



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

FINANCIAL PRESENTATION



FOR THE YEAR ENDING DECEMBER 31, 2013

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National Strength.
SOUTHERN ROOTS

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ST. CHARLES PARISH COUNCIL
Financial Presentation
For the Year Ended December 31, 2013

SUMMARY OF AUDIT FINDINGS

1. The Independent Auditor’s Report dated June 25, 2014 expresses an unqualified (“clean”) opinion that the financial statements of St. Charles Parish are presented fairly, in all material respects.
2. No control deficiencies were disclosed during our audit of the financial statements and are reported in the *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*.
3. One (1) instance of noncompliance material to the financial statements of the Parish of St. Charles was reported in the *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*. (2013-001)
4. The *Independent Auditor’s Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with Circular A-133* dated June 25, 2014 states, in our opinion, the Parish complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs.
5. No control deficiencies were disclosed during the audit of the major federal award programs tested which is reported in the *Independent Auditor’s Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with Circular A-133*.
6. The Independent Auditor’s Report dated June 25, 2014 disclosed no findings required to be reported in accordance with Section 510(a) of OMB Circular A-133 in the *Independent Auditor’s Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with Circular A-133*.

7. The programs tested as major federal award programs include the following:

	<u>CFDA No.</u>
Coastal Impact Assistance Program	15.668
Transportation Enhancement Program	20.205
WIA Program Cluster	17.258, 17.259, 17.278
National Emergency Grant	17.277
Port Security Grant Program	97.056
Public Assistance Grant Program	97.036

ST. CHARLES PARISH COUNCIL
Financial Presentation (continued)
For the Year Ended December 31, 2013

8. GASB No. 68 - The following Statements of the Governmental Accounting Standards Board will be effective for the Parish's 2015 fiscal year: Statement No. 68 – Accounting and Financial Reporting for Pensions (2015).

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2013-001: BLIGHTED ELIMINATION PROGRAM

Criteria: Attorney General Opinion 13-0171 issued on November 26, 2013 states, “St. Charles Parish may provide dumpsters to homeowners as part of its blighted property program as set forth in the St. Charles Parish Code of Ordinances Sections 16-49 and 51 but the Parish must ensure that it secures payment or reimbursement from the private landowner for all costs associated with providing the dumpsters either through a lien or a repayment agreement.”

Condition: Upon receipt of a declaration of a property's status as blighted following inspection by an licensed building inspector, the Parish would negotiate with the property owner to provide a dumpster (s) for the owner to place the debris resulting from tearing down the blighted structure in lieu of time and costs associated with utilizing Parish staff and equipment for the removal of the structure and the legal process of securing a lien on the property.

Cause: The Parish operates a program to address blighted property to improve surrounding home values and improve the safety of neighborhoods.

Effect: According to Attorney General Opinion 13-0171, the Parish provided dumpsters to clear blighted homes but not in accordance with the St. Charles Parish Code of Ordinances Sections 16-49 and 51.

Corrective Action Plan – The Parish, upon receiving Attorney General Opinion 13-0171, placed a moratorium on the providing of dumpsters through the Blight Elimination Program until a full legal review could be done. Upon the completion of that review and subsequent Attorney General Opinions, the Parish is developing a new program that will include a reactivation of the Blight Elimination Program using the current legal process provided in the St. Charles Parish Code of Ordinances Sections 16-49 and 51 or a repayment agreement as suggested in Attorney General Opinion 13-0171.

ST. CHARLES PARISH COUNCIL
Financial Presentation (continued)
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MANAGEMENT LETTER COMMENTS

We issued a separate management report noting certain control deficiencies. We have discussed our recommendations with management and received their responses accordingly. The control deficiencies noted were not considered material weaknesses and were not material to the financial statements.

Current Year Observation and Recommendation

1. Payment of Store Card Transactions

Observation:

We noted during the audit, that the Parish maintains a store card for a major local retailer. Purchase orders are prepared for each purchase and receipts are submitted to the Finance Department for payment. However, the Finance Department does not receive the monthly credit card statement to make payments from, as the statement is sent to the Purchasing Department, who reconcile the PO's to the statement. Finance does have online access to review monthly activity, but have only accessed it as needed. Only authorized Parish Personnel are allowed to purchase items using the store card, for which their picture id is included on the card. By only reviewing online access as needed, the possibility exists that the Finance Department could only know about transactions for which receipts are being submitted and thus as a result, non-approved purchases on the Parish's account could occur without the Parish's consent. The Finance Department requested and received a copy of the monthly credit card statement held by the Purchasing Department and verified that the outstanding balance was supported by purchases orders and receipts.

