare	590,132	-	-	-	8,537,896	9,128,028	
Capital outlay	137,695	6,041,937	7,485,668	424,389	7,812,681	21,902,370	
Debt service:				-			
Principal	-	-	-	-	3,260,000	3,260,000	
Interest	-	-	-	-	1,199,102	1,199,102	
Total expenditures	14,208,367	8,340,716	10,650,784	10,181,914	36,296,966	79,678,747	
Excess (Deficiency) of Revenues Over Expenditures	2,740,094	5,417,201	3,319,124	(1,015,157)	(10,984,270)	(523,008)	
OTHER FINANCING SOURCES (USES)							
Proceeds from the sale of capital assets	-	-	-	-	146,135	146,135	
Proceeds from insurance settlements	-	-	-	-	37,180	37,180	
Proceeds from the litigation settlements	1,780,006	-	-	-	-	1,780,006	
Transfer in	2,192,048	-	-	-	10,184,120	12,376,168	
Transfer out	(4,566,751)	(3,730,082)	(2,666,025)	(270,044)	(684,563)	(11,917,465)	
Total other financing sources (uses)	(594,697)	(3,730,082)	(2,666,025)	(270,044)	9,682,872	2,422,024	
Changes in fund balance	2,145,397	1,687,119	653,099	(1,285,201)	(1,301,398)	1,899,016	
Fund balance (deficit) - beginning of year	10,256,654	-	(1,962,775)	3,412,656	13,700,634	25,407,169	
Prior period adjustment	-	(1,547,535)	(5,279,759)	-	807,022	(6,020,272)	
Fund balance (deficit) - beginning, as restated	10,256,654	(1,547,535)	(7,242,534)	3,412,656	14,507,656	19,386,897	
Fund balance (deficit) - end of year	\$ 12,402,051	\$ 139,584	\$ (6,589,435)	\$ 2,127,455	\$ 13,206,258	\$ 21,285,913	

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Total net changes in fund balances - governmental funds	\$	1,899,016
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 21,902,370	
Depreciation expense	<u>(14,734,079)</u>	7,168,291

The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position	(435,351)
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Some activity reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Decrease in accrued interest	\$ 40,992	
Increase in post-employment benefit obligation	(1,366,465)	
Increase in compensated absences	(307,544)	
Decrease in deferred inflows in unavailable revenues	<u>(5,720,566)</u>	(7,353,583)

The Parish implemented GASB 68 in 2015. GASB 68 requires a prescribed method of pension expenditure recognition within the Parish's government-wide financial statements. The difference between yearly pension expenditures and actual employer contributions in the current year.	(702,439)
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Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal portion made on outstanding debt	3,260,000
Amortization of bond premium	183,606

The net effect or revenue/(loss) of certain activities of internal service funds is reported with governmental activities.	<u>246,364</u>
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Change in net position - governmental activities	<u><u>\$ 4,265,904</u></u>
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The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2016

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Other Enterprise Funds	Total	Self-Insurance Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,361,025	\$ 157,465	\$ 7,518,490	\$ 2,358,525
Investments	-	-	-	1,075,166
Customer receivable, net of allowance	1,281,431	-	1,281,431	-
Intergovernmental receivable	114,563	-	114,563	-
Unbilled charges	705,776	-	705,776	-
Due from other funds	13,026,319	-	13,026,319	1,324,325
Prepays	105,824	48,244	154,068	10,835
Inventory	286,431	5,963	292,394	-
Loan receivable	600,000	-	600,000	-
Interest receivable	252,035	-	252,035	-
Other receivable	-	3,415	3,415	11,325
Restricted assets:				
Cash and cash equivalents				
Revenue bond debt service account	182,863	-	182,863	-
Capital renewal and replacement and systems improvement account	1,854,224	-	1,854,224	-
Sales tax bond debt service reserve	981,325	-	981,325	-
Sales tax bond debt service account	1,976,361	-	1,976,361	-
Construction fund	162,771	-	162,771	-
Inflow and infiltration	2	-	2	-
Other debt service accounts	-	-	-	-
Customer meter deposits	155,997	-	155,997	-
Sales tax receivable	576,958	-	576,958	-
Total current assets	29,623,905	215,087	29,838,992	4,780,176
Non-current assets:				
Land and construction in progress	75,869,896	-	75,869,896	-
Other capital assets, net of accumulated depreciation	142,987,041	-	142,987,041	-
Total non-current assets	218,856,937	-	218,856,937	-
Total assets	\$ 248,480,842	\$ 215,087	\$ 248,695,929	\$ 4,780,176
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on pension obligation	\$ 1,938,178	\$ -	\$ 1,938,178	\$ -
Total deferred outflows of resources	\$ 1,938,178	\$ -	\$ 1,938,178	\$ -
LIABILITIES				
Current liabilities				
Accounts and other payables	\$ 6,289,280	\$ 16,097	\$ 6,305,377	\$ 74,930
Self insurance claims payable	-	-	-	2,385,043
Retainage payable	336,847	-	336,847	-
Salaries payable	140,024	11,493	151,517	8,700
Advance collections	62,220	71,642	133,862	-
Due to other funds	9,144,254	275,411	9,419,665	615,714
Total current liabilities	15,972,625	374,643	16,347,268	3,084,387
Current liabilities payable from restricted assets				
Bonds payable, net of amortization	1,126,000	-	1,126,000	-
Accrued vacation leave	160,902	-	160,902	-
Accrued interest payable	14,571	-	14,571	-
Customer deposits	1,292,631	-	1,292,631	-
Total current liabilities payable from restricted assets	2,594,104	-	2,594,104	-
Total current liabilities	18,566,729	374,643	18,941,372	3,084,387
Noncurrent liabilities				
Accrued vacation leave	61,188	-	61,188	-
Net pension liability	1,577,309	-	1,577,309	-
Bonds payable, net of premium	8,538,388	-	8,538,388	-
Total noncurrent liabilities	10,176,885	-	10,176,885	-
Total liabilities	\$ 28,743,614	\$ 374,643	\$ 29,118,257	\$ 3,084,387

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
December 31, 2016

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Other Enterprise Funds	Total	Self-Insurance Fund
DEFERRED INFLOWS				
Deferred inflows on pension obligation	\$ 245,112	\$ -	\$ 245,112	\$ -
Total deferred inflows of resources	<u>\$ 245,112</u>	<u>\$ -</u>	<u>\$ 245,112</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 209,192,549	\$ -	\$ 209,192,549	\$ -
Restricted				
Capital renewal and replacement and system improv	2,094,689	-	2,094,689	-
Debt service	2,485,248	-	2,485,248	-
Inflow and infiltration	2	-	2	-
Other purposes	155,997	-	155,997	-
Unrestricted	<u>7,501,809</u>	<u>(159,556)</u>	<u>7,342,253</u>	<u>1,695,789</u>
Total net position	<u>\$ 221,430,294</u>	<u>\$ (159,556)</u>	<u>\$ 221,270,738</u>	<u>\$ 1,695,789</u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE PROPRIETARY FUNDS
STATEMENT OF NET POSITION TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
December 31, 2016

Net position - total proprietary funds	\$ 221,270,738
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Water and Sewer Internal service fund are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Water and Sewer internal service fund is included in the business type activities in the Statement of Net Position	<u>1,187,884</u>
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Net position - business-type activities	<u><u>\$ 222,458,622</u></u>
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The accompanying notes are an integral part of this financial statement.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2016

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Other Enterprise Funds	Total	Self-Insurance Fund
OPERATING REVENUES				
Charges for service	\$ 12,051,191	\$ 892,817	\$ 12,944,008	\$ 2,251,712
Other operating revenues	118,311	36,840	155,151	-
Total operating revenues	12,169,502	929,657	13,099,159	2,251,712
OPERATING EXPENDITURES				
Personnel services and related benefits	2,980,396	412,574	3,392,970	244,847
Utilities	973,939	309,972	1,283,911	-
Contractual services, supplies, and materials	783,959	234,622	1,018,581	-
Professional services	311,090	41,120	352,210	42,842
Insurance premiums	-	166,054	166,054	-
Insurance and claims	1,358,470	-	1,358,470	1,287,660
Depreciation and amortization	6,563,710	-	6,563,710	-
Other expenditures	943,571	56,568	1,000,139	104,568
Total operating expenditures	13,915,135	1,220,910	15,136,045	1,679,917
Operating loss	(1,745,633)	(291,253)	(2,036,886)	571,795
NON-OPERATING REVENUES (EXPENDITURES)				
Sales tax	3,596,859	-	3,596,859	-
Interest earnings				
Restricted assets	729	-	729	-
Current assets	57,516	-	57,516	5,978
Interest expenditures and bank fees	(178,775)	-	(178,775)	-
Federal grants	1,488,453	-	1,488,453	-
Other nonoperating revenues	211,640	63,678	275,318	4,066
Deductions from taxes	(295,715)	-	(295,715)	-
Proceeds from insurance settlements	(5,500)	-	(5,500)	-
Loss on disposal of capital assets	(118,181)	-	(118,181)	-
Total non-operating revenues (expenditures)	4,757,026	63,678	4,820,704	10,044
CHANGE IN NET POSITION BEFORE TRANSFERS	3,011,393	(227,575)	2,783,818	581,839
Transfer in	6,210,604	-	6,210,604	-
Transfer out	(6,669,307)	-	(6,669,307)	-
Transfers, net	(458,703)	-	(458,703)	-
CHANGE IN NET POSITION	2,552,690	(227,575)	2,325,115	581,839
NET POSITION - BEGINNING OF YEAR	218,877,604	68,019	218,945,623	1,113,950
NET POSITION - END OF YEAR	<u>\$ 221,430,294</u>	<u>\$ (159,556)</u>	<u>\$ 221,270,738</u>	<u>\$ 1,695,789</u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Total net changes in fund balances - proprietary funds	\$ 2,325,115
Water and Sewer Internal service fund is used by management to charge the costs of certain activities to individual funds. The net effect of revenue of the Water and Sewer internal service fund is included in the business type activities in the Statement of Net Position	<u>335,475</u>
Change in net position - governmental activities	<u><u>\$ 2,660,590</u></u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	Enterprise Funds			Internal Service Fund
	Water and Sewer Division	Enterprise Funds	Total	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 11,774,870	\$ 913,136	\$ 12,688,006	\$ -
Cash paid to suppliers of goods or services	792,150	(884,468)	(92,318)	-
Cash paid to employees and related benefits	(2,788,647)	(418,786)	(3,207,433)	(519,128)
Receipts from interfund services provided	-	-	-	2,252,087
Payments for claims	-	-	-	(2,265,105)
Net cash provided by (used in) operating activities	9,778,373	(390,118)	9,388,255	(532,146)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out, net	(458,703)	-	(458,703)	-
Other non-operating revenue	(89,575)	63,678	(25,897)	4,066
Net payments to (receipts from) other funds	35,977	99,171	135,148	1,090,700
Net cash provided by (used in) non-capital financing activities	(512,301)	162,849	(349,452)	1,094,766
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	470,261	-	470,261	-
Loss forgiveness	1,018,169	-	1,018,169	-
Sales tax receipts	3,565,275	-	3,565,275	-
Principal payments on outstanding bonds	(755,774)	-	(755,774)	-
Proceeds from issuance of debt	6,154,349	-	6,154,349	-
Interest expense on outstanding bonds	(298,846)	-	(298,846)	-
Purchase of capital assets	(18,530,677)	-	(18,530,677)	-
Net cash used in capital and related financing activities	(8,377,243)	-	(8,377,243)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	22,210	-	22,210	(375)
Net cash provided by investing activities	22,210	-	22,210	(375)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	911,039	(227,269)	683,770	562,245
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,763,529	384,734	12,148,263	1,796,280
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 12,674,568</u>	<u>\$ 157,465</u>	<u>\$ 12,832,033</u>	<u>\$ 2,358,525</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating loss	\$ (1,745,633)	\$ (291,253)	\$ (2,036,886)	\$ 571,795
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	6,563,710	-	6,563,710	-
Change in operating assets and liabilities:				
Increase in customer receivable	(270,706)	-	(270,706)	-
Increase in intergovernmental receivable	(114,563)	-	(114,563)	-
Increase in unbilled charges	(31,276)	-	(31,276)	-
Decrease (increase) in prepaid	16,672	(44,501)	(27,829)	(2,648)
Increase in inventory	32,691	11,592	44,283	-
Decrease in other receivables	-	715	715	375
Increase in deferred outflows on pension obligation	(1,449,817)	-	(1,449,817)	-
Increase (decrease) in accounts payable and accrued expenditures	4,779,026	(43,223)	4,735,803	(241,774)
Increase in retainage payable	336,847	-	336,847	-
Increase (decrease) in salaries payable	14,082	(6,212)	7,870	(274,281)
Increase in customer deposits	22,728	-	22,728	-
Increase in self-insurance claims payable	-	-	-	(585,613)
Increase in net pension liability	1,481,260	-	1,481,260	-
Increase in deferred inflows on pension obligation	144,167	-	144,167	-
Decrease in advance collections	(815)	(17,236)	(18,051)	-
Net cash provided by (used in) operating activities	<u>\$ 9,778,373</u>	<u>\$ (390,118)</u>	<u>\$ 9,388,255</u>	<u>\$ (532,146)</u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS, DISCRETELY PRESENTED
December 31, 2016

	Governmental Activities	Business Type Activities	
	St. Bernard Parish Library	St. Bernard Home Mortgage Authority *	Total Component Units
ASSETS			
Cash and cash equivalents	\$ 6,597,385	\$ 153,630	\$ 6,751,015
Investments	6,236,250	1,548,771	7,785,021
Receivables:			
Property taxes	954,312	-	954,312
Intergovernmental	485,273	863,987	1,349,260
Other	-	6,856	6,856
Restricted assets - cash and cash equivalents	-	396	396
Other current assets	716,358	-	716,358
Capital assets:			
Other capital assets, net of depreciation	3,234,788	-	3,234,788
 Total assets	 <u>\$ 18,224,366</u>	 <u>\$ 2,573,640</u>	 <u>\$ 20,798,006</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension obligation	\$ 100,651	\$ -	\$ 100,651
 Total deferred outflows of resources	 <u>\$ 100,651</u>	 <u>\$ -</u>	 <u>\$ 100,651</u>
 LIABILITIES			
Accounts payables	\$ -	\$ 3,750	\$ 3,750
Salaries and payroll deductions payable	7,693	-	7,693
Accrued interest payable	-	5,966	5,966
Long-term non-current liabilities:			
Due within one year	-	893,987	893,987
Due in more than one year	74,618	1,448,566	1,523,184
 Total liabilities	 <u>\$ 82,311</u>	 <u>\$ 2,352,269</u>	 <u>\$ 2,434,580</u>
 DEFERRED INFLOWS			
Deferred inflows on pension obligation	\$ 11,905	\$ -	\$ 11,905
 Total deferred inflows of resources	 <u>\$ 11,905</u>	 <u>\$ -</u>	 <u>\$ 11,905</u>
 NET POSITION			
Net investment in capital assets	\$ 3,234,788	\$ -	\$ 3,234,788
Unrestricted	14,996,013	221,371	15,217,384
 Total net position	 <u>\$ 18,230,801</u>	 <u>\$ 221,371</u>	 <u>\$ 18,452,172</u>

* As of March 31, 2016

All component units are audited by other auditors.

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNITS, DISCRETELY PRESENTED
For the Year Ended December 31, 2016

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position - Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	St. Bernard Parish Library	St. Bernard Home Mortgage Authority *	Total
Governmental Activities							
St. Bernard Parish Library	\$ 1,378,222	\$ 8,176	\$ 3,023	\$ -	\$ (1,367,023)	\$ -	\$ (1,367,023)
Total governmental activities	1,378,222	8,176	3,023	-	(1,367,023)	-	(1,367,023)
Business-Type Activities							
St. Bernard Parish Home Mortgage Authority	3,774,023		3,546,412		-	(227,611)	(227,611)
Total business-type activities	3,774,023	-	3,546,412	-	-	(227,611)	(227,611)
Total	<u>\$ 5,152,245</u>	<u>\$ 8,176</u>	<u>\$ 3,549,435</u>	<u>\$ -</u>			
General Revenues							
Taxes:							
Property taxes					1,183,335	-	1,183,335
State revenue sharing (unrestricted)					10,704	-	10,704
Other general revenues (expenses)					-	157,538	157,538
Interest and investment earnings					94,999	87,899	182,898
Miscellaneous revenues					2,587	-	2,587
Total general revenues and transfers					<u>1,291,625</u>	<u>245,437</u>	<u>1,537,062</u>
Change in net position					(75,398)	17,826	(57,572)
Net position - beginning of year					<u>18,306,199</u>	<u>203,545</u>	<u>203,545</u>
Net position - end of year					<u>\$ 18,230,801</u>	<u>\$ 221,371</u>	<u>\$ 145,973</u>

* As of March 31, 2016

All component units are audited by other auditors.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation – Financial Reporting Entity

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

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

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Blended Component Unit***

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

- ***Discretely Presented Component Unit***

St. Bernard Parish Library - The St. Bernard Parish Library (the "Library") was established by the parish governing authority, under the provisions of the Louisiana Revised Statute (LRS) 25:211. The Library provides citizens of St. Bernard Parish access to library materials, books, magazines, and audio visuals. The Library is governed by a Board of Control consisting of seven members in accordance with the provisions of the Louisiana Revised Statute 25:214. Complete financial statements may be obtained directly from the Director of the Library, 2600 Palmisano Blvd., Chalmette, Louisiana, 70043.

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

B. Basis of Presentation – Government-Wide Financial Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Parish's functions and business-type activities. The functions are also supported by general government revenues, including property taxes, sales taxes, and other general revenues. Program

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

revenues must be directly associated with the function (judicial, general government, public safety, public works, sanitation, culture and recreation, and health and welfare), or a business-type activity. Operating grants include operating specific and discretionary grants, while the capital grants column reports capital specific grants. The net costs (by function and business-type activity) are normally covered by general revenues of the Parish. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs which can be specifically identified by function or segment are included in the direct expenses of that function or segment.

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

C. Basis of Presentation – Fund Financial Statements

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

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

D. Governmental Funds

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

- **General Fund** – The General Fund is the general operating fund of the Parish. It is used to account for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.
- **Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources which by law are designated to finance particular functions or activities of the Parish. The three special revenue funds reported as major funds in the fund financial statements are as follows:
 - Hazard Mitigation Grant Fund – This fund is used to account for the proceeds and expenses associated with Hazard Mitigation Grant Program funds.
 - Disaster Recovery Fund – This special revenue fund accounts for grants received from the Federal Emergency Management Agency (FEMA) for natural disasters.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Consolidated Fire Protection District No. 1-2 – This special revenue fund accounts for maintenance and operations of the fire protection facilities. Revenues are derived from ad valorem taxes, state revenue sharing, and 2% of the State of Louisiana distribution of fire insurance premium taxes.
- ***Debt Service Funds*** – Debt service funds are established to meet requirements of bond ordinances and to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs. There are no debt service funds that are major funds.
- ***Capital Projects Funds*** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund). In addition, the funds are used to account for major street repairs and the acquisition of movable fixed assets. There are no capital projects funds that are major funds.

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

E. Proprietary Funds

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

- ***Enterprise Funds*** – Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The one enterprise fund reported as major fund:
 - Water and Sewer Fund – This funds operate the Parish’s water distribution system and its sewer system which primarily services the Parish’s residents.
- ***Internal Service Funds*** – Internal service funds are used to account for the financing of goods or services provided by an activity to other departments or funds of the Parish on a cost reimbursement basis. Because the principal users of the internal services are the Parish’s governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements.
 - Self- Insurance Fund – This fund accounts for monies accumulated to provide automobile, property damage, and worker’s compensation for which the Parish is self-insured.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

F. Basis of Accounting-Measurement Focus

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

G. Accrual

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

H. Modified Accrual

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

I. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

J. Cash and Cash Equivalents

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

A single consolidated bank account has been established in a local bank into which monies are deposited and from which most disbursements are made. The purpose of this consolidation is to reduce administrative costs and provide a single cash balance available for the maximization of investment

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

earnings. Each fund shares in the investment earnings according to its average cash balance, prorated between funds.

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

K. Investments

Investments are stated at amortized cost.

L. Investments – Land Held for Sale

The Parish has property that is being actively marketed for sale at year end. Accordingly, the property is recorded at the acquisition cost and is reported as assets held for sale in the accompanying statement of net position.

M. Accounts Receivable

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

N. Inventories and Prepaid Items

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

O. Capital Assets

Capital assets (i.e., land, buildings, equipment, and improvements other than buildings), which include the Parish's infrastructure and construction in progress, are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets are recorded at their fair value on the date donated. An item is classified as an asset if the initial individual cost is \$5,000 or greater. Capital assets of the Parish are reported in the government – wide financial statements but not in the governmental fund financial statements. Assets subject to depreciation are depreciated using the straight-line method over estimated useful lives. Additions and improvements that significantly extend the useful life of an asset are capitalized. Repairs and maintenance costs are expensed as incurred.