Recommendation:

We recommend that management obtain both the purchase receipt from the retailer and the monthly credit card statement prior to the payment on the credit card. By matching all receipts to the invoice and approving the invoice total for payment, it ensures there is no fraudulent activity on the account that the Finance Department is unaware of.

2. Inventory Reconciliation

Observation:

The Waterworks Department maintains physical inventory throughout the year at six locations. Inventory is restocked throughout the year, on an as needed basis. The senior billing clerk and administrative aide have the authority to purchase items up to \$2,000 while the four lead men and water construction technician have the authority to order items up to \$2,500. The two plant technicians have the authority to order items up to \$5,000. The assistant director, treatment foreman, waterworks foreman and billing coordinator have the authority to order items up to \$10,000. The director has unlimited authority to purchase items. The assistant director, treatment

ST. CHARLES PARISH COUNCIL
Financial Presentation (continued)
For the Year Ended December 31, 2013

foreman, waterworks foreman and plant technician II have unlimited authority to purchase bid items. An annual inventory count is performed.

We also noted that there were several obsolete inventory items that were included on the inventory count sheets and subsequently recorded as an asset on the Statement of Net Position.

Recommendation:

We recommend that Management implement an inventory reconciliation process. Inventory reconciliations allow Management to identify any problems with inventory loss. We also recommend that Management annually scan the inventory listing for obsolete inventory.

3. Capital Asset Additions

Observation:

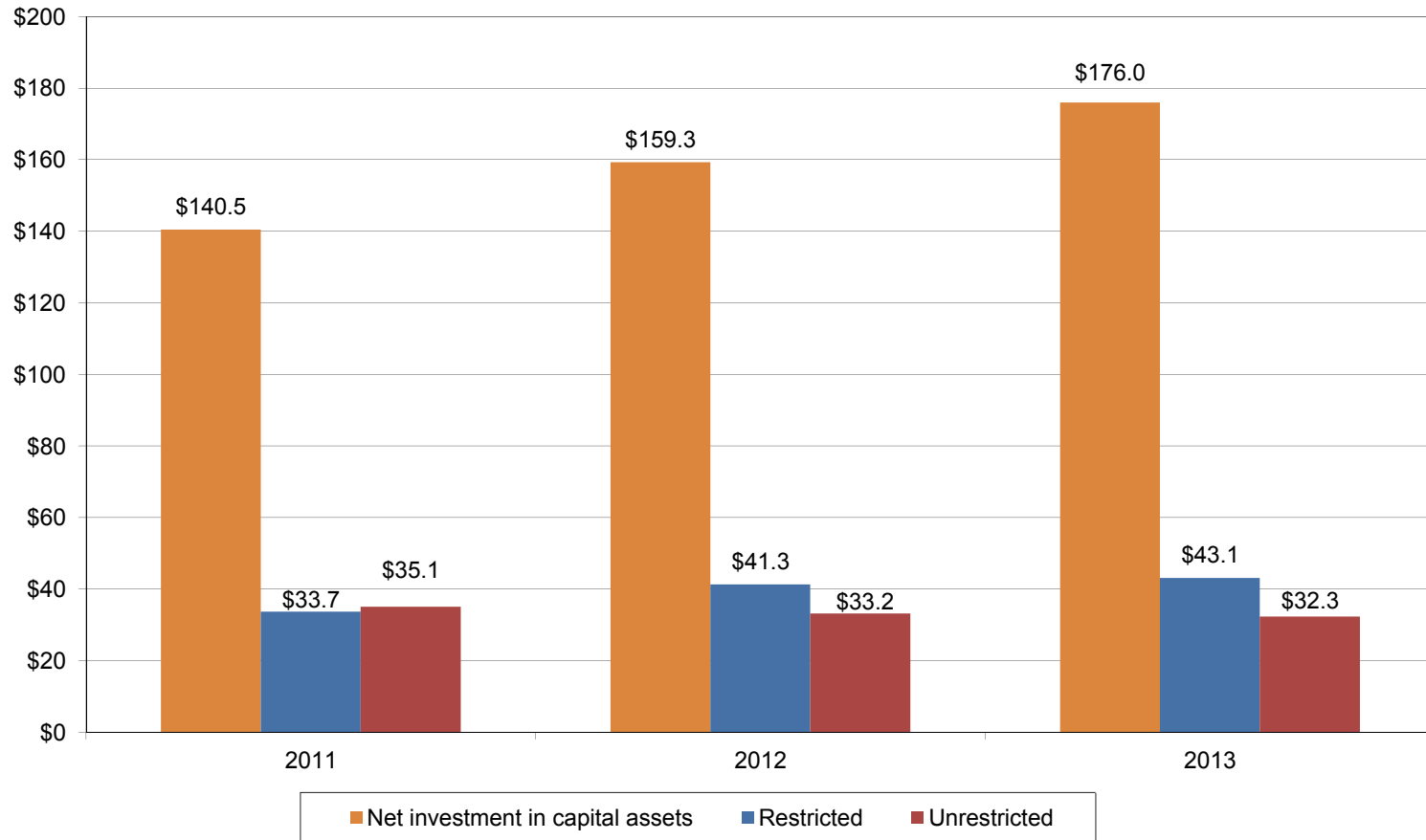
As the Parish incurs costs associated with capitalized items at the governmental fund level all expenses should be coded to capital outlay. All expenses coded to capital outlay should be an addition on the fixed asset listing. The additions to current year governmental activities less completed construction in progress should resemble the capital outlay expenses at the fund level.