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

P. Deferred Outflows/Inflows of Resources

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

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

Q. Liability for Claims and Judgments

The Insurance Fund was established to account for the self-insurance of workers' compensation, general, and automobile liability by the Parish Government. The Parish Government is self-insured for workers' compensation claims from \$250,000 to \$1,250,000, per occurrence and \$250,000 to fully self-insured for auto and general liability claims.

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An annual analysis of all open policy years for workers' compensation and automobile and general liability is completed by the risk manager and legal counsel to determine the exposure in each policy year. When it is determined that losses on outstanding and current claims can be reasonably estimated, an evaluation on the policy year is performed. The evaluation determines if a dividend can be declared by the self-insurance fund for that policy year. Once it is determined that a dividend can be declared, the findings are reviewed by the administration and presented before the Parish Council. The Parish Council then must pass an ordinance declaring a dividend from the self-insurance fund and dedicating the dividend to a project. There were no dividends paid for the year ended December 31, 2016.

R. Annual and Sick Leave

Substantially all employees of the Parish Government earn from 10 to 20 days of annual leave each year depending on length of service. Annual leave accumulated in one year must be used by December 31 of the following year. Accumulated annual leave may be used only after 26 weeks of service. Substantially all employees of the Parish Government accrue one day of sick leave for each month of continuous employment. Sick leave may be accumulated to a maximum of 90 days.

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

At December 31, 2016, accrued vacation and sick leave was \$2,026,125 for governmental activities.

At December 31, 2016, the accrued vacation and sick leave was \$221,091 for business type activities. In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis.

S. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position Classifications

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

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

U. Fund Balances

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

- ***Non-Spendable Fund Balance*** - amounts that cannot be spent either because they are in a non-spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
- ***Restricted Fund Balance*** - amounts that can be spent only for specific purposes because of the Parish Charter, state or federal laws, or externally imposed conditions by grantors or creditors.
- ***Committed Fund Balance*** - amounts constrained to specific purposes by a government itself, using its highest level of decision making authority which include the ordinances of the Parish Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action, ordinance, to remove or change the constraint.
- ***Assigned Fund Balance*** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the Parish and its management.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Unassigned Fund Balance*** - all amounts that have not been restricted committed or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount however, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

V. Interfund Activity

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

W. Operating Revenues and Expenses

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

X. Budgets

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

At least ninety (90) days before the beginning of each fiscal year, the Parish President submits a balanced consolidated line item operating and capital budget on a modified accrual basis of accounting in accordance with the Louisiana Local Government Budget Act and in a format established by the Parish. The Parish President submits, with the budget, a budget message containing recommendations concerning the fiscal policy of the Parish, a description of the important factors of the budget, and an explanation of all major increases or decreases of budget recommendations as compared with expenditures of prior years. The Parish Council publishes the proposed budget in the official journal at least ten (10) calendar days before the meeting at which the budget is to be adopted. The Council may amend the budget before adoption, except that in no event shall the Council cause the total proposed expenditures to exceed means of financing. If the Council fails to act on the budget within the time limit provided, it shall be adopted as submitted by the Parish President. The budget constitutes an appropriation of funds for all purposes contained therein. The budget ordinance becomes effective on the first day of the fiscal year unless otherwise provided therein.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Y. New Accounting Pronouncements

The following pronouncements issued by the Governmental Accounting Standards Board (GASB) were implemented for the year ended December 31, 2016.

In June 2015, the GASB issued Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement clarifies the application of certain provisions of Statements 67 and 68 with regard 1) information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported, 2) accounting and financial reporting for separately financed specific liabilities of individual employers and non-employer contributing entities for defined benefit pensions, and 3) timing of employer recognition of revenue for the support of non-employer contributing entities not in a special funding situation.

In August 2015, the GASB issued Statement No. 77 – Tax Abatement Disclosures. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development.

In March 2016, the GASB issued Statement No. 82 – Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

There was no material impact on the Parish's financial statements as a result of the implementation of the Statements above.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Z. Future Accounting Pronouncements

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

At December 31, 2016, the carrying amount of the Parish's deposits was \$55,608,432.

Demand Deposits	\$ 50,294,889
Demand Deposits, Restricted	5,313,543
Total Cash and Cash Equivalents	<u>\$ 55,608,432</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. At December 31, 2016, the Parish's bank balances totaled \$58,175,613. These bank deposits were completely secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the Parish's name at December 31, 2016.

Investments Louisiana Asset Management Pool - At December 31, 2016, the Parish had an investment of \$292,086 with the Louisiana Asset Management Pool (LAMP), which is included in cash and cash equivalents. LAMP is administered by LAMP, Inc., a non-profit Authority, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to the account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

Investments consist of Certificate of Deposits held at a local bank with maturities greater than 90 days totaling \$783,080 at December 31, 2016.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure, the Parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Parish's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Parish's name. The investments of the Parish at December 31, 2016 were not subject to custodial credit risk.

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

NOTE 3 - INVESTMENTS LAND HELD FOR SALE

During the year ended December 31, 2013, the Parish entered into a cooperative endeavor agreement with the State of Louisiana Office of Community Development and the Louisiana Road Home Corporation d/b/a Louisiana Land Trust (LLT) , to transfer all the properties within St. Bernard Parish that were being held by LLT to St. Bernard Parish. Included on the statement of net position at December 31, 2016 is \$3,056,500 in land held for sale representing lots throughout St. Bernard Parish. No depreciation is being recorded on the properties being held for sale. During the year ended December 31, 2016, 145 properties were sold by the Parish for \$952,277 with a gain of \$353,677

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 4 – SALES TAX REVENUES

At December 31, 2016, the total sales tax levied in the Parish is 9%, of which 4% is state sales tax, 2% is levied by the St. Bernard Parish School Board (the School Board), and .5% is dedicated to the St. Bernard Parish Sheriff. The remaining 2.5% is used to fund the general operations of the Parish. The 2.5% sales tax revenue dedicated to the Parish is recorded in the financial statements as follows: 1.5% is general government operations of the Parish (general fund), .5% is for sanitation (non-major special revenue fund), and .5% is for water & sewerage (proprietary funds). The sales tax for water and sewer is dedicated for improvements to the sewer and water system including authority to fund bonds with the tax, provided that at least 25% of the annual revenues of the sales tax must be expended to correct inflow and infiltration in sewerage collection lines, or to repair damages caused thereby, unless required for debt services on bonds or otherwise approved by at least two-thirds of the Parish Council. The St. Bernard Parish Sheriff is authorized to collect and remit this tax to the Parish government and School Board for a stipulated fee.

NOTE 5 – AD VALOREM TAX

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

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

Property tax levies per \$1,000 of assessed valuation accounted for within the funds of the Parish (primary government only) for the year ended December 31, 2016 are as follows:

General:		
General governmental services	\$	2.81
Special revenue:		
Fire Protection District No. 1		7.48
Fire Protection District No. 2		8.31
St. Bernard Council on Aging		0.96
Recreation		2.21
Public Works (Road District No. 1)		3.11
Road Lighting District No. 1		1.24
Public health		0.63
Garbage District No. 1		3.11
Parishwide fire protection facilities		20.41
	\$	<u>50.27</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 5 – AD VALOREM TAX (CONTINUED)

Property taxes levied on November 15, collected during 2016, or expected to be collected within the first 60 days of the following year, are recognized as revenues in the statement of revenues, expenditures, and changes in fund balances – governmental funds. The entire estimated collectible amount of the tax levy for the fiscal year is recorded as revenue in the government-wide financial statements. Property taxes paid under protest are held in escrow until resolution of the dispute. Amounts collected for other governmental entities are accounted for in the agency funds.

NOTE 6 – ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

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

Governmental funds:

General Fund	\$ 73,420
Consolidated Fire Protection District No. 1 - 2	264,295
Non-major governmental funds	106,008

Business-type funds:

Water and Sewer Division	<u>843,360</u>
Total allowance for uncollectibles	<u><u>\$ 1,287,083</u></u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 7 – CAPITAL ASSETS

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

	Balance January 1, 2016	Additions	Deletions and adjustments	Balance December 31, 2016
<u>Governmental Activities:</u>				
Nondepreciable capital assets:				
Land	\$ 20,147,154	\$ 32,368	\$ -	\$ 20,179,522
Construction in progress	34,506,422	21,018,703	(780,548)	54,744,577
Total nondepreciable capital assets	54,653,576	21,051,071	(780,548)	74,924,099
Depreciable capital assets:				
Land improvements	862,954	-	-	862,954
Buildings and improvements	133,580,720	85,881	(4,203,322)	129,463,279
Machinery and equipment	19,121,735	839,799	(2,193,763)	17,767,771
Road system	264,036,348	706,167	-	264,742,515
Total depreciable capital assets	417,601,757	1,631,847	(6,397,085)	412,836,519
Less: accumulated depreciation	(81,129,536)	(14,734,079)	5,961,734	(89,901,881)
Total depreciable capital assets, net	336,472,221	(13,102,232)	(435,351)	322,934,638
Total governmental activities capital assets, net	\$ 391,125,797	\$ 7,948,839	\$ (1,215,899)	\$ 397,858,737
<u>Business-type Activities:</u>				
Nondepreciable capital assets:				
Land	\$ 221,036	\$ 7,500	\$ -	\$ 228,536
Construction in progress	59,767,224	17,192,594	(1,318,461)	75,641,357
Total nondepreciable capital assets	59,988,260	17,200,094	(1,318,461)	75,869,893
Depreciable capital assets:				
Buildings	87,242,281	183,721	-	87,426,002
Machinery and equipment	947,166	2,465,323	(286,196)	3,126,293
Infrastructure	189,210,812	-	(86,866)	189,123,946
Total depreciable capital assets	277,400,259	2,649,044	(373,062)	279,676,241
Less: accumulated depreciation	(130,380,392)	(6,563,710)	254,905	(136,689,197)
Total depreciable capital assets, net	147,019,867	(3,914,666)	(118,157)	142,987,044
Total business-type activities capital assets, net	\$ 207,008,127	\$ 13,285,428	\$ (1,436,618)	\$ 218,856,937

At December 31, 2016, construction in progress in the government-type activities primarily consists of improvements to canal crossings and road improvements. Construction in progress in the business-type activities primarily consists of improvements to the sewer sanitary system, water tower booster station, forcemain projects, and fresh water intake access bridge.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General government	
Judicial	\$ 802,417
Other general government	5,687,144
Public safety	2,786,346
Public works	1,259,345
Sanitation	1,330,063
Culture and recreation	505,429
Health and welfare	2,363,335
Total depreciation expense - governmental activities	<u>\$ 14,734,079</u>

Business-type Activities:

Water and sewer	<u>\$ 6,563,710</u>
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NOTE 8 – LONG-TERM DEBT

Bond Transactions – Governmental Activities

The Parish issues bonds to provide for the acquisition and construction of major capital facilities. Bonds payable, at December 31, 2016 comprise the following page:

<u>Description</u>	<u>Original issue</u>	<u>Range of average interest rates</u>	<u>Amount outstanding</u>	<u>Due in one year</u>
2012 Sales Tax Refunding				
Bonds, due in annual installments ranging from \$470,000 to \$3,515,000 commencing March 2014 through March 2024	\$33,885,000	0.9 - 4.0%	\$ 27,425,000	\$ 3,135,000
2014 Limited Tax Certificates of Indebtedness, Series 2014 commencing March 2015 through March 2023	2,200,000	0.5 - 3.3%	1,760,000	230,000
2016 Limited Tax Certificates of Indebtedness, due in full in March 2017	5,400,000	1.87%	<u>4,500,000</u>	<u>4,500,000</u>
			33,685,000	<u>\$ 7,865,000</u>
			<u>1,458,326</u>	
			<u>\$ 35,143,326</u>	

Bond premium at December 31, 2016

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Bond Transactions – Business-type Activities

Description	Original issue	Range of average interest rates	Amount outstanding	Due in one year
2004 Sales Tax Bonds due in annual installments ranging from \$45,000 to \$2,415,000 commencing August 2004 through March 2024	\$ 50,000,000	4.0-5.0%	\$ 430,000	\$ 45,000
2008 Sales Tax Refunding Bonds, due in annual installments ranging from \$615,000 to \$795,000 commencing March 2008 through March 2019	6,715,000	3.88%	2,290,000	730,000
LDHH - Drinking Water Revolving Loan, due in annual installments ranging from \$351,000 to \$668,000 commencing June 2017 through June 2036	10,000,000	2.95%	4,679,032	351,000
LDEQ - Clean Water State Revolving Loan, due in annual installments ranging from \$456,000 to \$546,000 commencing June 2018 through June 2037	10,000,000	0.45%	2,179,164	-
			<u>9,578,196</u>	<u>\$ 1,126,000</u>
Bond premium at December 31, 2016			<u>86,192</u>	
			<u><u>\$ 9,664,388</u></u>	

The payment requirements for all bonds and certificates outstanding, as of December 31, 2016, are as follows:

	Principal	Interest
Year ending December 31:		
2017	\$ 8,991,000	\$ 1,626,534
2018	5,114,000	1,436,583
2019	5,282,000	1,251,090
2020	4,628,000	1,058,402
2021	4,772,000	890,161
2022 - 2026	13,904,164	1,898,421
2027 - 2028	572,032	310,974
	<u><u>\$ 43,263,196</u></u>	<u><u>\$ 8,472,165</u></u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The Parish's legal debt limit for General Obligation Bonds is \$132,652,601. At December 31, 2016, Parish's outstanding debt is funded through sales tax receipts. At December 31, 2016, the Parish has \$132,652,601 available for general obligation debt.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. At December 31, 2016, the Parish believes it is in compliance with all financial related covenants.

Limited Tax Certificates of Indebtedness

On July 22, 2016, the Parish issued Limited Certificates of Indebtedness totaling \$5,400,000 for the purpose of advance funding in anticipation of the collection of parish wide ad valorem tax revenues. The certificates bear interest at 1.87% and mature on March 1, 2017. Thus, the entire amount of the certificates is included as a current liability in the statement of net position at December 31, 2016. At December 31, 2016, the certificates had a balance of \$4,500,000 which was paid in full in February 2017.

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

State Revolving Loans

Drinking Water Revolving Loan

On June 1, 2015, the Parish entered into an agreement with the Louisiana Department of Health and Hospitals relating to the issuance of, not to exceed, \$11,000,000 Taxable Utilities Revenue Bond, Series 2015 secured by revenues from the Water and Sewer Fund. The low interest loan is payable annually beginning June 1, 2017 and maturing on June 1, 2036, with an interest rate of 2.95% and an administrative fee of 0.50%. The Parish will be eligible to receive loan forgiveness in the amount of \$1,125,000. At December 31, 2016, the loan balance was \$4,679,032 and \$1,125,000 has been forgiven.

Clean Water State Revolving Loan

On December 1, 2015, the Parish entered into an agreement with the Louisiana Department of Environmental Quality relating to the issuance of, not to exceed \$10,000,000 Taxable Utilities Revenue Bond, Series 2015 secured by revenues from the Water and Sewer Fund. The low interest loan is payable annually beginning June 1, 2018 and maturing on June 1, 2037, with an interest rate of 0.45% and an administrative fee of 0.50%. At December 31, 2016, the loan balance is \$2,179,164.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

	January 1, 2016	Additions	Deletions	December 31, 2016	Due in one year
<u>Governmental Activities:</u>					
Accrued annual and sick leave (note 1)	\$ 1,718,581	\$ 1,033,464	\$ (725,920)	\$ 2,026,125	\$ 856,378
Sales tax bonds	30,460,000	-	(3,035,000)	27,425,000	3,135,000
Premium on sales tax bonds payable	1,641,932	-	(183,606)	1,458,326	-
Limited tax certificates of indebtedness, Series 2014	1,985,000	-	(225,000)	1,760,000	230,000
Net pension liability (note 11)	14,095,429	5,925,038	-	20,020,467	-
Post-employment benefits (note 12)	2,829,018	1,366,465	-	4,195,483	-
	<u>\$ 52,729,960</u>	<u>\$ 8,324,967</u>	<u>\$ (4,169,526)</u>	<u>\$ 56,885,401</u>	<u>\$ 4,221,378</u>
<u>Business-type Activities:</u>					
Accrued annual and sick leave (note 1)	\$ 220,033	\$ 160,902	\$ (158,844)	\$ 222,091	\$ 160,902
State revolving loans	703,846	6,154,349	-	6,858,195	351,000
Net pension liability (note 11)	96,049	1,481,260	-	1,577,309	-
Sales tax bonds	3,465,000	-	(745,000)	2,720,000	775,000
Premium on sales tax bonds payable	96,966	-	(10,774)	86,192	-
	<u>\$ 4,581,894</u>	<u>\$ 7,796,511</u>	<u>\$ (914,618)</u>	<u>\$ 11,463,787</u>	<u>\$ 1,286,902</u>

The long-term liabilities will be repaid from the General Fund, and the Sales Tax Bonds which will be repaid from the Debt Service Funds and the Sewer and Water Funds. At December 31, 2016, the debt service funds had \$3,608,473 in fund balance reserved to service debt.

NOTE 9 – OPERATING LEASE INCOME

The Parish's governmental activities recorded lease income of \$115,650 from four lease agreements in effect during the year ended December 31, 2016. The Parish's business-type activities recorded lease income of \$70,504 from five lease agreements in effect during the year ended December 31, 2016. The Parish has also granted the St. Bernard Parish School Board the use of property at St. Bernard Highway and Palmisano Boulevard free of rent for a period of thirty years.

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

Year Ending December 31,	Governmental Activities	Business-type Activities
2017	\$ 115,650	\$ 70,504
2018	111,000	70,504
2019	92,250	70,504
2020	92,250	70,504
2021	92,250	45,229
2022-2025	69,188	46,800
Total	<u>\$ 572,588</u>	<u>\$ 374,045</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 10 – INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS

The primary purpose of interfund receivables and payables is to loan monies from the general fund to individual funds to cover current expenditures. Individual fund balances due from/to other funds at December 31, 2016, were as follows:

Fund	Due from Other Funds	Due to Other Funds
Governmental Funds		
Major Funds		
General Fund	\$ 6,448,865	\$ 3,533,923
Hazard Mitigation Grant Fund	-	1,084,281
Disaster Recreprovery Fund	8,034,296	12,916,043
Consolidated Fire Protection District No. 1-2	-	938,845
Non-major Funds	3,218,720	3,544,054
Total governmental funds	17,701,881	22,017,146
Business-type Activities		
Water and Sewer Fund	13,026,319	9,144,254
Non-major Enterprise Funds	-	275,411
Self-Insurance Internal Service	50,000	67,368
Water and Sewer Self Insurance Internal Service	1,274,325	548,346
Total business-type activities	14,350,644	10,035,379
Total	\$ 32,052,525	\$ 32,052,525

Transfers between funds during the year ended December 31, 2016 are as follows:

Fund	Transfers In	Transfers Out
Governmental Funds		
Major Funds		
General Fund	\$ 2,192,048	\$ 4,566,751
Hazard Mitigation Grant Fund	-	3,730,082
Consolidated Fire Protection District No. 1-2	-	270,044
Disaster Recovery Fund	-	2,666,025
Non-major Funds	10,184,120	684,563
Total governmental funds	12,376,168	11,917,465
Business-type Activities		
Water and Sewer Fund	6,210,604	6,669,307
Total business-type activities	6,210,604	6,669,307
Total	\$ 18,586,772	\$ 18,586,772

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

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

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

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS

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

General Information about the Pension Plans

Plan Descriptions

FRS

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

PERS

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

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

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

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

RVERS

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

DARS

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

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

Benefits Provided

FRS

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

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

PERS

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

RVERS

Any member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

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

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

DARS

Members who joined the DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

Disability Benefits

PERS

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

RVERS

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

DARS

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Survivor Benefits

PERS

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

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

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

RVERS

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

DARS

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

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

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Deferred Retirement Option Plan benefits (DROP)

FRS

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

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

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

PERS

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

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

RVERS

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

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

DARS

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Initial Benefit Option Plan

FRS

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

Cost of Living Adjustments

PERS

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

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

RVERS

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

DARS

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

Contributions

FRS

Contributions for all members are established by statute at 10.0% for wages above poverty and 8.0% for wages below poverty for the years ending/ended June 30, 2017 and 2016. The contributions are deducted from the member's salary and remitted by the Parish.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

According to state statute, employer contributions are actuarially determined each year. For the years ending/ended June 30, 2017 and 2016, the actuarially determined contribution rates were 27.09% and 25.44%, respectively, of member's compensation. However, for the years ending/ended June 30, 2017 and 2016, employer contributions were 25.25% and 27.25%, respectively, of covered payroll above poverty and 27.25% and 29.25%, respectively, of covered payroll below poverty, respectively. The actual rates differ from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$1,433,895 for the year ended December 31, 2016.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2016, and were excluded from pension expense.

PERS

Contributions for all members are established by statute at 9.5% of compensation for the year ended December 31, 2016. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the year ended December 31, 2016 was 13.00% for Plan A. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. The Parish Government's contributions to the pension plan were \$1,157,825 for the year ended December 31, 2016. The Water and Sewer Division's contributions to the pension plan were \$294,870 for the year ended December 31, 2016.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2016.

RVERS

Contributions for all members are established by statute at 7.0% of compensation for the years ending/ended June 30, 2017 and 2016. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending/ended June 30, 2017 and 2016, the actuarially determined contribution rates were 14.12% and 14.70%, respectively, of member's compensation. However, for the years ending/ended June 30, 2017 and 2016, the actual employer contribution rates were 20.00% and 22.50%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$6,837 for the year ended December 31, 2016.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2016.

DARS

Contributions for all members are established by statute at 8.0% of compensation for the years ending/ended June 30, 2017 and 2016. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending/ended June 30, 2017 and 2016, the actuarially determined employer contribution rate was 0.0% of member's compensation. However, for the years ending/ended June 30, 2017 and 2016, the actual employer contribution rates were 0.0% and 3.5%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the District Attorney were \$7,672 for the year ended December 31, 2016.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2016.

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

At December 31, 2016, the Parish reported a combined liability of \$21,597,776 for its proportionate share of the Net Pension liabilities (NPL). The NPL for FRS, PERS, RVERS, and DARS was measured as of June 30, 2016, December 31, 2015, June 30, 2016, and June 30, 2016, respectively, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of those dates. The Parish's proportion of the NPL was based on a projection of the Parish's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

The following table reflects the Parish's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2016 and the change compared to the June 30, 2015 proportion.

	Net Pension Liability at December 31, 2016	Proportion at Measurement Date	Increase (Decrease) to Prior Measurement Date
FRS	\$ 16,182,046	2.473977%	-0.040708%
PERS	5,219,847	1.983008%	0.050681%
RVERS	66,461	0.234222%	-0.001768%
DARS	129,422	0.676158%	0.057366%
	<u>\$ 21,597,766</u>		

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The following table reflects the Parish's recognized pension expense plus the Parish's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended December 31, 2016.

	Pension Expense	Amortization	Total
FRS	\$ 2,490,866	\$ (1,518,707)	\$ 972,159
PERS	2,254,699	(1,632,625)	622,074
RVERS	6,399	(7,255)	(856)
DARS	51,606	5,396	57,002
	<u>\$ 4,803,570</u>	<u>\$ (3,153,191)</u>	<u>\$ 1,650,379</u>

At December 31, 2016, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FRS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 640,549
Changes in assumptions	139,458	4,509
Net difference between projected and actual earnings on pension plan investments	3,889,092	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,988	389,741
Employer contributions subsequent to the measurement date	657,757	-
Total FRS	<u>\$ 4,692,295</u>	<u>\$ 1,034,799</u>

PERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 829,574
Changes in assumptions	4,776,304	-
Net difference between projected and actual earnings on pension plan investments	1,163,064	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,547	137,243
Employer contributions subsequent to the measurement date	1,452,695	-
Total PERS	<u>\$ 7,417,610</u>	<u>\$ 966,817</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

RVERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,699
Changes in assumptions	18,277	-
Net difference between projected and actual earnings on pension plan investments	2,238	2,493
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,196	10,389
Employer contributions subsequent to the measurement date	3,217	-
Total RVERS	\$ 38,928	\$ 19,581

DARS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 52,135
Changes in assumptions	24,411	28,697
Net difference between projected and actual earnings on pension plan investments	99,229	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,945	2,631
Employer contributions subsequent to the measurement date	-	-
Total DARS	\$ 131,585	\$ 83,463

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
FRS	\$ 4,692,295	\$ 1,034,799
PERS	7,417,610	966,817
RVERS	38,928	19,581
DARS	131,585	83,463
	\$ 12,280,418	\$ 2,104,660

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

	Subsequent Contributions
FRS	\$ 657,757
PERS	1,452,695
RVERS	3,217
DARS	-
	<u>\$ 2,113,669</u>

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

Year ending December 31:	FRS	PERS	RVERS	DARS	Total
2017	\$ 804,948	\$ 1,277,399	\$ (3,240)	\$ (399)	\$ 2,078,708
2018	804,948	1,328,494	7,480	(399)	2,140,523
2019	1,049,231	1,409,198	9,327	35,627	2,503,383
2020	507,986	983,007	2,563	14,632	1,508,188
2021	(114,629)	-	-	(670)	(115,299)
2022	(52,745)	-	-	(669)	(53,414)
Total	<u>\$ 2,999,739</u>	<u>\$ 4,998,098</u>	<u>\$ 16,130</u>	<u>\$ 48,122</u>	<u>\$ 8,062,089</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 are as follows:

	FRS	PERS
Valuation Date	June 30, 2016	December 31, 2016
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions:		
Expected Remaining Service Lives	7 years	3 years
Investment Rate of Return	7.500% per annum.	7.00%, net of investment expense, including inflation.
Inflation Rate	2.875% per annum.	2.50% per annum.
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years	5.25% (2.5% Inflation, 2.75% Merit)
Cost of Living Adjustments	Only those previously granted	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	The pre and postmortality life expectancies of participants based on the RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality. The RP-2000 Disabled Lives Mortality table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.	The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.	Termination, disability, and retirement assumptions were projected based on a five-year (2010-2014) experience study on plan data.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	RVERS	DARS
Valuation Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions:		
Expected Remaining Service Lives	5 years	7 years
Investment Rate of Return	7.00%, net of investment expense.	7.00%, net of investment expense.
Inflation Rate	2.50% per annum.	2.50% per annum.
Salary Increases	6.0% (2.5% Inflation, 3.5% Merit).	5.50% (2.50% Inflation, 3.00% Merit).
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.	Only those previously granted.
Mortality	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants. The mortality was projected forward to a period equivalent to the estimated duration of the System's liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement.	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

Best estimates of the arithmetic real rates of return for each major asset class included in the PERS' target asset allocation as of December 31, 2015 is summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real assets	3%	0.19%
Totals	100%	5.55%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.55%

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Best estimates of the arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocations as of June 30, 2016 is summarized in the following table:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	FRS	RVERS	DARS	FRS	RVERS	DARS
Domestic equities	58.0%	40.0%	57.7%	6.77%	3.00%	3.56%
International equities	-	15.0%	-	-	1.28%	-
Domestic fixed income	24.0%	20.0%	33.0%	1.85%	0.50%	2.26%
International fixed income	-	10.0%	-	-	0.35%	-
Alternative investments	8.0%	5.0%	4.80%	6.67%	0.29%	0.50%
Global asset allocation	-	-	-	-	-	-
Real assets	-	10.0%	4.50%	-	0.45%	0.02%
Other	10.0%	-	-	4.30%	-	-
Total	100.0%	100.0%	100.0%	5.34%	5.87%	6.34%
Inflation				3.00%	2.50%	2.70%
Expected Arithmetic Nominal Return				8.34%	8.37%	9.04%

n/a – amount not provided by Retirement System

Discount Rate

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of each of the system's actuary. Based on those assumptions, each of the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for PERS was 7.0% for the year ended December 31, 2015. The discount rate used to measure the total pension liability for FRS was 7.5% and for DARS and RVERS was 7.0% for the year ended June 30, 2016.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
FRS			
Discount rate	6.5%	7.5%	8.5%
Parish's proportionate share of NPL	\$ 22,046,731	\$ 16,182,046	\$ 11,249,955
PERS			
Discount rate	6.0%	7.0%	8.0%
Parish's proportionate share of NPL	\$ 13,077,614	\$ 5,219,847	\$ (1,420,913)
RVERS			
Discount rate	6.0%	7.0%	8.0%
Parish's proportionate share of NPL	\$ 92,400	\$ 66,461	\$ 44,115
DARS			
Discount rate	6.0%	7.0%	8.0%
Parish's proportionate share of NPL	\$ 488,366	\$ 129,422	\$ (87,273)

Support of Non-employer Contributing Entities

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

During the year ended December 31, 2016, the Parish recognized revenue as a result of support received from non-employer contributing entities for the following amounts for each pension plan:

	Non-employer Contributing Entity Revenue
FRS	\$ 614,178
PERS	144,289
RVERS	6,539
DARS	58,541
	<u>\$ 823,547</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At December 31, 2016, the Parish had payables to the pension plans totaling \$- for the December 2016 employee and employer legally required contributions. Outstanding balances will be applied to the Parish's required monthly contribution. The amounts due are included in liabilities under the amounts reported as salaries and payroll deductions payable. The balance due to each of the pension plans is as follows:

	<u>Payables</u>
FRS	\$ -
PERS	-
RVERS	-
DARS	-
	<u>\$ -</u>

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description – St. Bernard Parish's medical benefits are provided through a single-employer comprehensive medical plan and are made available to employees upon actual retirement.

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Fund Policy – Until 2007, St. Bernard Parish recognized the cost of providing post-employment medical and life insurance benefits (St. Bernard Parish’s portion of the retiree medical and life insurance benefit

premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2016 and 2015, St. Bernard Parish’s portion of health care and life insurance funding cost for retired employees totaled \$1,031,581 and \$1,039,040, respectively.

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

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

	2016	2015
Normal cost	\$ 853,151	\$ 501,515
30-year UAL amortization amount	1,595,337	1,081,064
Annual required contribution (ARC)	<u>\$ 2,448,488</u>	<u>\$ 1,582,579</u>

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

	2016	2015
Beginning Net OPEB Obligation	\$ 2,829,018	\$ 2,326,969
Annual required contribution	2,448,488	1,582,579
Interest on Net OPEB Obligation	113,160	93,079
ARC Adjustment	<u>(163,602)</u>	<u>(134,569)</u>
OPEB Cost	2,398,046	1,541,089
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(1,031,581)	(1,039,040)
Change in Net OPEB Obligation	<u>1,366,465</u>	<u>502,049</u>
Ending Net OPEB Obligation	<u>\$ 4,195,483</u>	<u>\$ 2,829,018</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
December 31, 2016	\$ 2,398,046	43.02%	\$ 4,195,483
December 31, 2015	\$ 1,541,089	67.42%	\$ 2,829,018

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress – In 2016 and 2015, St. Bernard Parish made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2016 was \$28,690,157 which is defined as that portion, as determined by a particular actuarial cost method (St. Bernard Parish uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2016	2015
Actuarial Accrued Liability (AAL)	\$ 28,690,157	\$ 19,441,376
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 28,690,157</u>	<u>\$ 19,441,376</u>
 Funded Ratio (AVP/AAL)	 0.00%	 0.00%
 Covered Payroll (active plan members)	 \$ 17,398,366	 \$ 17,771,627
UAAL as a percentage of covered payroll	164.90%	109.40%

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

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

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

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

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

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

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

	OPEB Costs and Contributions		
	2016	2015	2014
OPEB Cost	\$ 2,398,046	\$ 1,541,089	\$ 1,489,626
Contribution	0	0	0
Retiree premium	1,031,581	1,039,040	962,074
Total contribution and premium	1,031,581	1,039,040	962,074
Change in net OPEB obligation	\$ 1,366,465	\$ 502,049	\$ 527,552
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	43.02%	67.42%	43.02%

NOTE 13 – SELF-INSURANCE/RISK MANAGEMENT

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

The following table represents the amounts recorded in the financial statements as of and for the year ended December 31, 2016.

	Balance 12/31/2015	New Claims and Changes in Estimates	Benefits/ Losses Paid	Balance 12/31/2016
<u>Governmental Activities:</u>				
Automobile/General Liability	\$ 1,719,584	\$ 45,513	\$ (306,853)	\$ 1,458,244
Workers Compensation	724,022	856,226	(1,037,622)	542,626
Total Governmental Activities	<u>\$ 2,443,606</u>	<u>\$ 901,739</u>	<u>\$ (1,344,475)</u>	<u>\$ 2,000,870</u>
<u>Business-type Activities:</u>				
Automobile/General Liability	\$ 401,483	\$ 14,815	\$ (149,960)	\$ 266,338
Workers Compensation	125,567	117,993	(125,725)	117,835
Total Business-type Activities	<u>\$ 527,050</u>	<u>\$ 132,808</u>	<u>\$ (275,685)</u>	<u>\$ 384,173</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 14 – CRIMINAL COURT FUND

Louisiana Revised Statutes, at LSA-R.S. 15:571.11 require that one-half of any surplus remaining in the Criminal Court Fund at year-end shall be transmitted to the Parish's General Fund. The Parish Government did not transfer any of the surplus during the year ended December 31, 2016; however, \$1,284 was transferred to the General Fund subsequent to the year then ended.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grant Programs

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

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

Construction Contracts

The Parish had several construction contracts in progress during the year ended December 31, 2016.

	Governmental Activities	Business-type Activities
Total amount of contracts	\$ 137,082,589	\$ 83,697,551
Completed to date	(50,118,783)	(25,515,069)
Outstanding contracts	<u>\$ 86,963,806</u>	<u>\$ 58,182,482</u>

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

During 2015, the St. Bernard Parish Department of Public Works Water and Sewer Division received an administrative order from the United States Environmental Protection Agency (EPA). The orders stated that the Division has violated its National Pollutant Discharge Permit and the Clean Water Act. The EPA amended the administrative order during 2016. The Division is currently under construction and improvements will be completed by June 30, 2017 and April 30, 2018, respectively.

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 16 – LITIGATION

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

As a result of such a review, loss contingencies, which could be reasonably estimated, have been categorized as "probable", "reasonably possible", and "remote", as defined in Governmental Accounting Standards Board Codification Section C50 - Claims and Judgments. Loss contingencies for the Parish amounting to \$2,000,870 categorized as "probable" have been accrued in the Self-Insurance Internal Service Fund. Loss contingencies for the Water and Sewer Division for "probable" cases amounting to \$384,173 have been accrued in the Water and Sewer Internal Service Fund. The Parish is subject to several other lawsuits arising in the normal course of business which are adequately covered by insurance where a range of loss cannot be reasonably determined. These "reasonably possible" loss contingencies are not reflected in these financial statements.

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

NOTE 17 – DEFICIT FUND BALANCES

The following funds have deficit fund balances at December 31, 2016.

Fund Description	Fund Balance (deficit)
CDBG Disaster Fund	\$ (849,578)
Disaster Recovery Fund	(6,589,435)

At December, 31, 2016, the CDBG Disaster Fund and the Disaster Recovery Fund (FEMA) had deficit fund balances. The deficit fund balances in the CDBG Disaster Fund and Disaster Recovery Fund results primarily from expenditures incurred for which the related revenue is deferred at December 31, 2016. The Parish is currently working on obtaining increased funding from CDBG and FEMA. The deficit fund balances described above will be funded through future revenues of the Parish or through the release of deferred revenues.

NOTE 18 – LOAN RECEIVABLE

At December 31, 2016, the Parish has an outstanding note receivable of \$600,000 plus accrued interest of \$252,000 due from the St. Bernard Hospital Service District. The note was issued on January 13, 2009, has an interest rate of 6%, and matures on January 1, 2019.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 18 – LOAN RECEIVABLE (CONTINUED)

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

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

NOTE 19 – TAX ABATEMENTS

The St. Bernard Parish Assessor (the “Assessor”) negotiates property tax abatement agreements on the Parish’s behalf on an individual basis. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The Assessor has tax abatement agreements with five entities as of December 31, 2016:

Five oil and gas companies, through an agreement negotiated with the Industrial Tax Exemption program has property assessed at \$97,890,372 with exempt taxes of \$4,112,514.

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

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

NOTE 20 – SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNITS

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

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

A. Cash, Cash Equivalents, and Investments

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

	Demand Deposits	Demand Deposits, Restricted	Total
St. Bernard Library	\$ 6,597,385	\$ -	\$ 6,597,385
St. Bernard Home Mortgage Authority	153,630	396	154,026
Total Cash and Cash Equivalents	<u>\$ 6,751,015</u>	<u>\$ 396</u>	<u>\$ 6,751,411</u>

At year end the Component Unit's deposits were not exposed to any custodial credit risk.

Credit Risk and Concentration of Credit Risk

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

The Authority's investment policy places no limit on the amount the Authority may invest in any one issuer and the type of investments allowed by the Authority's investment policy ensures that the Authority is not exposed to credit risk. At March 31, 2016, the Authority had the following investments in debt securities:

Investments	
Federal Home Loan Mortgage Corporation	6.72%
Government National Mortgage Corporation	93.28%
	<u>100.00%</u>

Interest rate risk

As a means of limiting its exposure to fair value losses arising from interest rates, the Library's investment policy emphasizes maintaining liquidity to match specific cash flows. At December 31, 2016, the Library had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – more</u>
U.S. Treasuries	<u>\$ 6,236,250</u>	<u>\$ 1,873,106</u>	<u>\$ 4,363,144</u>	<u>\$ -</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

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

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At March 31, 2016, the Authority had the following investments in debt securities:

Investment Type	Fair Value	Less than 1	1 – 5	6 – 10	Greater than 10
Federal Home Loan Mortgage Corp	\$ 104,100	-	-	-	\$ 104,100
Government National Mortgage Corp	1,444,671	-	-	-	1,444,671
	<u>\$ 1,548,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,548,771</u>

B. Capital Assets

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

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
St. Bernard Parish Library				
Non-depreciable capital assets:				
Land	\$ 1,084,398	\$ -	\$ -	\$ 1,084,398
Total Non-depreciable capital assets	1,084,398	-	-	\$ 1,084,398
Depreciable capital assets:				
Building	262,910	-	-	262,910
Furniture and equipment	1,699,379	26,942	-	1,726,321
Library collections	3,505,116	243,555	(2,552)	3,746,119
Total acquisition costs	5,467,405	270,555	(2,552)	5,735,350
Less: accumulated depreciation	(2,662,201)	(925,311)	2,552	(3,584,960)
Capital assets, net	<u>\$ 3,889,602</u>	<u>\$ (654,814)</u>	<u>\$ -</u>	<u>\$ 3,234,788</u>

C. Long-Term Debt

St. Bernard Mortgage Authority

Changes in long-term debt obligations of the Component Units are as follows:

	April 1, 2015	Additions	Deletions	March 31, 2016	Due in one year
Series 2007 A-2	\$ 1,655,000	\$ -	\$ (245,000)	\$ 1,410,000	\$ 30,000
Premium on bond payable	83,992	-	(15,426)	68,566	-
	<u>\$ 1,738,992</u>	<u>\$ -</u>	<u>\$ (260,426)</u>	<u>\$ 1,478,566</u>	<u>\$ 30,000</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

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

Future minimum payments on long-term debt obligations at December 31, 2016 are as follows:

<u>March 31,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 30,000	\$ 81,345
2018	30,000	79,605
2019	30,000	77,865
2020	35,000	76,125
2021	40,000	73,950
2022-2026	220,000	334,080
2027-2031	305,000	260,130
2032-2036	415,000	158,195
2037-2039	305,000	30,450
	<u>\$ 1,410,000</u>	<u>\$ 1,171,745</u>

NOTE 21 – PRIOR PERIOD ADJUSTMENT

During the preparation of the financial statements for the year ended December 31, 2016, management of the Parish identified an error in the statement of revenues, expenditures, and changes in fund balance related to revenue recorded at the fund level in prior years that should have been recorded as an advance collection as the revenue was not earned. The error had an impact on both beginning fund balance and beginning net position at December 31, 2015.

The Parish corrected an error of accounts receivable and corresponding revenues. The accounts receivable and corresponding revenue were recorded in prior years. The error had an impact on both the beginning fund balance and beginning net position at December 31, 2015.

The Parish corrected an error of accounts payable and corresponding expenditures. The accounts payable and corresponding expenditures were recorded in prior years. The error had an impact on both the beginning fund balance and beginning net position at December 31, 2015.

The Parish corrected an error of loan receivable and corresponding revenues. The error had an impact on the beginning net position at December 31, 2015.

	General Fund	Hazard Mitigation Grant Program	Disaster Recovery Fund	Consolidated Fire Protection District No. 1-2	Non-major Governmental Funds	Total Governmental Funds
Fund Balance – December 31, 2015	\$10,256,654	\$ -	\$(1,962,775)	\$ 3,412,656	\$ 13,700,634	\$ 25,407,169
Prior period adjustments:						
Advance collections	-	-	(5,279,759)	-	-	(5,279,759)
Uncollectible Revenue	-	(1,547,535)	-	-	(460,436)	(2,007,971)
Duplicated expenditures	-	-	-	-	1,267,458	1,267,458
Fund Balance, as restated	<u>\$10,256,654</u>	<u>\$(1,547,535)</u>	<u>\$(7,242,534)</u>	<u>\$3,412,656</u>	<u>\$ 14,507,656</u>	<u>\$ 19,386,897</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2016

NOTE 21 – PRIOR PERIOD ADJUSTMENT (CONTINUED)

	Governmental Activities	Business Type Activities
Net Position – December 31, 2015	\$ 393,279,986	\$ 219,798,032
Restatements:		
Advance collections	(5,279,759)	-
Uncollectible revenue	(2,007,971)	-
Duplicated expenditures	1,267,458	-
Loan receivable	33,028,779	
Net Position – as restated	<u>\$ 420,288,493</u>	<u>\$ 219,798,032</u>

NOTE 22 – SUBSEQUENT EVENTS

The Parish has evaluated subsequent events through June 29, 2017, the date the financial statements were available to be issued, and no subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On February 14, 2017, the Parish paid in full the 2016 Limited Certificates of Indebtedness in the amount of \$4,500,000.