Recommendation:

We recommend that Management implement a mandatory reconciliation that reconciles the total asset additions and adjustment less the completed construction in progress to the capital outlay expenditures at the fund level.

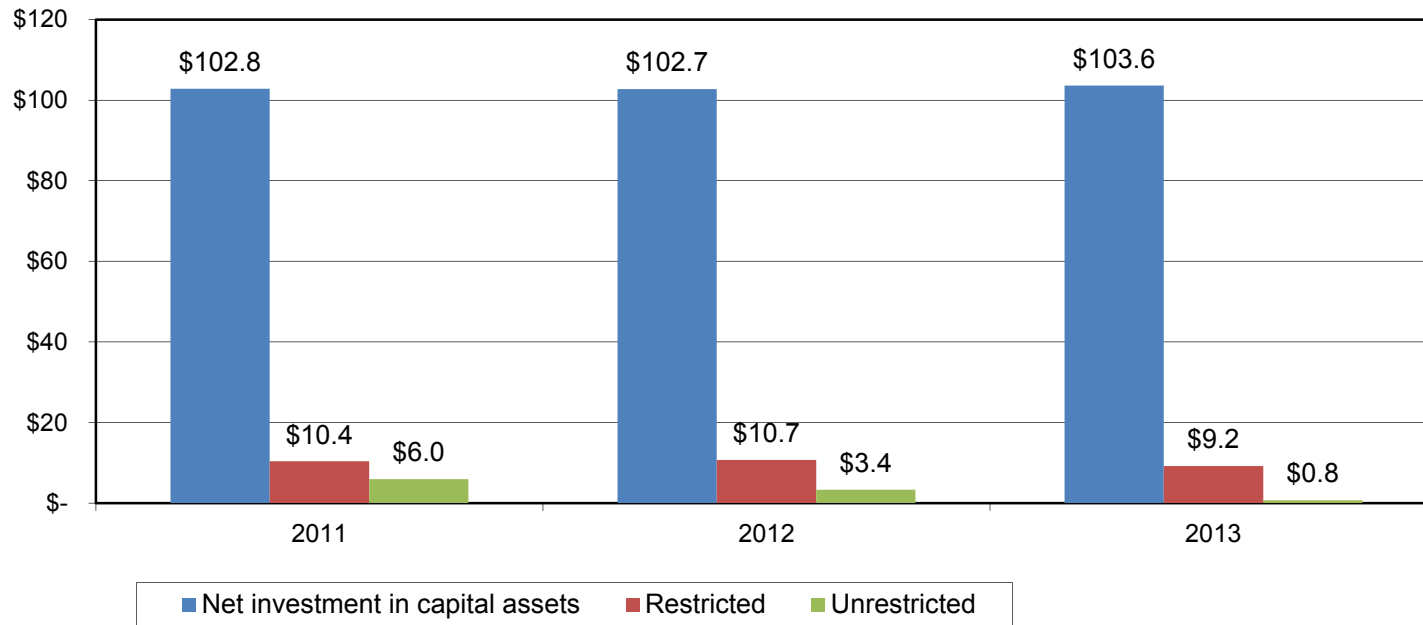
**ST. CHARLES PARISH
GOVERNMENT WIDE
GOVERNMENTAL NET POSITION