On May 18, 2017 the Parish issued Taxable Utility Revenues Bonds via a DEQ revolving loan in the amount of \$13,000,000 to be paid over a 22 year, period, due May 2039 for the purpose of replacing water lines throughout the Parish.

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS
For the Year Ended December 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b- a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as of Percentage of Covered Payroll ((b-a)/c)
12/31/2016	-	\$28,690,157	\$28,690,157	0.0%	\$17,398,366	164.90%
12/31/2015	-	\$19,441,376	\$19,441,376	0.0%	\$17,771,627	109.40%
12/31/2014	-	\$18,693,631	\$18,693,631	0.0%	\$16,424,357	113.82%

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF ST. BERNARD'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
For the Year Ended December 31, 2016

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF ST. BERNARD PARISH GOVERNMENT'S CONTRIBUTIONS
For the Year Ended December 31, 2016

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION PLAN SCHEDULES
For the Year Ended December 31, 2016

NOTE A – PENSION PLAN SCHEDULES

Change of Benefit Terms Include:

Firefighters' Retirement System– No Changes

Parochial Employees' Retirement System – No Changes

Registrar of Voters Employees' Retirement System – No Changes

District Attorney's Retirement System – No Changes

Change of Assumptions Include:

Firefighters' Retirement System– No Changes

Parochial Employees' Retirement System – No Changes

Registrar of Voters Employees' Retirement System – No Changes

District Attorney's Retirement System – The expected remaining service lives were increased from 6 years to 7 years for the year ended June 30, 2016.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 1,067,000	\$ 875,422	\$ 875,422	\$ -
Sales and use taxes	11,600,000	10,790,578	10,790,577	(1)
Other	509,500	503,341	503,166	(175)
Licenses and permits	1,204,036	1,321,577	1,327,469	5,892
Intergovernmental:				
Federal funds	562,325	308,387	308,387	-
State revenue sharing (unrestricted)	-	12,600	12,600	-
Other state funding	-	16,935	16,935	-
Charges for services	2,388,075	2,399,902	2,402,856	2,954
Fines and forfeitures	-	34,146	34,146	-
Use of money and property	-	15	2,163	2,148
Other revenues	893,890	684,463	674,740	(9,723)
Total revenues	18,224,826	16,947,366	16,948,461	1,095
EXPENDITURES				
Current				
General government:				
Judicial				
34th judicial court	2,724,097	2,674,848	2,674,851	(3)
Other general government				
Parish council	555,787	652,607	652,607	-
Cabel station	103,949	104,799	104,799	-
JPs and constables	319,647	302,688	302,688	-
Office of motor vehicles	74,519	73,295	73,295	-
Registrar of voters	64,474	62,845	62,845	-
Administration	1,003,170	1,227,823	1,227,797	26
Legal department	519,024	124,811	124,811	-
Purchasing	174,560	171,051	171,051	-
Public hearing officer	84,295	33,617	33,617	-
Resident services	664,411	265,109	265,109	-
Information technology	441,132	321,016	321,016	-
Finance	2,217,011	1,842,592	1,853,289	(10,697)
Personnel department	124,632	278,948	278,948	-
Physical plant and maintenance	792,102	883,791	895,291	(11,500)
Economic development	150,000	150,000	150,000	-
Sales tax	928,000	1,014,911	1,014,911	-
Civic center	122,031	71,225	71,224	1
Community development	1,759,379	1,668,260	1,668,260	-
Public safety				
Jail	1,620,213	1,519,332	1,519,332	-
Health and welfare				
Coroner	181,780	188,176	188,176	-
Animal control	430,332	401,956	401,956	-
Capital outlay				
Community development	-	71,008	71,008	-
Cable station	-	12,945	12,945	-
Administration	-	35,000	35,000	-
Jail	-	11,500	11,500	-
Animal control	-	17,135	7,242	9,893
Total expenditures	15,054,545	14,181,288	14,193,568	(12,280)
Excess of Revenues Over Expenditures	3,170,281	2,766,078	2,754,893	(11,185)

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
For the year ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over/ (Under)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Proceeds from the litigation settlements	\$ -	\$ 1,780,006	\$ 1,780,006	\$ -
Transfer in	1,850,000	2,192,048	2,192,048	-
Transfer out	(3,509,846)	(4,566,751)	(4,566,751)	-
Total other financing sources (uses)	(1,659,846)	(594,697)	(594,697)	-
Changes in fund balance	1,510,435	2,171,381	2,160,196	(11,185)
Fund balance	10,256,654	10,256,654	10,256,654	-
Fund balance - end of year	<u>\$ 11,767,089</u>	<u>\$ 12,428,035</u>	<u>\$ 12,416,850</u>	<u>\$ (11,185)</u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HAZARD MITIGATION GRANT FUND
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ 55,161,213	\$ 14,285,131	\$ 13,749,919	\$ (535,212)
Other revenues	-	8,000	7,998	(2)
Total revenues	55,161,213	14,293,131	13,757,917	(535,214)
EXPENDITURES				
Current				
General government:				
Other general government	14,999,782	2,298,783	2,298,779	4
Capital outlay	40,161,431	6,041,937	6,041,937	-
Total expenditures	55,161,213	8,340,720	8,340,716	4
Excess of Revenues				
Over Expenditures	-	5,952,411	5,417,201	(535,210)
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(3,730,082)	(3,730,082)	-
Total other financing sources (uses)	-	(3,730,082)	(3,730,082)	-
Changes in fund balance	-	2,222,329	1,687,119	(535,210)
Fund balance - beginning of year	-	-	-	-
Prior period adjustment	(1,547,535)	(1,547,535)	(1,547,535)	-
Fund balance (deficit) - beginning, as restated	(1,547,535)	(1,547,535)	(1,547,535)	-
Fund balance (deficit) - end of year	\$ (1,547,535)	\$ 674,794	\$ 139,584	\$ (535,210)

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DISASTER RECOVERY FUND
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ 32,373,894	\$ 13,748,838	\$ 13,933,992	\$ 185,154
Other revenues	-	221,070	35,916	(185,154)
Total revenues	32,373,894	13,969,908	13,969,908	-
EXPENDITURES				
Current				
General government:				
Other general government				
Katrina	9,369,000	2,542,686	2,542,686	-
Gustav	100,000	20,827	20,827	-
Isaac	-	601,554	601,554	-
Ike	15,000	49	49	-
Capital outlay				
Katrina	20,658,731	7,485,668	7,485,668	-
Total expenditures	9,484,000	3,165,116	3,165,116	-
Excess of Revenues				
Over Expenditures	22,889,894	10,804,792	10,804,792	-
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(2,666,025)	(2,666,025)	-
Total other financing sources (uses)	-	(2,666,025)	(2,666,025)	-
Changes in fund balance	22,889,894	8,138,767	8,138,767	-
Fund balance (deficit) - beginning of year	(1,962,775)	(1,962,775)	(1,962,775)	-
Prior period adjustment	(5,279,759)	(5,279,759)	(5,279,759)	-
Fund balance (deficit) - beginning, as restated	(7,242,534)	(7,242,534)	(7,242,534)	-
Fund balance (deficit) - end of year	\$ 15,647,360	\$ 896,233	\$ 896,233	\$ -

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSOLIDATED FIRE PROTECTION DISTRICT NO. 1-2
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 9,393,000	\$ 8,733,352	\$ 8,733,352	\$ -
Other	12,000	17,459	17,459	-
Licenses and permits	25,000	13,815	13,815	-
Intergovernmental:				
State revenue sharing (unrestricted)	7,300	13,094	13,094	-
Other state funding	199,950	179,043	179,043	-
Charges for services	80,325	22,292	22,292	-
Other revenues	10,000	187,702	187,702	-
Total revenues	<u>9,727,575</u>	<u>9,166,757</u>	<u>9,166,757</u>	<u>-</u>
EXPENDITURES				
Current				
Public safety	9,950,944	9,757,523	9,757,525	(2)
Capital outlay	424,000	424,389	424,389	-
Total expenditures	<u>10,374,944</u>	<u>10,181,912</u>	<u>10,181,914</u>	<u>(2)</u>
Deficiency of Revenues				
Over Expenditures	(647,369)	(1,015,155)	(1,015,157)	(2)
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	97,500	-	-	-
Transfer out	(270,044)	(270,044)	(270,044)	-
Total other financing sources (uses)	<u>(172,544)</u>	<u>(270,044)</u>	<u>(270,044)</u>	<u>-</u>
Changes in fund balance	(819,913)	(1,285,199)	(1,285,201)	(2)
Fund balance - beginning of year	3,412,656	3,412,656	3,412,656	-
Fund balance - end of year	<u>\$ 2,592,743</u>	<u>\$ 2,127,457</u>	<u>\$ 2,127,455</u>	<u>\$ (2)</u>

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION –
BUDGETARY COMPARISON
December 31, 2016

NOTE A – BUDGETARY BASIS OF ACCOUNTING

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

NOTE B –LEGAL LEVEL OF BUDGETARY CONTROL

Budgets are presented at the lowest level at which the Parish's management may not reallocate resources without special approval. For further details, the 2016 Adopted Budget may be viewed on the Parish's website.

OTHER SUPPLEMENTARY INFORMATION

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS
December 31, 2016

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
December 31, 2016

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

DEBT SERVICE FUNDS

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

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

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS (CONTINUED)
December 31, 2016

DEBT SERVICE FUNDS (CONTINUED)

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

CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2016

	<i>Non-Major Special Revenue Funds</i>							
	Criminal Court	Council on Aging	Recreation Department	Public Works	Road Lighting District No. 1	Workforce Investment Act	Health	Communications
ASSETS								
Cash and cash equivalents	\$ 2,568	\$ 49,650	\$ 72,174	\$ 901,250	\$ -	\$ 81,560	\$ 849,932	\$ 575,359
Receivables:								
Sales and use taxes	-	-	-	-	-	-	-	-
Property taxes	-	256,598	590,707	831,268	329,488	-	168,395	-
Intergovernmental	-	-	10,959	622,891	6,150	42,396	3,126	-
Other	6,835	-	2,844	-	-	-	-	61,422
Due from other funds	-	-	64,288	323,563	-	-	1,213	-
Prepaid	-	2,710	41,621	21,003	-	-	-	3,351
Total assets	<u>\$ 9,403</u>	<u>\$ 308,958</u>	<u>\$ 782,593</u>	<u>\$ 2,699,975</u>	<u>\$ 335,638</u>	<u>\$ 123,956</u>	<u>\$ 1,022,666</u>	<u>\$ 640,132</u>
LIABILITIES								
Accounts payable	\$ -	\$ 9,526	\$ 77,206	\$ 481,836	\$ 52,169	\$ 29,297	\$ 295,692	\$ 10,197
Retainage payable	-	-	-	-	-	-	-	-
Salaries and payroll deductions payable	-	-	32,708	83,554	-	5,463	-	-
Due to other funds	1,284	-	-	1,520,204	-	50,000	-	1,130
Total liabilities	<u>1,284</u>	<u>9,526</u>	<u>109,914</u>	<u>2,085,594</u>	<u>52,169</u>	<u>84,760</u>	<u>295,692</u>	<u>11,327</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	-	6,712	47,757	473,143	12,829	-	6,491	-
Total deferred inflows of resources	<u>-</u>	<u>6,712</u>	<u>47,757</u>	<u>473,143</u>	<u>12,829</u>	<u>-</u>	<u>6,491</u>	<u>-</u>
FUND BALANCE								
Nonspendable:								
Prepaid items	-	2,710	41,621	21,003	-	-	-	3,351
Restricted:								
Debt service	-	-	-	-	-	-	-	-
Federal programs	-	-	-	-	-	39,196	-	-
Council on aging	-	290,010	-	-	-	-	-	-
Road lighting	-	-	-	-	270,640	-	-	-
Health	-	-	-	-	-	-	720,483	-
Communication	-	-	-	-	-	-	-	625,454
Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	583,301	-	-	-	-	-
Court operations	8,119	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
BP oil spill	-	-	-	-	-	-	-	-
Committed:								
Capital outlay	-	-	-	-	-	-	-	-
Assigned:								
Capital outlay	-	-	-	120,235	-	-	-	-
Recovery	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>8,119</u>	<u>292,720</u>	<u>624,922</u>	<u>141,238</u>	<u>270,640</u>	<u>39,196</u>	<u>720,483</u>	<u>628,805</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 9,403</u>	<u>\$ 308,958</u>	<u>\$ 782,593</u>	<u>\$ 2,699,975</u>	<u>\$ 335,638</u>	<u>\$ 123,956</u>	<u>\$ 1,022,666</u>	<u>\$ 640,132</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2016

	<i>Non-Major Special Revenue Funds</i>							
	Housing and Redevelopment	Urban Mass Transportation Administration	Garbage District No. 1	Deputy Witness Fees	Assessor's Fund	CDBG Disaster Fund	Federal & State Grants	Total Non- Major Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 1,351,726	\$ 712,940	\$ 1,510,096	\$ 8,572	\$ 40,174	\$ 404,936	\$ 565,560	\$ 7,126,497
Receivables:								
Sales and use taxes	-	-	576,958	-	-	-	-	576,958
Property taxes	-	-	831,268	-	-	-	-	3,007,724
Intergovernmental	5,341	246,691	15,423	-	-	888,720	2,611,532	4,453,229
Other	-	-	37	1,488	-	-	-	72,626
Due from other funds	-	-	-	-	-	-	-	389,064
Prepaid	-	3,007	1,334	-	-	-	-	73,026
Total assets	<u>\$ 1,357,067</u>	<u>\$ 962,638</u>	<u>\$ 2,935,116</u>	<u>\$ 10,060</u>	<u>\$ 40,174</u>	<u>\$ 1,293,656</u>	<u>\$ 3,177,092</u>	<u>\$ 15,699,124</u>
LIABILITIES								
Accounts payable	\$ 105,338	\$ 94,943	\$ 2,840,152	\$ 1,350	\$ 29,977	\$ 893,821	\$ 2,022,491	\$ 6,943,995
Retainage payable	-	2,656	-	-	-	25,764	-	28,420
Salaries and payroll deductions payable	16,351	10,878	10,518	-	-	-	40,990	200,462
Due to other funds	620,559	-	-	-	-	646,966	476,787	3,316,930
Total liabilities	<u>742,248</u>	<u>108,477</u>	<u>2,850,670</u>	<u>1,350</u>	<u>29,977</u>	<u>1,566,551</u>	<u>2,540,268</u>	<u>10,489,807</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	359,572	240,001	32,052	-	-	576,631	636,824	2,392,012
Total deferred inflows of resources	<u>359,572</u>	<u>240,001</u>	<u>32,052</u>	<u>-</u>	<u>-</u>	<u>576,631</u>	<u>636,824</u>	<u>2,392,012</u>
FUND BALANCE								
Nonspendable:								
Prepaid items	-	3,007	1,334	-	-	-	-	73,026
Restricted:								
Debt service	-	-	-	-	-	-	-	-
Federal programs	-	611,153	-	-	-	-	-	650,349
Council on aging	-	-	-	-	-	-	-	290,010
Road lighting	-	-	-	-	-	-	-	270,640
Health	-	-	-	-	-	-	-	720,483
Communication	-	-	-	-	-	-	-	625,454
Sanitation	-	-	51,060	-	-	-	-	51,060
Culture and recreation	-	-	-	-	-	-	-	583,301
Court operations	-	-	-	8,710	-	-	-	16,829
Capital outlay	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	10,197	-	-	10,197
Committed:								
Capital outlay	-	-	-	-	-	-	-	-
Assigned:								
Capital outlay	-	-	-	-	-	-	-	120,235
Recovery	-	-	-	-	-	-	-	-
Unassigned	255,247	-	-	-	-	(849,526)	-	(594,279)
Total fund balance	<u>255,247</u>	<u>614,160</u>	<u>52,394</u>	<u>8,710</u>	<u>10,197</u>	<u>(849,526)</u>	<u>-</u>	<u>2,817,305</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 1,357,067</u>	<u>\$ 962,638</u>	<u>\$ 2,935,116</u>	<u>\$ 10,060</u>	<u>\$ 40,174</u>	<u>\$ 1,293,656</u>	<u>\$ 3,177,092</u>	<u>\$ 15,699,124</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2016

	<i>Non-Major Debt Service Funds</i>					<i>Non-Major Capital Project Funds</i>	
	Versailles Industrial Park Sinking	2012 Sales Tax Reserve	2012 Sales Tax Refunding	2014 Fire Sinking Fund	Total Non- Major Debt Service Funds	Urban System Roadway	Hurricane Reconstruction
ASSETS							
Cash and cash equivalents	\$ 421	\$ 392,800	\$ 3,010,468	\$ 205,205	\$ 3,608,894	\$ 916,345	\$ 2,984,931
Receivables:							
Sales and use taxes	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	225,000
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	2,829,656
Prepaid	-	-	-	-	-	-	-
Total assets	<u>\$ 421</u>	<u>\$ 392,800</u>	<u>\$ 3,010,468</u>	<u>\$ 205,205</u>	<u>\$ 3,608,894</u>	<u>\$ 916,345</u>	<u>\$ 6,039,587</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,359
Retainage payable	-	-	-	-	-	-	17,813
Salaries and payroll deductions payable	-	-	-	-	-	-	-
Due to other funds	24,898	-	-	-	24,898	-	202,226
Total liabilities	<u>24,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,898</u>	<u>-</u>	<u>221,398</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	-	-	-	-	-	-	225,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>
FUND BALANCE							
Nonspendable:							
Prepaid items	-	-	-	-	-	-	-
Restricted:							
Debt service	-	392,800	3,010,468	205,205	3,608,473	-	-
Federal programs	-	-	-	-	-	-	-
Council on aging	-	-	-	-	-	-	-
Road lighting	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Court operations	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
BP oil spill	-	-	-	-	-	-	-
Committed:							
Capital outlay	-	-	-	-	-	916,345	-
Assigned:							
Capital outlay	-	-	-	-	-	-	-
Recovery	-	-	-	-	-	-	5,593,189
Unassigned	(24,477)	-	-	-	(24,477)	-	-
Total fund balance	<u>(24,477)</u>	<u>392,800</u>	<u>3,010,468</u>	<u>205,205</u>	<u>3,583,996</u>	<u>916,345</u>	<u>5,593,189</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 421</u>	<u>\$ 392,800</u>	<u>\$ 3,010,468</u>	<u>\$ 205,205</u>	<u>\$ 3,608,894</u>	<u>\$ 916,345</u>	<u>\$ 6,039,587</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2016

	<i>Non-Major Capital Project Funds</i>					
	Courthouse Capital	2003 Sales Tax Bonds	Rebuild St. Bernard	Capital Projects Fund	Total Non- Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 296,529	\$ 313,966	\$ 40,309	\$ 228,384	\$ 4,780,464	\$ 15,515,855
Receivables:						
Sales and use taxes	-	-	-	-	-	576,958
Property taxes	-	-	-	-	-	3,007,724
Intergovernmental	-	-	-	361	225,361	4,678,590
Other	-	-	-	-	-	72,626
Due from other funds	-	-	-	-	2,829,656	3,218,720
Prepaid	-	-	-	-	-	73,026
Total assets	<u>\$ 296,529</u>	<u>\$ 313,966</u>	<u>\$ 40,309</u>	<u>\$ 228,745</u>	<u>\$ 7,835,481</u>	<u>\$ 27,143,499</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 584,126	\$ 585,485	\$ 7,529,480
Retainage payable	-	-	-	-	17,813	46,233
Salaries and payroll deductions payable	-	-	-	-	-	200,462
Due to other funds	-	-	-	-	202,226	3,544,054
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,126</u>	<u>805,524</u>	<u>11,320,229</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	225,000	2,617,012
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>	<u>2,617,012</u>
FUND BALANCE						
Nonspendable:						
Prepaid items	-	-	-	-	-	73,026
Restricted:						
Debt service	-	-	-	-	-	3,608,473
Federal programs	-	-	-	-	-	650,349
Council on aging	-	-	-	-	-	290,010
Road lighting	-	-	-	-	-	270,640
Health	-	-	-	-	-	720,483
Communication	-	-	-	-	-	625,454
Sanitation	-	-	-	-	-	51,060
Culture and recreation	-	-	-	-	-	583,301
Court operations	-	-	-	-	-	16,829
Capital outlay	-	313,966	-	-	313,966	313,966
BP oil spill	-	-	-	-	-	10,197
Committed:						
Capital outlay	-	-	40,309	-	956,654	956,654
Assigned:						
Capital outlay	296,529	-	-	-	296,529	416,764
Recovery	-	-	-	-	5,593,189	5,593,189
Unassigned	-	-	-	(355,381)	(355,381)	(974,137)
Total fund balance	<u>296,529</u>	<u>313,966</u>	<u>40,309</u>	<u>(355,381)</u>	<u>6,804,957</u>	<u>13,206,258</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 296,529</u>	<u>\$ 313,966</u>	<u>\$ 40,309</u>	<u>\$ 228,745</u>	<u>\$ 7,835,481</u>	<u>\$ 27,143,499</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

<i>Non-Major Special Revenue Funds</i>								
	Criminal Court	Council on Aging	Recreation Department	Public Works	Road Lighting District No. 1	Workforce Investment Act	Health	Communications
REVENUES								
Taxes:								
Property taxes	\$ -	\$ 299,118	\$ 688,490	\$ 968,821	\$ 384,325	\$ -	\$ 196,192	\$ -
Sales and use taxes	-	-	-	-	-	-	-	-
Other	-	658	1,494	2,100	839	-	390	392,763
Licenses and permits	-	-	-	11,874	-	-	-	-
Intergovernmental:								
Federal funds	-	-	59,443	171,152	-	1,570,829	-	-
State revenue sharing (unrestricted)	-	-	9,930	13,964	5,579	-	2,836	-
Other state funding	-	-	135,413	731,103	-	-	-	-
Charges for services	-	-	184,629	44,055	-	-	-	-
Fines and forfeitures	164,511	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-
Other revenues	34,038	9,277	39,876	231,149	-	-	177	-
Total revenues	198,549	309,053	1,119,275	2,174,218	390,743	1,570,829	199,595	392,763
EXPENDITURES								
Current								
General government:								
Judicial	209,410	-	-	-	-	-	-	-
Other general government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	325,105
Public works	-	-	-	3,859,155	697,892	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	1,828,936	-	-	-	-	-
Health and welfare	-	371,425	-	-	-	1,552,007	298,084	-
Capital outlay	-	-	29,993	8,300	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	209,410	371,425	1,858,929	3,867,455	697,892	1,552,007	298,084	325,105
Excess (Deficiency) of Revenues Over Expenditures	(10,861)	(62,372)	(739,654)	(1,693,237)	(307,149)	18,822	(98,489)	67,658
OTHER FINANCING SOURCES (USES)								
Proceeds from the sale of capital assets	-	-	-	120,235	-	-	-	-
Proceeds from insurance settlement	-	-	37,180	-	-	-	-	-
Transfer in	3,162	18,981	1,327,396	1,714,240	453,662	-	-	-
Transfer out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,162	18,981	1,364,576	1,834,475	453,662	-	-	-
Changes in fund balance	(7,699)	(43,391)	624,922	141,238	146,513	18,822	(98,489)	67,658
Fund balance (deficit) - beginning of year	15,818	336,111	-	-	124,127	20,374	818,972	561,147
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balance (deficit) - beginning, as restated	15,818	336,111	-	-	124,127	20,374	818,972	561,147
Fund balance (deficit) - end of year	\$ 8,119	\$ 292,720	\$ 624,922	\$ 141,238	\$ 270,640	\$ 39,196	\$ 720,483	\$ 628,805

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<i>Non-Major Special Revenue Funds</i>							
	Housing and Redevelopment	Urban Mass Transportation Adminstration	Garbage District No. 1	Deputy Witness Fees	Assessor's Fund	CDBG Disaster Fund	Federal & State Grants	Total Non- Major Special Revenue Funds
REVENUES								
Taxes:								
Property taxes	\$ -	\$ -	\$ 967,415	\$ -	\$ -	\$ -	\$ -	\$ 3,504,361
Sales and use taxes	-	-	3,596,859	-	-	-	-	3,596,859
Other	-	-	2,329	-	-	-	-	400,573
Licenses and permits	-	-	-	-	-	-	-	11,874
Intergovernmental:								
Federal funds	6,182,421	283,855	618	-	-	1,405,663	5,823,236	15,497,217
State revenue sharing (unrestricted)	-	-	13,964	-	-	-	-	46,273
Other state funding	-	80,648	-	-	-	-	39,538	986,702
Charges for services	-	82,450	-	28,060	-	-	-	339,194
Fines and forfeitures	-	-	-	-	-	-	-	164,511
Use of money and property	59	-	-	-	-	-	-	59
Other revenues	101,964	662	20,326	-	10,197	-	5,452	453,118
Total revenues	6,284,444	447,615	4,601,511	28,060	10,197	1,405,663	5,868,226	25,000,741
EXPENDITURES								
Current								
General government:								
Judicial	-	-	-	19,350	-	-	-	228,760
Other general government	-	474,916	-	-	38,299	687,409	2,348,696	3,549,320
Public safety	-	-	-	-	-	-	-	325,105
Public works	-	-	-	-	-	-	-	4,557,047
Sanitation	-	-	4,812,945	-	-	-	-	4,812,945
Culture and recreation	-	-	-	-	-	-	-	1,828,936
Health and welfare	6,316,380	-	-	-	-	-	-	8,537,896
Capital outlay	-	178,570	-	-	-	1,299,599	4,343,298	5,859,760
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	6,316,380	653,486	4,812,945	19,350	38,299	1,987,008	6,691,994	29,699,769
Excess (Deficiency) of Revenues								
Over Expenditures	(31,936)	(205,871)	(211,434)	8,710	(28,102)	(581,345)	(823,768)	(4,699,028)
OTHER FINANCING SOURCES (USES)								
Proceeds from the sale of capital assets	-	25,900	-	-	-	-	-	146,135
Proceeds from insurance settlement	-	-	-	-	-	-	-	37,180
Transfer in	-	-	-	-	38,299	-	834,417	4,390,157
Transfer out	-	(600,000)	-	-	-	(73,914)	(10,649)	(684,563)
Total other financing sources (uses)	-	(574,100)	-	-	38,299	(73,914)	823,768	3,888,909
Changes in fund balance	(31,936)	(779,971)	(211,434)	8,710	10,197	(655,259)	-	(810,119)
Fund balance (deficit) - beginning of year	747,619	1,394,131	263,828	-	-	(1,461,725)	-	2,820,402
Prior period adjustment	(460,436)	-	-	-	-	1,267,458	-	807,022
Fund balance (deficit) - beginning, as restated	287,183	1,394,131	263,828	-	-	(194,267)	-	3,627,424
Fund balance (deficit) - end of year	\$ 255,247	\$ 614,160	\$ 52,394	\$ 8,710	\$ 10,197	\$ (849,526)	\$ -	\$ 2,817,305

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Non-Major Debt Service Funds					Non-Major Capital Project Funds			
	Versailles Industrial Park Sinking	2012 Sales Tax Reserve	2012 Sales Tax Refunding	2014 Fire Sinking Fund	Total Non- Major Debt Service Funds	Urban System Roadway	Hurricane Reconstruction	Courthouse Capital	
REVENUES									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales and use taxes	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	
Intergovernmental:									
Federal funds	-	-	-	-	-	-	-	-	
State revenue sharing (unrestricted)	-	-	-	-	-	-	-	-	
Other state funding	-	-	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	
Use of money and property	-	-	-	-	-	83	-	-	
Other revenues	-	-	-	-	-	-	-	2,504	
Total revenues	-	-	-	-	-	83	-	2,504	
EXPENDITURES									
Current									
General government:									
Judicial	-	-	-	-	-	-	-	-	
Other general government	-	-	-	-	-	-	185,000	-	
Public safety	-	-	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	-	-	
Sanitation	-	-	-	-	-	-	-	-	
Culture and recreation	-	-	-	-	-	-	-	-	
Health and welfare	-	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	-	
Debt service:					-				
Principal	-	-	3,035,000	225,000	3,260,000	-	-	-	
Interest	-	-	1,157,700	41,402	1,199,102	-	-	-	
Total expenditures	-	-	4,192,700	266,402	4,459,102	-	185,000	-	
Excess (Deficiency) of Revenues									
Over Expenditures	-	-	(4,192,700)	(266,402)	(4,459,102)	83	(185,000)	2,504	
OTHER FINANCING SOURCES (USES)									
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-	
Proceeds from insurance settlement	-	-	-	-	-	-	-	-	
Transfer in	-	-	4,235,566	270,044	4,505,610	-	-	-	
Transfer out	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	4,235,566	270,044	4,505,610	-	-	-	
Changes in fund balance	-	-	42,866	3,642	46,508	83	(185,000)	2,504	
Fund balance (deficit) - beginning of year	(24,477)	392,800	2,967,602	201,563	3,537,488	916,262	5,778,189	294,025	
Prior period adjustment	-	-	-	-	-	-	-	-	
Fund balance (deficit) - beginning, as restated	(24,477)	392,800	2,967,602	201,563	3,537,488	916,262	5,778,189	294,025	
Fund balance (deficit) - end of year	\$ (24,477)	\$ 392,800	\$ 3,010,468	\$ 205,205	\$ 3,583,996	\$ 916,345	\$ 5,593,189	\$ 296,529	

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<i>Non-Major Capital Projects</i>				
	2003 Sales Tax Bonds	Rebuild St. Bernard	General Capital Projects Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,504,361
Sales and use taxes	-	-	-	-	3,596,859
Other	-	-	-	-	400,573
Licenses and permits	-	-	-	-	11,874
Intergovernmental:					
Federal funds	-	-	73,000	73,000	15,570,217
State revenue sharing (unrestricted)	-	-	-	-	46,273
Other state funding	-	-	-	-	986,702
Charges for services	-	-	-	-	339,194
Fines and forfeitures	-	-	-	-	164,511
Use of money and property	-	7	-	90	149
Other revenues	-	-	236,361	238,865	691,983
Total revenues	-	7	309,361	311,955	25,312,696
EXPENDITURES					
Current					
General government:					
Judicial	-	-	-	-	228,760
Other general government	-	-	174	185,174	3,734,494
Public safety	-	-	-	-	325,105
Public works	-	-	-	-	4,557,047
Sanitation	-	-	-	-	4,812,945
Culture and recreation	-	-	-	-	1,828,936
Health and welfare	-	-	-	-	8,537,896
Capital outlay	-	-	1,952,921	1,952,921	7,812,681
Debt service:					
Principal	-	-	-	-	3,260,000
Interest	-	-	-	-	1,199,102
Total expenditures	-	-	1,953,095	2,138,095	36,296,966
Excess (Deficiency) of Revenues					
Over Expenditures	-	7	(1,643,734)	(1,826,140)	(10,984,270)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of capital assets	-	-	-	-	146,135
Proceeds from insurance settlement	-	-	-	-	37,180
Transfer in	-	-	1,288,353	1,288,353	10,184,120
Transfer out	-	-	-	-	(684,563)
Total other financing sources (uses)	-	-	1,288,353	1,288,353	9,682,872
Changes in fund balance	-	7	(355,381)	(537,787)	(1,301,398)
Fund balance (deficit) - beginning of year	313,966	40,302	-	7,342,744	13,700,634
Prior period adjustment	-	-	-	-	807,022
Fund balance (deficit) - beginning, as restated	313,966	40,302	-	7,342,744	14,507,656
Fund balance (deficit) - end of year	\$ 313,966	\$ 40,309	\$ (355,381)	\$ 6,804,957	\$ 13,206,258

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CRIMINAL COURT
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Fines and forfeitures	\$ 118,761	\$ 164,511	\$ 164,511	\$ -
Other revenues	-	34,038	34,038	-
Total revenues	118,761	198,549	198,549	-
EXPENDITURES				
Current				
General government:				
Judicial	68,761	209,412	209,410	2
Total expenditures	68,761	209,412	209,410	2
Excess (Deficiency) of Revenues				
Over Expenditures	50,000	(10,863)	(10,861)	2
OTHER FINANCING SOURCES (USES)				
Transfer in	-	3,162	3,162	-
Transfer out	(35,000)	-	-	-
Total other financing sources (uses)	(35,000)	3,162	3,162	-
Changes in fund balance	15,000	(7,701)	(7,699)	2
Fund balance - beginning of year	15,818	15,818	15,818	-
Fund balance - end of year	\$ 30,818	\$ 8,117	\$ 8,119	\$ 2

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COUNCIL ON AGING
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 327,000	\$ 299,118	\$ 299,118	\$ -
Use of money and property	-	657	658	1
Other revenues	-	-	9,277	9,277
Total revenues	327,000	299,775	309,053	9,278
EXPENDITURES				
Current				
Health and welfare	327,000	371,425	371,425	-
Total expenditures	327,000	371,425	371,425	-
Deficiency of Revenues				
Over Expenditures	-	(71,650)	(62,372)	9,278
OTHER FINANCING SOURCES				
Transfer in	-	18,981	18,981	-
Total other financing sources	-	18,981	18,981	-
Changes in fund balance	-	(52,669)	(43,391)	9,278
Fund balance - beginning of year	336,111	336,111	336,111	-
Fund balance - end of year	\$ 336,111	\$ 283,442	\$ 292,720	\$ 9,278

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RECREATION DISTRICT
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 777,634	\$ 688,490	\$ 688,490	\$ -
Other	1,300	1,494	1,494	-
Intergovernmental:				
Federal funds	-	59,443	59,443	-
State revenue sharing (unrestricted)	10,000	9,930	9,930	-
Other state funding	128,000	135,413	135,413	-
Charges for services	142,100	185,412	184,629	(783)
Other revenues	-	39,093	39,876	783
Total revenues	1,059,034	1,119,275	1,119,275	-
EXPENDITURES				
Current				
Culture and recreation	1,820,110	1,828,939	1,828,936	3
Capital outlay	-	29,993	29,993	-
Total expenditures	1,820,110	1,858,932	1,858,929	3
Deficiency of Revenues				
Over Expenditures	(761,076)	(739,657)	(739,654)	3
OTHER FINANCING SOURCES				
Transfer in	761,076	1,327,396	1,327,396	-
Total other financing sources	761,076	1,364,576	1,364,576	-
Changes in fund balance	-	624,919	624,922	3
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 624,919	\$ 624,922	\$ 3

See accompanying independent auditors' report.

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

For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 1,094,157	\$ 968,821	\$ 968,821	\$ -
Other	-	2,100	2,100	-
Licenses and permits	-	11,874	11,874	-
Intergovernmental:				
Federal funds	-	171,152	171,152	-
State revenue sharing (unrestricted)	-	13,964	13,964	-
Other state funding	1,076,909	731,105	731,103	(2)
Charges for services	86,510	44,055	44,055	-
Other revenues	55,000	231,113	231,149	36
Total revenues	2,312,576	2,174,184	2,174,218	34
EXPENDITURES				
Current				
Public works	4,003,580	3,859,143	3,859,155	(12)
Capital outlay	-	8,300	8,300	-
Total expenditures	4,003,580	3,867,443	3,867,455	(12)
Deficiency of Revenues				
Over Expenditures	(1,691,004)	(1,693,259)	(1,693,237)	22
OTHER FINANCING SOURCES				
Transfer in	1,675,107	1,714,240	1,714,240	-
Total other financing sources	1,675,107	1,834,475	1,834,475	-
Changes in fund balance	(15,897)	141,216	141,238	22
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ (15,897.00)</u>	<u>\$ 141,216</u>	<u>\$ 141,238.00</u>	<u>\$ 22</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD LIGHTING DISTRICT NO. 1
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 406,223	\$ 384,325	\$ 384,325	\$ -
Other	500	839	839	-
Intergovernmental:				
State revenue sharing (unrestricted)	5,500	5,579	5,579	-
Other revenues	-	-	-	-
Total revenues	<u>412,223</u>	<u>390,743</u>	<u>390,743</u>	<u>-</u>
EXPENDITURES				
Current				
Public works	<u>868,304</u>	<u>697,893</u>	<u>697,892</u>	<u>1</u>
Total expenditures	<u>868,304</u>	<u>697,893</u>	<u>697,892</u>	<u>1</u>
Deficiency of Revenues				
Over Expenditures	(456,081)	(307,150)	(307,149)	1
OTHER FINANCING SOURCES				
Transfer in	<u>407,918</u>	<u>453,662</u>	<u>453,662</u>	<u>-</u>
Total other financing sources	<u>407,918</u>	<u>453,662</u>	<u>453,662</u>	<u>-</u>
Changes in fund balance	(48,163)	146,512	146,513	1
Fund balance - beginning of year	<u>124,127</u>	<u>124,127</u>	<u>124,127</u>	<u>-</u>
Fund balance - end of year	<u>\$ 75,964</u>	<u>\$ 270,639</u>	<u>\$ 270,640</u>	<u>\$ 1</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE INVESTMENT ACT
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ 3,278,900	\$ 1,570,829	\$ 1,570,829	\$ -
Total revenues	3,278,900	1,570,829	1,570,829	-
EXPENDITURES				
Current				
Health and welfare	3,278,900	1,552,006	1,552,007	
Total expenditures	3,278,900	1,552,006	1,552,007	-
Excess of Revenues				
Over Expenditures	-	18,823	18,822	-
Changes in fund balance	-	18,823	18,822	-
Fund balance - beginning of year	20,374	20,374	20,374	-
Fund balance - end of year	\$ 20,374	\$ 39,197	\$ 39,196	\$ -

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HEALTH
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 207,000	\$ 196,192	\$ 196,192	\$ -
Other	-	390	390	-
Intergovernmental:				
State revenue sharing (unrestricted)	2,500	2,836	2,836	-
Other revenues	-	177	177	-
Total revenues	<u>209,500</u>	<u>199,595</u>	<u>199,595</u>	<u>-</u>
EXPENDITURES				
Current				
Health and welfare	<u>196,184</u>	<u>298,083</u>	<u>298,084</u>	<u>(1)</u>
Total expenditures	<u>196,184</u>	<u>298,083</u>	<u>298,084</u>	<u>(1)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>13,316</u>	<u>(98,488)</u>	<u>(98,489)</u>	<u>(1)</u>
Changes in fund balance	13,316	(98,488)	(98,489)	(1)
Fund balance - beginning of year	<u>818,972</u>	<u>818,972</u>	<u>818,972</u>	<u>-</u>
Fund balance - end of year	<u>\$ 832,288</u>	<u>\$ 720,484</u>	<u>\$ 720,483</u>	<u>\$ (1)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNICATIONS
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Other	\$ 370,000	\$ 392,760	\$ 392,763	\$ 3
Total revenues	370,000	392,760	392,763	3
EXPENDITURES				
Current				
Public safety	344,446	325,106	325,105	1
Total expenditures	344,446	325,106	325,105	1
Excess of Revenues				
Over Expenditures	25,554	67,654	67,658	4
Changes in fund balance	25,554	67,654	67,658	4
Fund balance - beginning of year	561,147	561,147	561,147	-
Fund balance - end of year	<u>\$ 586,701</u>	<u>\$ 628,801</u>	<u>\$ 628,805</u>	<u>\$ 4</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HOUSING AND REDEVELOPMENT
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ 6,206,740	\$ 6,542,893	\$ 6,182,421	\$ (360,472)
Use of money and property	-	59	59	-
Other revenues	-	122,248	101,964	(20,284)
Total revenues	6,206,740	6,665,200	6,284,444	(380,756)
EXPENDITURES				
Current				
Health and welfare	6,080,033	6,330,413	6,316,380	14,033
Total expenditures	6,080,033	6,330,413	6,316,380	14,033
Excess (Deficiency) of Revenues				
Over Expenditures	126,707	334,787	(31,936)	(366,723)
Changes in fund balance	126,707	334,787	(31,936)	(366,723)
Fund balance - beginning of year	747,619	747,619	747,619	(366,723)
Prior period adjustment	(460,436)	(460,436)	(460,436)	-
Fund balance - beginning, as restated	287,183	287,183	287,183	-
Fund balance - end of year	\$ 413,890	\$ 621,970	\$ 255,247	\$ (366,723)