2011 - 2013**

Millions



**ST. CHARLES PARISH
ENTERPRISE FUNDS
NET POSITION
2011 - 2013**

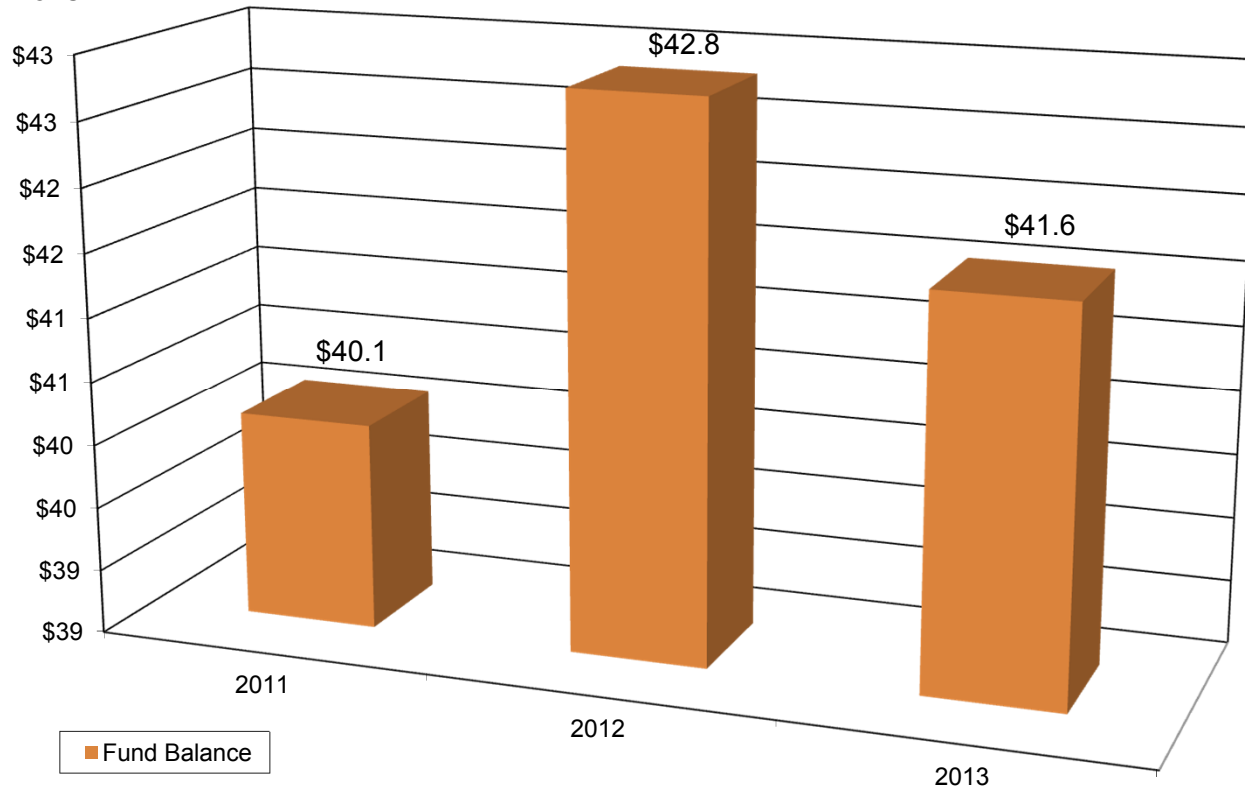
Millions



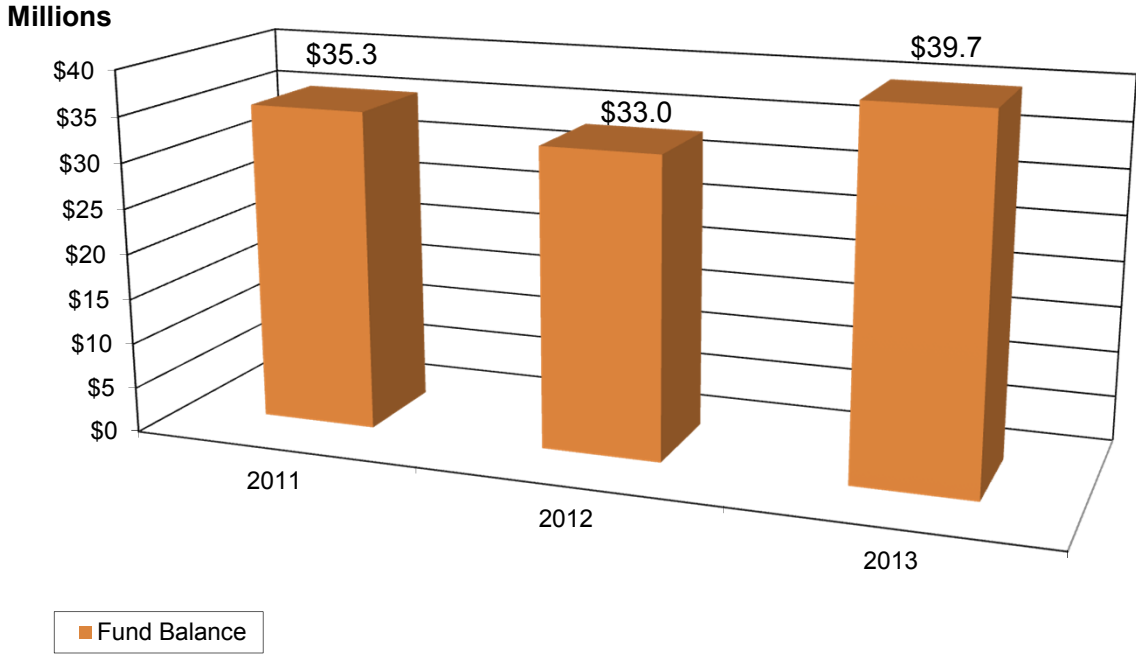
NOTE: The Enterprise Funds consist of the Waterworks Utility System, Wastewater Utility System, and Solid Waste Collection and Disposal.