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
URBAN MASS TRANSPORTATION ADMINISTRATION
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ 300,000	\$ 283,855	\$ 283,855	\$ -
Other state funding	80,000	80,648	80,648	-
Charges for services	80,000	82,450	82,450	-
Other revenues	-	662	662	-
Total revenues	460,000	447,615	447,615	-
EXPENDITURES				
Current				
General government:				
Other general government	576,581	474,914	474,916	(2)
Capital outlay	-	178,570	178,570	-
Total expenditures	576,581	653,484	653,486	(2)
Deficiency of Revenues				
Over Expenditures	(116,581)	(205,869)	(205,871)	(2)
OTHER FINANCING SOURCES (USES)				
Proceeds on the sale of assets	-	25,900	25,900	-
Transfer out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	(600,000)	(574,100)	(574,100)	-
Changes in fund balance	(716,581)	(779,969)	(779,971)	(2)
Fund balance - beginning of year	1,394,131	1,394,131	1,394,131	-
Fund balance - end of year	<u>\$ 677,550</u>	<u>\$ 614,162</u>	<u>\$ 614,160</u>	<u>\$ (2)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GARBAGE DISTRICT NO. 1
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Taxes:				
Property taxes	\$ 1,021,043	\$ 967,415	\$ 967,415	\$ -
Sales and use taxes	3,866,667	3,596,859	3,596,859	-
Other	1,700	2,329	2,329	-
Intergovernmental:				
Federal funds	-	-	618	618
State revenue sharing (unrestricted)	11,000	13,964	13,964	-
Other revenues	-	20,326	20,326	-
Total revenues	4,900,410	4,600,893	4,601,511	618
EXPENDITURES				
Current				
General government:				
Other general government	5,021,566	4,812,948	4,812,945	3
Total expenditures	5,021,566	4,812,948	4,812,945	3
Deficiency of Revenues				
Over Expenditures	(121,156)	(212,055)	(211,434)	621
OTHER FINANCING SOURCES				
Transfer in	90,745	-	-	-
Total other financing sources	90,745	-	-	-
Changes in fund balance	(30,411)	(212,055)	(211,434)	621
Fund balance - beginning of year	263,828	263,828	263,828	-
Fund balance - end of year	\$ 233,417	\$ 51,773	\$ 52,394	\$ 621

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEPUTY WITNESS FEES
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Charges for services	\$ 45,000	\$ 28,060	\$ 28,060	\$ -
Total revenues	45,000	28,060	28,060	-
EXPENDITURES				
Current				
General government:				
Judicial	80,000	19,350	19,350	-
Total expenditures	80,000	19,350	19,350	-
Excess (Deficiency) of Revenues				
Over Expenditures	(35,000)	8,710	8,710	-
OTHER FINANCING SOURCES				
Transfer in	35,000	-	-	-
Total other financing sources	35,000	-	-	-
Changes in fund balance	-	8,710	8,710	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 8,710	\$ 8,710	\$ -

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ASSESSOR'S FUND
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Other revenues	\$ 82,480	\$ 10,197	\$ 10,197	\$ -
Total revenues	82,480	10,197	10,197	-
EXPENDITURES				
Current				
General government:				
Other general government	107,480	38,299	38,299	-
Total expenditures	107,480	38,299	38,299	-
Deficiency of Revenues				
Over Expenditures	(25,000)	(28,102)	(28,102)	-
OTHER FINANCING SOURCES				
Transfer in	25,000	38,299	38,299	-
Total other financing sources	25,000	38,299	38,299	-
Changes in fund balance	-	10,197	10,197	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 10,197	\$ 10,197	\$ -

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CDBG DISASTER FUND
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ 4,047,679	\$ 1,405,611	\$ 1,405,663	\$ 52
Total revenues	4,047,679	1,405,611	1,405,663	52
EXPENDITURES				
Current				
Other general government	850,830	686,611	687,409	(798)
Capital outlay	3,200,000	1,300,399	1,299,599	800
Total expenditures	4,050,830	1,987,010	1,987,008	2
Deficiency of Revenues				
Over Expenditures	(3,151)	(581,399)	(581,345)	54
OTHER FINANCING USES				
Transfer out	-	(73,914)	(73,914)	-
Total other financing sources uses	-	(73,914)	(73,914)	-
Changes in fund balance	(3,151)	(655,313)	(655,259)	54
Fund balance - beginning of year	(1,461,725)	(1,461,725)	(1,461,725)	-
Prior period adjustment	1,267,458	1,267,458	1,267,458	-
Fund balance - beginning, As Restated	(194,267)	(194,267)	(194,267)	-
Fund balance - end of year	\$ (197,418)	\$ (849,580)	\$ (849,526)	\$ 54

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FEDERAL & STATE GRANTS
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget -
				Over/ (Under)
REVENUES				
Intergovernmental:				
Federal funds	\$ -	\$ 5,828,688	\$ 5,823,236	\$ (5,452)
Other state funding	-	39,538	39,538	-
Other revenues	-	-	5,452	5,452
Total revenues	-	5,868,226	5,868,226	-
EXPENDITURES				
Current				
General government:				
Other general government	-	2,273,558	2,348,696	(75,138)
Capital outlay	-	4,418,440	4,343,298	75,142
Total expenditures	-	6,691,998	6,691,994	4
Deficiency of Revenues				
Over Expenditures	-	(823,772)	(823,768)	4
OTHER FINANCING SOURCES (USES)				
Transfer in	-	834,417	834,417	-
Transfer out	-	(10,649)	(10,649)	-
Total other financing sources (uses)	-	823,768	823,768	-
Changes in fund balance	-	(4)	-	4
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ (4)	\$ -	\$ 4

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR PROPRIETARY FUND DESCRIPTIONS
December 31, 2016

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
December 31, 2016

	Events Facilities	Total Non- Major Enterprise Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 157,465	\$ 157,465
Prepays	48,244	48,244
Inventory	5,963	5,963
Other receivable	3,415	3,415
Total assets	<u>\$ 215,087</u>	<u>\$ 215,087</u>
LIABILITIES		
Current liabilities		
Accounts and other payables	\$ 16,097	\$ 16,097
Salaries payable	11,493	11,493
Advance collections	71,642	71,642
Due to other funds	275,411	275,411
Total liabilities	<u>\$ 374,643</u>	<u>\$ 374,643</u>
NET POSITION		
Unrestricted	<u>(159,556)</u>	<u>(159,556)</u>
Total net position	<u>\$ (159,556)</u>	<u>\$ (159,556)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
COMBING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Events Facilities	Total Non- Major Enterprise Fund
OPERATING REVENUES		
Charges for service	\$ 892,817	\$ 892,817
Other operating revenues	<u>36,840</u>	<u>36,840</u>
Total operating revenues	929,657	929,657
OPERATING EXPENSES		
Personnel services and related benefits	412,574	412,574
Utilities	309,972	309,972
Contractual services, supplies, and materials	234,622	234,622
Professional services	41,120	41,120
Insurance premiums	166,054	166,054
Other expenses	<u>56,568</u>	<u>56,568</u>
Total operating expenses	<u>1,220,910</u>	<u>1,220,910</u>
Operating loss	(291,253)	(291,253)
NON-OPERATING REVENUES		
Other nonoperating revenues	<u>63,678</u>	<u>63,678</u>
Total non-operating revenues	<u>63,678</u>	<u>63,678</u>
CHANGE IN NET POSITION	(227,575)	(227,575)
NET POSITION - BEGINNING OF YEAR	<u>68,019</u>	<u>68,019</u>
NET POSITION - END OF YEAR	<u><u>\$ (159,556)</u></u>	<u><u>\$ (159,556)</u></u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	Events Facilities	Total Non- Major Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	\$ 913,136	\$ 913,136
Cash paid to suppliers of goods or services	(884,468)	(884,468)
Cash paid to employees	(418,786)	(418,786)
Net cash used in operating activities	(390,118)	(390,118)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Other non-operating revenue	63,678	63,678
Net payments to other funds	99,171	99,171
Net cash provided by non-capital financing activities	162,849	162,849
NET DECREASE IN CASH AND CASH EQUIVALENTS	(227,269)	(227,269)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	384,734	384,734
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 157,465</u>	<u>\$ 157,465</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (291,253)	\$ (291,253)
Adjustments to reconcile operating LOSS to net cash used in operating activities:		
Increase in prepaids	(44,501)	(44,501)
Decrease in inventory	11,592	11,592
Decrease in other receivables	715	715
Decrease in accounts and other payables	(43,223)	(43,223)
Decrease in salaries payable	(6,212)	(6,212)
Decrease in advance collections	(17,236)	(17,236)
Net cash used in operating activities	<u>\$ (390,118)</u>	<u>\$ (390,118)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NON-MAJOR INTERNAL SERVICE FUNDS DESCRIPTIONS
December 31, 2016

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

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

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

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2016

	<u>Self Insurance</u>	<u>Water and Sewer Self Insurance</u>	<u>Total Self Insurance</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,522,967	\$ 835,558	\$ 2,358,525
Investments	1,075,166	-	1,075,166
Due from other funds	50,000	1,274,325	1,324,325
Prepays	10,835	-	10,835
Other receivable	219	11,106	11,325
Total assets	<u>\$ 2,659,187</u>	<u>\$ 2,120,989</u>	<u>\$ 4,780,176</u>
Accounts and other payables	\$ 74,344	\$ 586	\$ 74,930
Self insurance claims payable	2,000,870	384,173	2,385,043
Salaries and payroll deductions payable	8,700	-	8,700
Due to other funds	67,368	548,346	615,714
Total current liabilities	<u>2,151,282</u>	<u>933,105</u>	<u>3,084,387</u>
Total liabilities	2,151,282	933,105	3,084,387
NET POSITION			
Unrestricted	<u>507,905</u>	<u>1,187,884</u>	<u>1,695,789</u>
Total net position	<u>\$ 507,905</u>	<u>\$ 1,187,884</u>	<u>\$ 1,695,789</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2016

	<u>Self Insurance</u>	<u>Water and Sewer Self Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for service	\$ 1,765,840	\$ 485,872	\$ 2,251,712
Total operating revenues	<u>1,765,840</u>	<u>485,872</u>	<u>2,251,712</u>
OPERATING EXPENDITURES			
Personnel services and related benefits	244,847	-	244,847
Professional services	40,083	2,759	42,842
Insurance and claims	1,140,022	147,638	1,287,660
Other expenditures	104,568	-	104,568
Total operating expenditures	<u>1,529,520</u>	<u>150,397</u>	<u>1,679,917</u>
Operating income	236,320	335,475	571,795
NON-OPERATING REVENUES			
Interest earnings	5,978	-	5,978
Other nonoperating revenues	4,066	-	4,066
Total non-operating revenues	<u>10,044</u>	<u>-</u>	<u>10,044</u>
CHANGE IN NET POSITION	246,364	335,475	581,839
NET POSITION - BEGINNING OF YEAR	<u>261,541</u>	<u>852,409</u>	<u>1,113,950</u>
NET POSITION - END OF YEAR	<u><u>\$ 507,905</u></u>	<u><u>\$ 1,187,884</u></u>	<u><u>\$ 1,695,789</u></u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	Self Insurance	Water and Sewer Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 1,766,215	\$ 485,872	\$ 2,252,087
Payments for claims	(1,957,996)	(307,109)	(2,265,105)
Cash paid to employees	(519,128)	-	(519,128)
Net cash (used in) provided by operating activities	(710,909)	178,763	(532,146)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Other non-operating revenue	4,066	-	4,066
Net payments from other funds	1,090,700	-	1,090,700
Net cash provided by non-capital financing activities	1,094,766	-	1,094,766
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest paid	(375)	-	(375)
Net cash used in investing activities	(375)	-	(375)
NET INCREASE IN CASH AND CASH EQUIVALENTS	383,482	178,763	562,245
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,139,485	656,795	1,796,280
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,522,967</u>	<u>\$ 835,558</u>	<u>\$ 2,358,525</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income	\$ 236,320	\$ 335,475	\$ 571,795
Adjustments to reconcile operating LOSS to net cash used in operating activities			
Changes in operating assets and liabilities:			
Increase in prepaid	(2,648)	-	(2,648)
Decrease in other receivables	375	-	375
Decrease in accounts and other payables	(227,939)	(13,835)	(241,774)
Decrease in self-insurance claims payable	(442,736)	(142,877)	(585,613)
Decrease in salaries payable	(274,281)	-	(274,281)
Net cash (used in) provided by operating activities	<u>\$ (710,909)</u>	<u>\$ 178,763</u>	<u>\$ (532,146)</u>

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF COUNCIL MEMBERS' COMPENSATION
For the Year Ended December 31, 2016

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

See accompanying independent auditors' report.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD
For the Year Ended December 31, 2016

Agency Head - Guy McInnis, Parish President

Purpose	Amount
Salary	\$ 137,385
Benefits - health insurance	5,921
Benefits - retirement	17,860
Benefits - life insurance	113
Benefits-other (describe)	-
Benefits-other (describe)	-
Benefits-other (describe)	-
Car allowance	-
Vehicle provided by government	730
Cell phone	680
Air Card	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	90
Travel	-
Registration fees	420
Conference travel	1,562
Housing	-
Unvouchered expenses	-
Special meals	51
Gas	1,146

See accompanying independent auditors' report.

FINANCIAL DATA SCHEDULES

St. Bernard Parish Government (LA187)

Chalmette, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2016

	14,871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted			
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$142,725	\$142,725	\$142,725
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities	\$947,894	\$947,894	\$947,894
100 Total Cash	\$1,090,619	\$1,090,619	\$1,090,619
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government	\$5,341	\$5,341	\$5,341
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts - Tenants			
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,341	\$5,341	\$5,341
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets			
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$1,095,960	\$1,095,960	\$1,095,960
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation			
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$0	\$0	\$0
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$1,095,960	\$1,095,960	\$1,095,960
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$92,537	\$92,537	\$92,537
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$13,568	\$13,568	\$13,568
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			

FINANCIAL DATA SCHEDULES

325	Accrued Interest Payable			
331	Accounts Payable - HUD PHA Programs			
332	Account Payable - PHA Projects			
333	Accounts Payable - Other Government			
341	Tenant Security Deposits			
342	Unearned Revenue	\$359,572	\$359,572	\$359,572
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344	Current Portion of Long-term Debt - Operating Borrowings			
345	Other Current Liabilities	\$387,305	\$387,305	\$387,305
346	Accrued Liabilities - Other			
347	Inter Program - Due To			
348	Loan Liability - Current			
310	Total Current Liabilities	\$852,982	\$852,982	\$852,982
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352	Long-term Debt, Net of Current - Operating Borrowings			
353	Non-current Liabilities - Other			
354	Accrued Compensated Absences - Non Current			
355	Loan Liability - Non Current			
356	FASB 5 Liabilities			
357	Accrued Pension and OPEB Liabilities			
350	Total Non-Current Liabilities	\$0	\$0	\$0
300	Total Liabilities	\$852,982	\$852,982	\$852,982
400	Deferred Inflow of Resources			
508.3	Nonspendable Fund Balance			
509.3	Restricted Fund Balance	\$314,067	\$314,067	\$314,067
510.3	Committed Fund Balance			
511.3	Assigned Fund Balance			
512.3	Unassigned Fund Balance	-\$71,089	-\$71,089	-\$71,089
513	Total Equity - Net Assets / Position	\$242,978	\$242,978	\$242,978
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,095,960	\$1,095,960	\$1,095,960

FINANCIAL DATA SCHEDULES

St. Bernard Parish Government (LA187)

Chalmette, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2016

	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$4,226,910	\$4,226,910	\$4,226,910
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$59	\$59	\$59
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$24,779	\$24,779	\$24,779
71500 Other Revenue	\$1,656,640	\$1,656,640	\$1,656,640
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$5,908,388	\$5,908,388	\$5,908,388
91100 Administrative Salaries	\$279,675	\$279,675	\$279,675
91200 Auditing Fees	\$21,188	\$21,188	\$21,188
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$38,982	\$38,982	\$38,982
91600 Office Expenses	\$40,828	\$40,828	\$40,828
91700 Legal Expense			
91800 Travel	\$1,859	\$1,859	\$1,859
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	\$382,532	\$382,532	\$382,532
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water			
93200 Electricity	\$1,908	\$1,908	\$1,908
93300 Gas	\$4,220	\$4,220	\$4,220
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$4,043	\$4,043	\$4,043
93000 Total Utilities	\$10,171	\$10,171	\$10,171
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other	\$303	\$303	\$303
94300 Ordinary Maintenance and Operations Contracts			

FINANCIAL DATA SCHEDULES

94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$303	\$303	\$303
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$2,202	\$2,202	\$2,202
96120 Liability Insurance			
96130 Workmen's Compensation			
96140 All Other Insurance	\$23,763	\$23,763	\$23,763
96100 Total Insurance Premiums	\$25,965	\$25,965	\$25,965
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$418,971	\$418,971	\$418,971
97000 Excess of Operating Revenue over Operating Expenses	\$5,489,417	\$5,489,417	\$5,489,417
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$3,905,901	\$3,905,901	\$3,905,901
97350 HAP Portability-In	\$1,653,946	\$1,653,946	\$1,653,946
97400 Depreciation Expense			
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$5,978,818	\$5,978,818	\$5,978,818
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$70,430	-\$70,430	-\$70,430
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$313,408	\$313,408	\$313,408
11050 Changes in Compensated Absence Balance	\$0	\$0	\$0
11060 Changes in Contingent Liability Balance	\$0	\$0	\$0

FINANCIAL DATA SCHEDULES

11070 Changes in Unrecognized Pension Transition Liability	\$0	\$0	\$0
11080 Changes in Special Term/Severance Benefits Liability	\$0	\$0	\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0
11100 Changes in Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
11170 Administrative Fee Equity	-\$71,089	-\$71,089	-\$71,089
11180 Housing Assistance Payments Equity	\$314,067	\$314,067	\$314,067
11190 Unit Months Available	6468	6468	6468
11210 Number of Unit Months Leased	6234	6234	6234
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

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

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

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

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

	Fiscal Year							
	2009	2010	2011	2012	2013	2014, restated	2015, restated	2016
Governmental Activities								
Net investment in capital assets	\$ 144,476,194	\$ 211,346,057	\$ 352,867,806	\$ 344,112,498	\$ 350,256,061	\$ 347,417,372	\$ 357,038,864	\$ 367,215,411
Restricted	2,259,992	160,407	(14,520,899)	7,329,208	9,470,377	15,937,711	15,236,622	13,215,014
Unrestricted	8,479,642	32,062,996	7,855,068	(7,822,895)	18,673,457	10,526,002	47,873,423	44,123,972
Total Governmental Activities Net Position	<u>\$ 155,215,828</u>	<u>\$ 243,569,460</u>	<u>\$ 346,201,975</u>	<u>\$ 343,618,811</u>	<u>\$ 378,399,895</u>	<u>\$ 373,881,085</u>	<u>\$ 420,148,909</u>	<u>\$ 424,554,397</u>
Business Type Activities								
Net investment in capital assets	\$ 55,848,964	\$ 88,588,906	\$ 112,542,637	\$ 192,896,426	\$ 204,966,155	\$ 213,189,989	\$ 196,619,074	\$ 209,192,549
Restricted	10,413,090	7,318,014	8,745,110	748,861	857,133	7,531,203	5,351,524	4,735,936
Unrestricted	23,555,360	2,570,477	3,585,621	4,030,738	11,194,022	8,781,027	17,827,434	8,530,137
Total Business Type Activities Net Position	<u>\$ 89,817,414</u>	<u>\$ 98,477,397</u>	<u>\$ 124,873,368</u>	<u>\$ 197,676,025</u>	<u>\$ 217,017,310</u>	<u>\$ 229,502,219</u>	<u>\$ 219,798,032</u>	<u>\$ 222,458,622</u>
Primary Government								
Net investment in capital assets	\$ 200,025,158	\$ 299,934,963	\$ 465,410,443	\$ 537,008,921	\$ 555,222,216	\$ 560,607,361	\$ 553,657,938	\$ 576,407,960
Restricted	12,673,082	7,478,421	(5,775,789)	8,078,069	10,327,510	23,468,914	20,588,146	17,950,950
Unrestricted	32,035,002	34,633,473	11,440,689	(3,792,157)	29,867,479	30,024,080	65,700,857	52,654,109
Total Primary Government Net Position	<u>\$ 244,733,242</u>	<u>\$ 342,046,857</u>	<u>\$ 471,075,343</u>	<u>\$ 541,294,833</u>	<u>\$ 595,417,205</u>	<u>\$ 614,100,355</u>	<u>\$ 639,946,941</u>	<u>\$ 647,013,019</u>

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

Expenses	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:								
General government								
Judicial	\$ 1,239,869	\$ 1,240,694	\$ 1,255,100	\$ 1,902,450	\$ 607,122	\$ 796,068	\$ 885,726	\$ 3,999,898
Other general government	51,490,276	54,558,813	71,245,678	50,301,853	29,878,021	22,942,805	33,157,803	25,705,408
Public safety	8,572,283	14,724,975	8,025,968	9,231,076	10,548,513	10,242,189	10,872,392	14,970,179
Public works	15,040,416	16,780,112	17,987,950	20,700,870	14,751,885	15,580,221	16,398,444	5,816,392
Sanitation	-	-	-	-	4,682,338	4,769,494	5,596,379	6,143,008
Culture and recreation	6,933,377	16,486,993	2,046,703	2,475,372	2,889,701	3,787,646	3,010,246	2,334,365
Health and welfare	1,232,493	1,525,528	6,943,880	6,322,104	6,692,893	6,832,287	9,154,803	11,491,363
Interest on long-term debt	720,139	794,589	256,336	580,332	1,860,282	1,328,696	1,305,453	1,199,102
Total Governmental Activities Expenses	<u>85,228,853</u>	<u>106,111,704</u>	<u>107,761,615</u>	<u>91,514,057</u>	<u>71,910,755</u>	<u>66,279,406</u>	<u>80,381,246</u>	<u>71,659,715</u>
Business-Type Activities:								
Water and sewer	9,018,989	9,789,934	9,024,042	10,195,851	10,153,902	11,165,143	22,753,572	13,993,556
Event Facilities	-	-	-	-	-	2,079	938,067	1,220,910
Interest on long-term debt	2,237,399	2,327,328	2,040,501	756,740	494,988	240,516	164,219	178,775
Total Business-Type Activities Expenses	<u>11,256,388</u>	<u>12,117,262</u>	<u>11,064,543</u>	<u>10,952,591</u>	<u>10,648,890</u>	<u>11,407,738</u>	<u>23,855,858</u>	<u>15,393,241</u>
Total Primary Government Expenses	<u>\$ 96,485,241</u>	<u>\$ 118,228,966</u>	<u>\$ 118,826,158</u>	<u>\$ 102,466,648</u>	<u>\$ 82,559,645</u>	<u>\$ 77,687,144</u>	<u>\$ 104,237,104</u>	<u>\$ 87,052,956</u>
Program Revenues								
Governmental Activities:								
Charges for services	\$ 4,110,351	\$ 6,593,177	\$ 4,774,785	\$ 3,886,902	\$ 4,799,254	\$ 3,032,385	\$ 3,381,027	\$ 3,346,854
Operating grants and contributions	211,448,246	136,356,968	178,346,532	17,562,703	23,905,810	10,370,636	21,131,977	10,870,638
Capital grants and contributions	5,306,348	9,993,697	52,848,455	84,179,047	55,330,827	38,860,849	32,249,132	28,211,921
Total Governmental Activities Program Revenues	<u>220,864,945</u>	<u>152,943,842</u>	<u>235,969,772</u>	<u>105,628,652</u>	<u>84,035,891</u>	<u>52,263,870</u>	<u>56,762,136</u>	<u>42,429,413</u>
Business-Type Activities:								
Charges for services	4,786,098	5,238,160	5,977,404	5,818,753	5,748,284	5,875,915	12,060,280	13,099,159
Operating grants and contributions	135,714	602,925	6,917,743	2,966,919	12,550	31,560	516,129	-
Capital grants and contributions	-	-	-	40,502,738	5,690,363	-	-	1,488,453
Total Business-Type Activities Program Revenues	<u>4,921,812</u>	<u>5,841,085</u>	<u>12,895,147</u>	<u>49,288,410</u>	<u>11,451,197</u>	<u>5,907,475</u>	<u>12,576,409</u>	<u>14,587,612</u>
Total Primary Government Program Revenues	<u>\$ 225,786,757</u>	<u>\$ 158,784,927</u>	<u>\$ 248,864,919</u>	<u>\$ 154,917,062</u>	<u>\$ 95,487,088</u>	<u>\$ 58,171,345</u>	<u>\$ 69,338,545</u>	<u>\$ 57,017,025</u>
Net (Expense)/Revenue								
Governmental activities	\$ 135,636,092	\$ 46,832,138	\$ 128,208,157	\$ 14,114,595	\$ 12,125,136	\$ (14,015,536)	\$ (23,619,110)	\$ (29,230,302)
Business-type Activity	(6,334,576)	(6,276,177)	1,830,604	38,335,819	802,307	(5,500,263)	(11,279,449)	(805,629)
Total Primary Government Net Expense	<u>\$ 129,301,516</u>	<u>\$ 40,555,961</u>	<u>\$ 130,038,761</u>	<u>\$ 52,450,414</u>	<u>\$ 12,927,443</u>	<u>\$ (19,515,799)</u>	<u>\$ (34,898,559)</u>	<u>\$ (30,035,931)</u>

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

General Revenues and Other Changes in Net Position	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:								
Taxes:								
Ad valorem taxes	\$ 7,073,024	\$ 7,611,730	\$ 7,652,880	\$ 7,658,899	\$ 12,941,340	\$ 13,387,595	\$ 13,241,834	\$ 13,258,151
Sales taxes	11,042,025	19,010,239	15,901,969	13,446,184	15,844,744	16,096,696	14,408,732	14,387,437
Severance	907,576	907,534	922,529	951,475	971,328	985,553	622,785	431,377
E telephone	307,310	322,638	359,703	370,042	378,840	451,084	379,001	392,760
Other taxes	55,387	39,076	51,368	109,234	111,949	240,741	328,390	277,060
Fines and forfeitures	-	-	-	-	-	151,781	210,550	218,983
State revenue sharing (unrestricted)	-	-	-	-	-	92,912	72,560	76,589
Parish road royalty	-	-	-	-	-	935,697	426,803	241,323
Other general revenues (expenses)	9,263,736	4,836,771	4,479,623	647,605	1,168,627	640,021	705,028	1,085,110
Interest and investment earnings	1,765,948	3,030,683	2,816,336	108,213	195,208	187,198	188,079	191,898
(Loss)/Gain on Disposal of Assets	-	(3,741,297)	(6,215,108)	(6,539,142)	(149,742)	83,974	(415,762)	-
Gain on sale of investments land held for sale	-	-	-	-	-	546,240	282,702	-
Forgiveness of CD Loans	-	19,820,654	-	-	5,403,510	-	-	-
Proceeds from insurance settlement	-	-	-	-	-	62,466	128,930	273,541
Proceeds from litigation settlement	-	-	-	-	-	-	9,359,306	1,780,006
Transfers	-	-	-	-	-	(219,376)	2,306,733	458,703
Capital contributions	-	-	-	-	-	(13,215,123)	-	-
Miscellaneous revenues	-	-	-	-	-	-	772,340	423,268
Total Governmental Activities	30,415,006	51,838,028	25,969,300	16,752,510	36,865,804	20,427,459	43,018,011	33,496,206
Business-Type Activities:								
Sales taxes	2,757,908	4,591,379	3,774,778	3,338,375	3,961,184	4,024,174	3,602,185	3,596,859
Other general revenues (expenses)	213,485	123,575	357,186	(2,358,661)	330,835	262,529	203,078	275,318
Interest and investment earnings	228,247	204,672	36,706	36,852	37,106	39,188	51,670	58,245
(Loss)/Gain on Disposal of Assets	-	-	-	-	-	11,100	(10,149)	-
Proceeds from insurance settlement	-	-	-	-	-	-	35,211	(5,500)
Transfers	-	-	-	-	-	219,376	(2,306,733)	(458,703)
Capital contributions	-	-	-	-	-	13,215,123	-	-
Total Business-Type Activities	3,199,640	4,919,626	4,168,670	1,016,566	4,329,125	17,771,490	1,575,262	3,466,219
Total Primary Government	\$ 33,614,646	\$ 56,757,654	\$ 30,137,970	\$ 17,769,076	\$ 41,194,929	\$ 38,198,949	\$ 44,593,273	\$ 36,962,425
Changes in Net Position								
Governmental Activities	\$ 166,051,098	\$ 98,670,166	\$ 154,177,457	\$ 30,867,105	\$ 48,990,940	\$ 6,411,923	\$ 19,398,901	\$ 4,265,904
Business-type activities	(3,134,936)	(1,356,551)	5,999,274	39,352,385	5,131,432	12,271,227	(9,704,187)	2,660,590
Total Primary Government	\$ 162,916,162	\$ 97,313,615	\$ 160,176,731	\$ 70,219,490	\$ 54,122,372	\$ 18,683,150	\$ 9,694,714	\$ 6,926,494

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

Fiscal Year	Ad Valorem	Sales and Use	Severance	E Telephone	Other	Total
2007	6,163,170	12,027,140	850,015	228,375	258,941	19,527,641
2008	7,002,465	13,001,658	850,027	307,482	34,712	21,196,344
2009	7,073,024	11,042,025	907,576	307,310	55,387	19,385,322
2010	7,611,730	19,010,239	907,534	322,638	39,076	27,891,217
2011	7,652,880	15,901,969	922,529	359,703	51,368	24,888,449
2012	7,658,899	13,446,184	951,475	370,042	109,234	22,535,834
2013	12,941,340	15,844,744	971,328	378,840	111,949	30,248,201
2014	13,387,595	16,096,696	985,553	451,084	240,741	31,161,669
2015	13,382,777	14,408,732	13,258,151	14,387,437	431,377	55,868,474
2016	13,258,151	14,387,437	431,377	392,760	277,060	28,746,785

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 80,342	\$ 74,800	\$ 84,990	\$ 98,722	\$ 109,215	\$ 94,582
Restricted	-	-	-	-	161,345	91,185	91,185	3,404,667	3,992,868	3,970,789
Committed	-	-	-	-	3,944	-	-	-	-	-
Assigned	-	-	-	-	84,639	-	-	587,321	5,421,492	6,891,492
Unassigned	-	-	-	-	8,223,388	2,887,607	2,436,466	-	733,079	1,445,188
Reserved	50,587	50,587	50,587	20,474	-	-	-	-	-	-
Unreserved	1,593,426	4,904,595	759,068	8,310,748	-	-	-	-	-	-
Total general fund	<u>\$ 1,644,013</u>	<u>\$ 4,955,182</u>	<u>\$ 809,655</u>	<u>\$ 8,331,222</u>	<u>\$ 8,553,658</u>	<u>\$ 3,053,592</u>	<u>\$ 2,612,641</u>	<u>\$ 4,090,710</u>	<u>\$ 10,256,654</u>	<u>\$ 12,402,051</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 121,171	\$ 96,690	\$ 113,744	\$ 89,552	\$ 134,009	\$ 97,018
Restricted	-	-	-	-	28,697,633	7,328,584	9,379,192	12,533,044	11,243,754	9,244,225
Committed	-	-	-	-	3,078,436	2,209,969	1,803,029	956,733	956,564	956,654
Assigned	-	-	-	-	7,235,508	7,749,171	7,097,625	6,665,667	6,363,714	6,009,953
Unassigned	-	-	-	-	229	(29,138,816)	(5,495,701)	(4,681,726)	(3,547,526)	(7,423,988)
Reserved	2,498,953	2,209,406	2,209,405	139,933	-	-	-	-	-	-
Unreserved, undesignated, reported in:										
Special revenue funds	(21,435,666)	11,557,505	23,366,879	25,210,058	-	-	-	-	-	-
Debt service funds	1,465,272	1,049,283	1,085,006	749,826	-	-	-	-	-	-
Capital projects funds	19,816,780	16,589,454	14,248,693	8,797,149	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,345,339</u>	<u>\$ 31,405,648</u>	<u>\$ 40,909,983</u>	<u>\$ 34,896,966</u>	<u>\$ 39,132,977</u>	<u>\$ (11,754,402)</u>	<u>\$ 12,897,889</u>	<u>\$ 15,563,270</u>	<u>\$ 15,150,515</u>	<u>\$ 8,883,862</u>

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

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

	Fiscal Year									
REVENUES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxes:										
Ad valorem	\$ 6,163,170	\$ 7,002,465	\$ 7,073,024	\$ 7,611,730	\$ 7,652,880	\$ 7,481,374	\$ 12,824,501	\$ 13,391,771	\$ 13,382,777	\$ 13,113,135
Sales and use	12,027,140	13,001,658	11,042,025	19,010,239	15,901,969	13,446,184	15,844,744	16,096,696	14,408,732	14,387,436
Other taxes, penalties, interest, etc.	1,454,498	1,549,464	1,451,523	1,472,534	1,404,946	1,430,751	1,462,117	1,509,091	1,130,478	921,198
Licenses and permits	820,973	1,443,791	1,469,853	1,229,352	1,331,151	1,160,616	1,243,407	1,197,920	1,356,425	1,353,158
Intergovernmental:										
Federal grants	198,576,545	125,973,050	200,598,673	140,865,730	246,369,010	80,992,837	77,288,240	44,604,677	46,387,297	43,562,515
State revenue sharing (net)	393,761	31,001	97,611	13,642	18,307	14,084	39,068	52,448	64,650	71,967
Other state funding	4,985,205	4,588,003	18,424,710	3,749,865	4,332,734	3,034,249	2,257,549	2,228,740	1,514,272	1,182,680
Fees, charges, and commissions for services	822,664	1,114,508	1,111,659	3,400,246	1,724,358	2,726,286	3,555,847	1,811,480	2,001,255	2,764,342
Fines and forfeitures	236,354	260,359	386,834	396,925	349,220	237,132	181,524	152,370	222,793	198,657
Use of money and property	1,254,660	764,076	368,795	328,051	71,224	1,114	830	1,839	1,142	2,312
Special assessments	-	-	-	420	-	-	-	-	-	-
Public grants	47,958	395,505	42,308	6,515	30,000	-	-	-	-	-
Other revenues	3,219,637	6,442,562	8,268,034	9,191,163	1,599,078	410,474	987,103	550,334	786,362	1,598,339
Total revenues	230,002,565	162,566,442	250,335,049	187,276,412	280,784,877	110,935,101	115,684,930	81,597,366	81,256,183	79,155,739
EXPENDITURES										
Current:										
General government:										
Judicial	1,025,151	1,122,629	1,239,869	1,240,694	1,255,100	90,600	88,775	212,704	195,647	2,903,611
Finance and administration	14,110	-	13,780	20	-	-	-	-	-	-
Other general government	205,640,000	70,869,763	48,967,159	54,495,443	69,651,287	48,906,737	25,843,161	23,840,855	30,280,681	18,484,746
Public safety	6,656,084	5,966,248	8,572,283	14,724,975	8,025,968	8,424,249	9,718,598	9,360,090	9,828,930	11,601,962
Public works	12,905,403	13,661,024	11,881,959	12,951,757	11,579,754	10,728,553	9,189,794	4,691,641	4,338,347	4,557,047
Sanitation	-	-	-	-	-	-	-	4,769,494	4,776,040	4,812,945
Culture and recreation	2,082,579	4,630,375	6,933,377	16,486,993	2,046,703	1,746,805	1,913,604	2,750,175	1,782,990	1,828,936
Health and welfare	741,593	1,027,186	1,232,493	1,525,528	6,943,880	6,269,959	6,625,617	6,760,781	9,070,216	9,128,028
Economic development	-	8,601	-	-	-	-	-	-	-	-
Capital outlay	1,138,861	38,197,576	110,035,464	72,894,729	155,875,749	47,475,550	22,281,619	25,802,144	23,380,496	21,902,370
Debt service:										
Principal	620,000	540,000	565,000	595,000	260,000	270,000	280,000	470,000	3,170,000	3,260,000
Interest and service charges	233,911	(26,278)	199,176	181,143	166,134	88,860	1,322,566	1,328,696	1,305,453	1,199,102
Bond issuance costs	-	-	-	-	-	417,455	-	-	-	-
Total expenditures	231,057,692	135,997,124	189,640,560	175,096,282	255,804,575	124,418,768	77,263,734	79,986,580	88,128,800	79,678,747
Excess (deficiency) of revenues over (under) expenditures	(1,055,127)	26,569,318	60,694,489	12,180,130	24,980,302	(13,483,667)	38,421,196	1,610,786	(6,872,617)	(523,008)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,542,360	38,957,596	27,227,120	34,301,482	6,594,635	14,131,402	11,691,952	11,238,213	10,277,861	12,376,168
Transfers out	(5,042,360)	(43,186,608)	(87,562,801)	(44,973,062)	(27,116,490)	(47,581,671)	(25,901,808)	(11,844,105)	(8,293,003)	(11,917,465)
Proceeds from long-term debt	-	8,769,262	5,000,000	-	-	-	-	2,200,000	-	-
Proceeds from bond issuance	-	-	-	-	-	33,885,000	-	-	-	-
Bond premium	-	-	-	-	-	2,433,041	-	-	-	-
Payment to escrow agent	-	-	-	-	-	(3,261,468)	-	-	-	-
Proceeds from the sales of capital assets	-	-	-	-	-	-	-	83,974	291,500	146,135
Proceeds from the sale of investments - land held for sale	-	-	-	-	-	-	-	1,643,740	861,202	-
Proceeds from insurance settlements	-	-	-	-	-	-	-	623,741	128,930	37,180
Proceeds from litigation settlements	-	-	-	-	-	-	-	-	9,359,306	1,780,006
Total other financing sources (uses)	(1,500,000)	4,540,250	(55,335,681)	(10,671,580)	(20,521,855)	(393,696)	(14,209,856)	3,945,563	12,625,796	2,422,024
Net change in fund balances	\$ (2,555,127)	\$ 31,109,568	\$ 5,358,808	\$ 1,508,550	\$ 4,458,447	\$ (13,877,363)	\$ 24,211,340	\$ 5,556,349	\$ 5,753,179	\$ 1,899,016
Debt service as a percentage of noncapital expenditures	0.37%	0.53%	0.96%	0.76%	0.43%	1.01%	2.91%	3.32%	6.91%	7.72%

TABLE 6

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

Fiscal Year	Real Property Assessed Value	Other Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
2007	87,471,257	178,911,263	\$ 266,382,520	31.22
2008	124,850,048	200,837,534	325,687,582	30.11
2009	143,915,887	195,649,366	339,565,253	30.11
2010	152,336,273	195,854,906	348,191,179	28.61
2011	162,492,455	195,185,678	357,678,133	29.27
2012	164,635,938	207,766,965	372,402,903	29.03
2013	170,805,390	199,367,569	370,172,959	49.27
2014	169,463,272	220,936,376	390,399,648	49.27
2015	173,343,983	209,561,261	382,905,244	49.27
2016	187,331,162	191,676,268	379,007,430	50.27

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

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

Fiscal Year	St. Bernard Parish		Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Total Parish Millage	St. Bernard Parish School Board			Other Entities	
			Operating Millage	Debt Service Millage	Total School Millage		
2007	31.22	31.22	35.00	14.00	49.00	23.32	103.54
2008	30.11	30.11	35.00	14.00	49.00	24.18	103.29
2009	30.11	30.11	33.55	12.50	46.05	22.11	98.27
2010	28.61	28.61	34.84	12.00	46.84	22.11	97.56
2011	29.27	29.27	35.00	11.00	46.00	28.49	103.76
2012	29.03	29.03	35.00	10.00	45.00	32.43	106.46
2013	49.27	49.27	35.00	10.00	45.00	8.38	102.65
2014	49.27	49.27	35.00	5.50	40.50	59.21	148.98
2015	49.27	49.27	35.00	5.50	40.50	59.21	148.98
2016	50.27	50.27	35.72	5.50	41.22	60.17	151.66

Source: St. Bernard Assessor's Office

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

Taxpayer	Type of Business	2016			2007		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Chalmette Refining	Oil and Gas	\$ 43,420,789	1	11.46%	\$ 68,934,463	1	25.88%
Valero Refining-Meraux	Oil and Gas	34,371,754	2	9.07%	-	-	-
Colonial Pipeline Co.	Oil and Gas	22,491,750	3	5.93%	17,357,960	3	6.52%
American Sugar/Domino	Sugar Refinery	15,604,377	4	4.12%	7,516,219	6	2.82%
Southern Natural Gas	Gas Utility	13,181,610	5	3.48%	8,567,980	5	3.22%
Entergy Louisiana, Inc	Electric Utility	11,680,340	6	3.08%	9,440,900	4	3.54%
Moem Pipeline, LLC	Oil and Gas	4,294,000	7	1.13%	-	-	-
Tennessee Gas Pipeline Co	Oil and Gas	4,103,350	8	1.08%	-	-	-
CII Carbon, LLC	Refinery	3,022,368	9	0.80%	3,960,890	7	1.49%
Atmos Energy Corp.	Gas Utility	2,317,070	10	0.61%	-	-	-
Murphy Oil	Oil and Gas	-	-	-	37,031,507	2	13.90%
Capital One Bank	Financial Services	-	-	-	3,902,921	8	1.47%
Bellsouth	Telephone Utility	-	-	-	3,419,606	9	1.28%
Regions Bank	Financial Services	-	-	-	3,097,160	10	1.16%
		<u>\$ 154,487,408</u>		<u>40.76%</u>	<u>\$ 163,229,606</u>		<u>61.28%</u>

Source: St. Bernard Assessor's Office

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	*	\$ 5,996,526	*	\$ 166,644	\$ 6,163,170	*
2008	*	6,899,868	*	102,597	7,002,465	*
2009	*	6,935,325	*	137,699	7,073,024	*
2010	*	7,459,110	*	152,620	7,611,730	*
2011	*	7,484,779	*	168,101	7,652,880	*
2012	*	6,895,442	*	763,457	7,658,899	*
2013	12,886,735	12,869,675	99.87%	71,665	12,941,340	100.42%
2014	13,587,374	12,885,558	94.83%	502,037	13,387,595	98.53%
2015	13,202,176	12,656,857	95.87%	725,920	13,382,777	101.37%
2016	13,225,814	12,678,443	95.86%	579,708	13,258,151	100.24%