**ST. CHARLES PARISH
GENERAL FUND
FUND BALANCE
2011 - 2013**

Millions



**ST. CHARLES PARISH
SPECIAL REVENUE
FUND BALANCE
2011 - 2013**

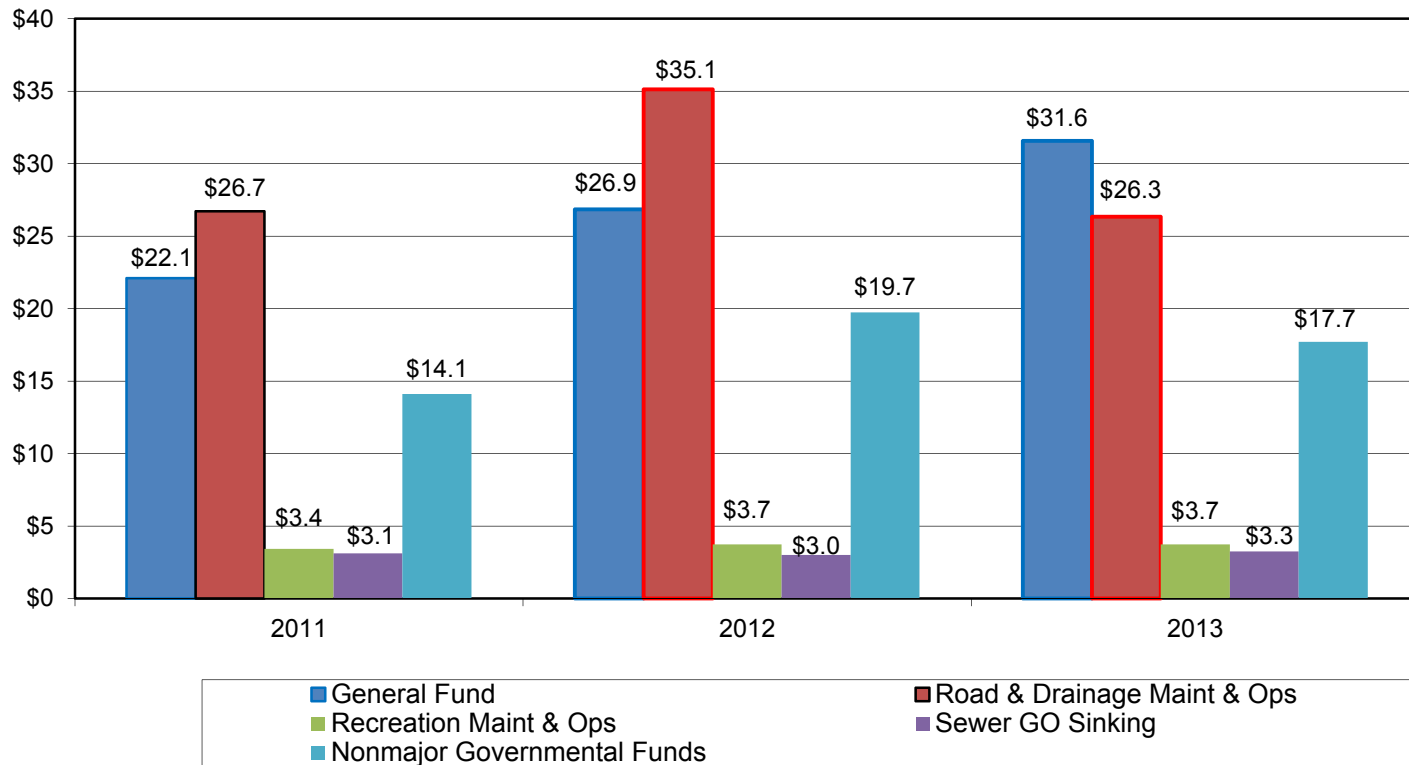


NOTE: The Special Revenue Funds are:

Road and Drainage Maintenance and Operations	Mosquito Control
Recreation Maintenance and Operations	Council on Aging
Fire Protection	Retired Senior Volunteer Program
Governmental Buildings	Public Health Unit
Parish Transportation	Workforce Investment ACT SDA 14
Road Lighting District No. 1	Criminal Court