*Information not available

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

Taxpayer	2016			2007		
	Sales Tax Collections	Rank	Percentage of Total Sales Tax Collections	Sales Tax Collections	Rank	Percentage of Total Sales Tax Collections
Refineries	\$ 6,677,898	1	18.53%	\$ 4,007,494	2	13.28%
Groceries	6,125,111	2	17.00%	2,084,578	4	6.91%
Motor Vehicles	3,437,078	3	9.54%	3,181,729	3	10.54%
Restaurants	2,429,408	4	6.74%	692,245	6	2.29%
Retail Stores	2,131,027	5	5.91%	4,112,827	1	13.63%
Gas/Conv Store	763,899	6	2.12%	434,417	7	1.44%
Drugstore/Chain	622,307	7	1.73%	765,638	5	2.54%
Pharmacies/Local	387,687	8	1.08%	147,943	9	0.49%
Auto Retail Store	331,946	9	0.92%	186,112	8	0.62%
Hotels	242,656	10	0.67%	94,221	10	0.31%
Total	\$ 23,149,017		64.24%	\$ 15,707,204		52.04%

Source: St. Bernard Parish Sheriff's Office

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

Fiscal Year	Parish Council	Water & Sewer	Law Enforcement	School Board	Total Rate
2007	2.00%	0.50%	0.50%	2.00%	5.00%
2008	2.00%	0.50%	0.50%	2.00%	5.00%
2009	2.00%	0.50%	0.50%	2.00%	5.00%
2010	2.00%	0.50%	0.50%	2.00%	5.00%
2011	2.00%	0.50%	0.50%	2.00%	5.00%
2012	2.00%	0.50%	0.50%	2.00%	5.00%
2013	2.00%	0.50%	0.50%	2.00%	5.00%
2014	2.00%	0.50%	0.50%	2.00%	5.00%
2015	2.00%	0.50%	0.50%	2.00%	5.00%
2016	2.00%	0.50%	0.50%	2.00%	5.00%

Source: St. Bernard Parish Sheriff's Office

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

Fiscal Year	Parish Council	Water and Sewer	Law Enforcement (1)	School Board (1)	Total
2007	\$ 12,027,140	\$ 3,006,765	\$ 3,006,765	\$ 12,027,140	\$ 30,067,810
2008	13,001,658	3,245,832	3,245,832	13,001,658	32,494,980
2009	11,042,025	2,757,908	2,757,908	11,042,025	27,599,866
2010	19,010,239	4,591,379	4,591,379	19,010,239	47,203,236
2011	15,901,969	3,774,778	3,774,778	15,901,969	39,353,494
2012	13,446,184	3,338,375	3,338,375	13,446,184	33,569,118
2013	15,844,744	3,961,184	3,961,184	15,844,744	39,611,856
2014	16,096,696	4,024,174	4,024,174	16,096,696	40,241,740
2015	14,408,732	3,602,185	3,602,185	14,408,732	36,021,834
2016	14,387,437	3,596,859	3,596,859	14,387,437	35,968,592

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

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

Fiscal Year	Governmental Activities					Business Type Activities				Total	Percentage of Personal Income (1)	Per Capita (1)
	Sales Tax Bonds	General Obligation Bonds	Community Disaster Loan	Other	Total Governmental Activities	Sales Tax Bonds	Revolving Loans	Other	Total Business Type Activities			
2007	\$ 4,679,272	\$ 985,000	\$ 8,769,262	\$ -	\$ 14,433,534	\$ 52,377,646	\$ -	\$ 480,000	\$ 52,857,646	\$ 67,291,180	7.35%	2,629
2008	4,449,272	675,000	17,958,524	-	23,082,796	52,182,055	-	370,000	52,552,055	75,634,851	10.71%	2,262
2009	4,217,057	350,000	22,958,524	-	27,525,581	49,041,750	-	250,000	49,291,750	76,817,331	8.06%	2,039
2010	3,975,231	-	5,000,000	-	8,975,231	46,552,685	-	130,000	46,682,685	55,657,916	4.63%	1,369
2011	3,718,128	-	5,000,000	-	8,718,128	43,688,009	-		43,688,009	52,406,137	4.67%	1,460
2012	36,368,269	-	5,000,000	60,000	41,428,269	10,304,288	-		10,304,288	51,732,557	4.80%	1,308
2013	35,894,144	-	-	9,356,000	45,250,144	7,358,514	-		7,358,514	52,608,658	5.00%	1,264
2014	35,240,538	-	-	8,960,932	44,201,470	4,292,740	-		4,292,740	48,494,210	4.33%	1,092
2015	32,101,932	-	-	4,200,662	36,302,594	3,561,966	703,846		4,265,812	40,568,406	3.20%	893
2016	28,883,326	-	-	6,260,000	35,143,326	2,806,192	6,858,195		9,664,387	44,807,713	3.37%	965

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable (1) Value of Property	Per Capita
2007	\$ 985,000	\$ 679,381	\$ 305,619	0.11%	11.94
2008	675,000	675,000	-	0.00%	-
2009	350,000	350,000	-	0.00%	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(UNAUDITED)

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
St. Bernard Parish School Board	\$ 2,970,000	100%	\$ 2,970,000
St. Bernard Hospital Service District	13,235,000	100%	13,235,000
			<u>16,205,000</u>
Subtotal, overlapping debt			
St. Bernard Parish Government direct debt	<u>44,807,713</u>	100%	44,807,713
Total direct and overlapping debt	<u>\$ 61,012,713</u>		<u>\$ 61,012,713</u>

Source: St. Bernard Parish School Board and St. Bernard Parish Hospital Service District Comprehensive Annual Financial Reports.

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

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 93,233,882	\$ 113,990,654	\$ 118,847,839	\$ 121,866,913	\$ 125,187,347	\$ 130,341,016	\$ 129,560,536	\$ 136,639,877	\$ 134,016,835	\$ 132,652,601
Total net debt applicable to limit	(305,619)	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>92,928,263</u>	<u>113,990,654</u>	<u>118,847,839</u>	<u>121,866,913</u>	<u>125,187,347</u>	<u>130,341,016</u>	<u>129,560,536</u>	<u>136,639,877</u>	<u>134,016,835</u>	<u>132,652,601</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.33%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Legal debt margin calculation for fiscal year 2015

Assessed Value	\$ 379,007,430
Debt Limit - 35% of Assessed Value (1)	132,652,601
Debt applicable to the limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 132,652,601</u>

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

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

Fiscal Year	Sales Tax Bonds				
	Sales Tax Revenue	Debt Service		TOTAL	Coverage
		Principal	Interest		
2007	15,033,905	5,016,076	3,527,228	\$ 8,543,304	1.76
2008	16,247,490	2,614,978	2,801,301	5,416,279	3.00
2009	13,799,933	4,222,453	2,434,009	6,656,462	2.07
2010	23,601,618	3,334,066	2,506,909	5,840,975	4.04
2011	19,676,747	3,163,692	2,205,379	5,369,071	3.66
2012	16,784,559	33,300,000	621,612	33,921,612	0.49
2013	19,805,928	3,215,000	1,708,619	4,923,619	4.02
2014	20,120,870	3,525,000	1,565,978	5,090,978	3.95
2015	18,010,917	3,675,000	1,296,337	4,971,337	3.62
2016	17,984,286	3,780,000	1,429,802	5,209,802	3.45

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

Fiscal Year	Population of St. Bernard (1)	St. Bernard Total Personal Income	St. Bernard Per Capita Personal Income	Unemployment Rate (2)	St. Bernard Parish School Enrollment (3)
2007	25,592	916,049,171	57,539	3.8	3,816
2008	33,439	705,878,544	55,408	4.5	4,405
2009	37,669	952,757,433	41,519	6.8	4,802
2010	40,655	1,201,764,221	31,616	8.1	5,424
2011	35,897	1,121,346,210	31,238	7.8	5,950
2012	39,558	1,078,592,600	27,266	8.4	6,377
2013	41,635	1,051,530,756	25,256	8.1	6,852
2014	44,409	1,121,060,256	25,244	5.6	7,132
2015	45,408	1,269,300,000	27,953	6.5	7,442
2016	46,450	1,329,480,000	28,622	5.3	7,464

*Information not available

Source (1): St. Bernard Economic Foundation

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

Source (3): St. Bernard Parish School Board

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

Employer	Location	2016			2007		
		Employees	Rank	% of Total St. Bernard Parish Employment	Employees	Rank	% of Total St. Bernard Parish Employment
St. Bernard Parish School Board	Chalmette	902	1	8.29%	*	*	*
Chalmette Refinery	Chalmette	522	2	4.80%	*	*	*
St. Bernard Parish Government	Chalmette	435	3	4.00%	*	*	*
St. Bernard Parish Hospital	Chalmette	400	4	3.68%	*	*	*
Walmart	Chalmette	383	5	3.52%	*	*	*
Domino Sugar	Arabi	375	6	3.45%	*	*	*
SDT Waste and Disposal	Parish wide	300	7	2.76%	*	*	*
Valero Oil	Meraux	283	8	2.60%	*	*	*
St. Bernard Parish Sheriff	Chalmette	270	9	2.48%	*	*	*
Boasso America	Chalmette	215	10	1.98%	*	*	*
TOTAL		4,085		37.56%	*		*

* Information not available

Source: St. Bernard Chamber of Commerce

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

Function	December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Judicial	29	29	29	31	33	30	30	34	36	12
Other general government	121	134	143	148	169	142	146	150	136	155
Public safety	96	95	96	109	117	107	110	109	111	109
Public works	55	70	95	90	102	65	62	58	55	47
Sanitation	-	-	-	-	7	5	4	4	4	8
Culture and recreation	12	14	13	23	27	20	25	22	26	12
Health and welfare	1	6	12	13	14	11	10	9	10	7
Water and sewer	46	44	53	48	47	46	52	51	54	68
Events facilities	-	-	-	-	-	-	-	3	3	2

Source: St. Bernard Parish Finance Department

TABLE 21

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety - Fire										
Total number of rolls	3,693	4,171	3,764	4,064	4,353	4,272	3,901	4,031	4,047	4,039
Number of fires	337	392	319	271	306	282	243	307	224	238
Number of rescue calls	2,617	3,035	2,756	3,120	3,297	3,128	2,849	2,972	2,913	2,818
Number of service calls	197	189	196	175	186	204	236	198	334	356
Public Works										
Potholes Repaired	*	*	*	*	9	39	19	41	28	24
Trees cut	*	*	*	*	156	208	141	98	91	83
Public Utility										
Water & Sewer										
Avg number of billed accounts	*	*	13,177	14,699	15,388	15,710	15,889	16,140	16,381	16,507
Number of billed accounts	*	*	13,845	15,135	15,475	15,742	15,966	16,298	16,366	16,568
New meter connections	*	*	66	51	57	47	60	42	58	57
Building Permits										
Residential Construction	*	*	*	16	60	45	96	57	96	136
Commercial Construction	*	*	*	11	17	71	58	45	30	42
Renovations	*	*	*	96	222	162	85	81	93	57
Pools	*	*	*	1	9	12	13	9	13	12
Tents	*	*	*	1	17	20	12	4	15	12
Accessory Structure	*	*	*	3	47	45	50	61	76	96
Elevate Residence	*	*	*	-	27	54	27	6	11	19
Additions	*	*	*	2	23	11	15	8	22	24
Electrical Permits	*	*	*	-	2	1	2	3	5	1
HVAC Permits	*	*	*	1	-	-	-	-	-	-
Plumbing Permits	*	*	*	-	-	-	-	-	-	-
Gas Permits	*	*	*	1	-	-	-	-	-	-
Office Trailer Permits	*	*	*	1	6	-	-	-	-	1
Other	*	*	*	-	6	31	13	10	30	51
Mobile Homes	*	*	*	13	28	16	20	14	19	8
Signs	*	*	*	3	32	81	52	39	2	3
Boat Dock	*	*	*	1	5	-	3	9	4	1
Coastal Use	*	*	*	2	2	5	2	8	9	6

TABLE 21

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Building Permits (continued)										
Slab Removal	*	*	*	4	47	2	2	9	1	4
Demolition	*	*	*	2	9	4	5	6	11	1
Recreation and Culture										
Number of players in baseball/softball league	*	*	*	540	850	937	1,223	1,180	1,135	1,116
Number of players in football league	*	*	*	320	346	451	484	376	380	212
Number of players in flag football league	*	*	*	*	*	*	*	*	*	87
Number of participants in dance team	*	*	*	*	*	*	*	*	*	14
Number of players in cheerleading	*	*	*	29	42	90	103	62	63	69
Number of players in basketball league	*	*	*	292	330	433	553	564	564	491
Number of players in volleyball league	*	*	*	*	40	72	88	80	81	77
Number of players in soccer league	*	*	*	*	406	423	624	697	676	704

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

*Information not available

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Bernard Parish Government (the Parish), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated June 29, 2017.

Internal Control over Financial Reporting

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

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

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

control, described in the accompanying schedule of findings and questioned costs as item **2016-001** that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item **2016-002**. As part of obtaining reasonable assurance about whether the Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item **2016-002**.

The Parish's Response to Findings

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

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited the St. Bernard Parish Government (the Parish)'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Parish's major federal programs for the year-ended December 31, 2016. The Parish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Parish's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Parish's compliance.

Opinion on Each Major Federal Program

In our opinion, the Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year-ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item **2016-002**. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance what we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Caru, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2017

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY		
<i>Pass - Through Louisiana Military Department Office of Homeland Security and Emergency Preparedness:</i>		
Disaster Grants - Public Assistance (presidentially Declared)		
Disaster Grants - Public Assistance (presidentially Declared) - Katrina	97.036	\$ 12,670,848
Disaster Grants - Public Assistance (presidentially Declared) - Gustav	97.036	20,827
Disaster Grants - Public Assistance (presidentially Declared) - Isaac	97.036	625,134
		<hr/> 13,316,809
 Severe Repetitive Loss Program	 97.110	 1,022
 Hazard Mitigation Grant	 97.039	 12,070,798
 State Homeland Security Program 2015	 97.067	 29,472
State Homeland Security Program 2014	97.067	3,225
Urban Areas Security Initiative 2014	97.067	113,715
		<hr/> 146,412
 Emergency Management Performance 2016	 97.042	 26,379
Emergency Management Performance 2015	97.042	29,523
		<hr/> 55,902
 Total U.S. Department of Homeland Security Grants		 25,590,943
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES		
<i>Pass - Through Louisiana State Department of Health and Hospitals Office of Public Health:</i>		
Cities Readiness Initiative 2016	93.074	19,130
 Low Income Home Energy Assistance	 93.568	 177,082
 Community Services Block Grant	 93.569	 128,334
		<hr/> 324,546
 Total U.S. Department of Health & Human Services		 324,546
U.S. DEPARTMENT OF COMMERCE		
<i>Pass - Through Louisiana Department of Natural Resources:</i>		
Coastal Zone Management	11.419	35,260
		<hr/> 35,260
 Total U.S. Department of Commerce		 35,260

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Section 8 Housing Choice Vouchers	14.871	\$ 5,978,818
<i>Pass - Through State of Louisiana, Division of Administration Office of Community Development:</i>		
Community Development Block Grant - Entitlement Grant	14.218	2,060,924
Community Development Capacity Grant	14.228	58,507
Integrated Water Resource Management Grant	14.228	71,008
LLT Program	14.228	797,003
		<u>926,518</u>
Total U.S. Department of Housing and Urban Development		8,966,260
U.S. DEPARTMENT OF LABOR		
<i>Pass - Through Louisiana Department of Labor:</i>		
WIA Adult Program	17.258	150,835
WIA Adult Program	17.258	21,812
		<u>172,647</u>
WIA Youth Activities	17.259	288,152
WIA Dislocated Workers 2016	17.278	311,297
WIA Dislocated Workers 2015	17.278	58,817
		<u>370,114</u>
	WIA Cluster	830,913
WIA Dislocated Workers - Job Driven NEG	17.277	682,988
WIA Strategies to Empower People	93.558	70,418
		<u>1,584,319</u>
U.S. DEPARTMENT OF TRANSPORTATION		
Federal Transit Formula Grant	20.507	240,000
<i>Pass - Through Louisiana Department of Transportation & Development:</i>		
Federal Highway Administration - Submerged Roads	20.205	3,716,401
Federal Highway Administration - Jackson/Packenham Roadway Restoration	20.205	485,328
		<u>4,201,729</u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Total U.S. Department of Transportation		\$ 4,441,729
U. S. Department of the Interior		
Coastal Impact Assistance Program - Riverbend Oxidation Pond	15.668	970,218
Coastal Impact Assistance Program - Lake Lery Marsh Creation	15.668	119,458
Total U.S. Department of the Interior		<u>1,089,676</u>
Japan U.S. Friendship Commission		
Delta Area Economic Development	90.201	48,094
Total Japan U.S. Friendship Commission		<u>48,094</u>
Environmental Protection Agency		
<i>Pass - Through Louisiana Department of Health and Hospitals:</i>		
Drinking Water State Revolving Funds	66.468	5,447,929
Clean Water State Revolving Funds	66.458	85,555
Total Environmental Protection Agency		<u>5,533,484</u>
Total Expenditures of Federal Grants		<u><u>\$ 47,614,311</u></u>

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
December 31, 2016

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal awards of the St. Bernard Parish Government. The Parish's reporting entity is defined in Note 1 to the financial statements for the year-ended December 31, 2016. All federal awards received from federal agencies are included on the schedule.

NOTE 2 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Parish's financial statements for the year-ended December 31, 2016.

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

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

NOTE 4 – NON-CASH ASSISTANCE

CDBG

During the year ended December 31, 2013, the Parish entered into a cooperative endeavor agreement with the State of Louisiana Office of Community Development and the Louisiana Road Home Corporation d/b/a Louisiana Land Trust (LLT) , to transfer all the properties within St. Bernard Parish that were being held by LLT to St. Bernard Parish. Included on the statement of net position at December 31, 2016 is \$3,056,500 in land held for sale representing lots throughout St. Bernard Parish. No depreciation is being recorded on the properties being held for sale. During the year ended December 31, 2016, 145 properties were sold by the Parish for \$952,277. As the remaining lots are sold, CDBG program income will be recognized in the financial statements of the Parish. The proceeds from sales of the properties are restricted for use for direct management costs of the properties and for recovery related activities in furtherance of the cooperative endeavor agreement and the eligibility requirements under CDBG guidelines.

NOTE 5 – DE MINIMIS COST RATE

During the year ended December 31, 2016, the Parish did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

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

December 31, 2016

(1) Summary of Auditors' Results

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

Name of Federal Program (or Cluster)	<u>CFDA No.</u>
Disaster Grants - Public Assistance (Presidentially	97.036
Capitalization Grants for Drinking Water State Revolving	66.468
Highway Planning and Construction	20.205

- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,307,041;
- (i) Auditee qualified as a low-risk auditee under Section 200.520 of Uniform Guidance: No;

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

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

Condition: Beginning in late 2005 and continuing through 2016, the Parish has received significant federal financial assistance (including FEMA and Hazard Mitigation) to fund the massive recovery effort to rebuild and repopulate St. Bernard Parish following Hurricane Katrina and other similar disasters. The Parish has outsourced the oversight and management of the entire recovery process to a third party administrator that has acted with the authority of the

Parish to approve recovery expenditures and file the required documents for reimbursement from the State of Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). As the recovery process has wound down, GOHSEP engaged an outside firm to perform a pre-closeout assessment of the recovery funding process. This assessment has raised questions regarding the process to approve and account for recovery expenditures and the application process for reimbursement. Additionally, the Parish has experienced a delay in the timing of expenses and the requests for reimbursement under these federal grants.

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

Context: Projects have not been closed out in a timely manner.

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

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

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

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

U.S. Department of Housing and Urban Development

14.871: Section 8 Housing Choice Vouchers

2016-002 Financial Management Review Performed by HUD

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

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

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

2016-002 Financial Management Review Performed by HUD (continued)

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

Recommendation: We recommend the SBPHA complete the required filings through HUD'S PASS system.

ST. BERNARD PARISH GOVERNMENT, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2016

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

2015-001: Oversight and Management of Recovery-Driven Federal Expenditures

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

Status: Partially Resolved. See item 2016-001.

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

2015-002 Financial Management Review Performed by HUD

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

Status: Partially resolved. See item 2016-002.

**2015-003 Property Records Missing Required Grant Information (97.036: Disaster Grants
-
Public Assistance - FEMA)**

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

Status: Resolved.

**ST. BERNARD PARISH GOVERNMENT, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2016**

SECTION 1: FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

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

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

Anticipated Completion Date: November 30, 2017

Responsible Contact Person: Blair Elinwood, Director of Finance.

SECTION 2: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

2016-002 Financial Management Review Performed by HUD

Planned Corrective Action: The Parish has engaged a Certified Public Accounting firm, who is currently in the process of submitting all delinquent FASS reports.

Anticipated Completion Date: August 31, 2017

Responsible Contact Person: Pamela Williams, Housing & Redevelopment Coordinator.