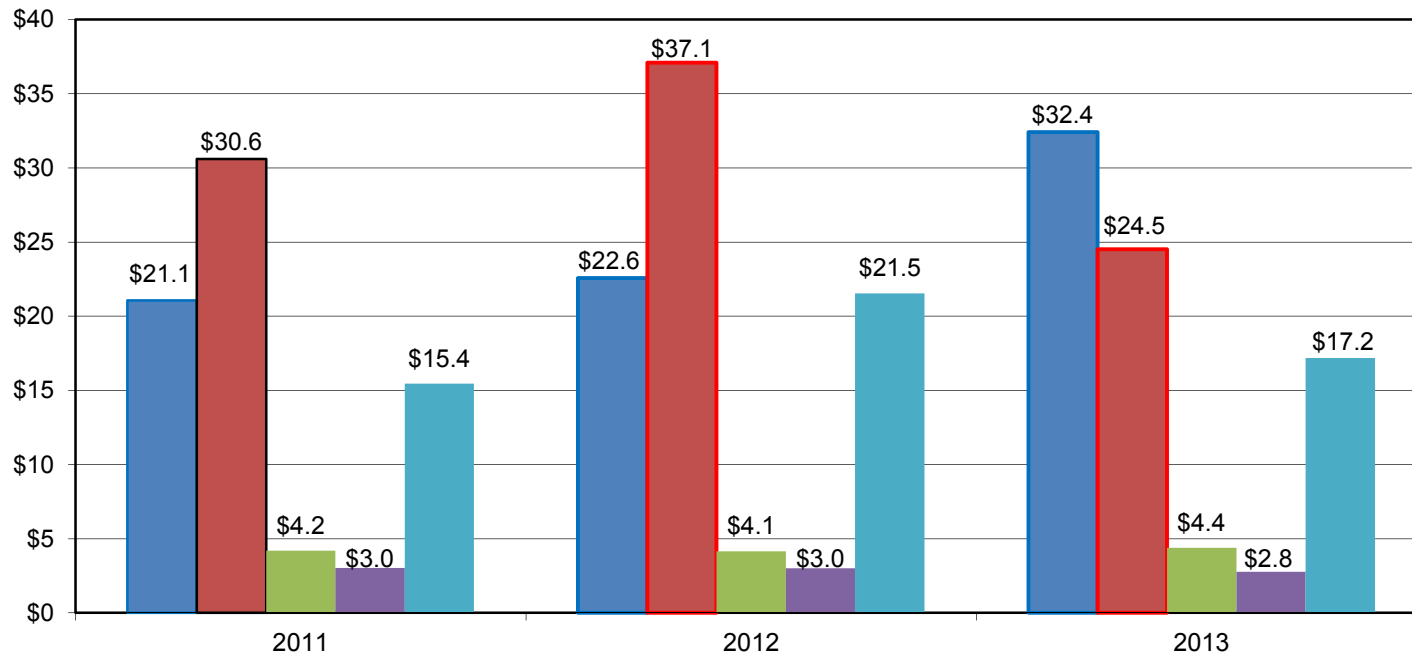
**ST. CHARLES PARISH
GOVERNMENTAL FUNDS
REVENUES
2011- 2013**

Millions

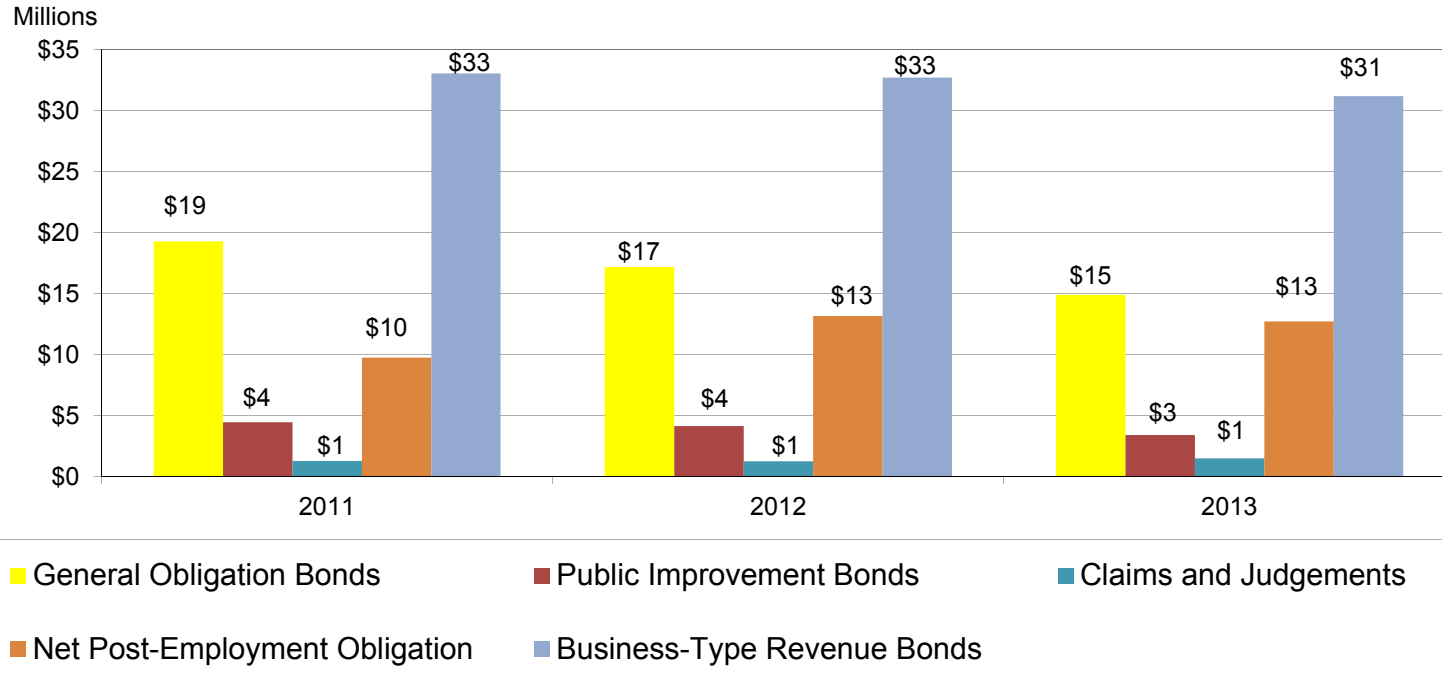


**ST. CHARLES PARISH
GOVERNMENTAL FUNDS
EXPENDITURES
2011- 2013**

Millions



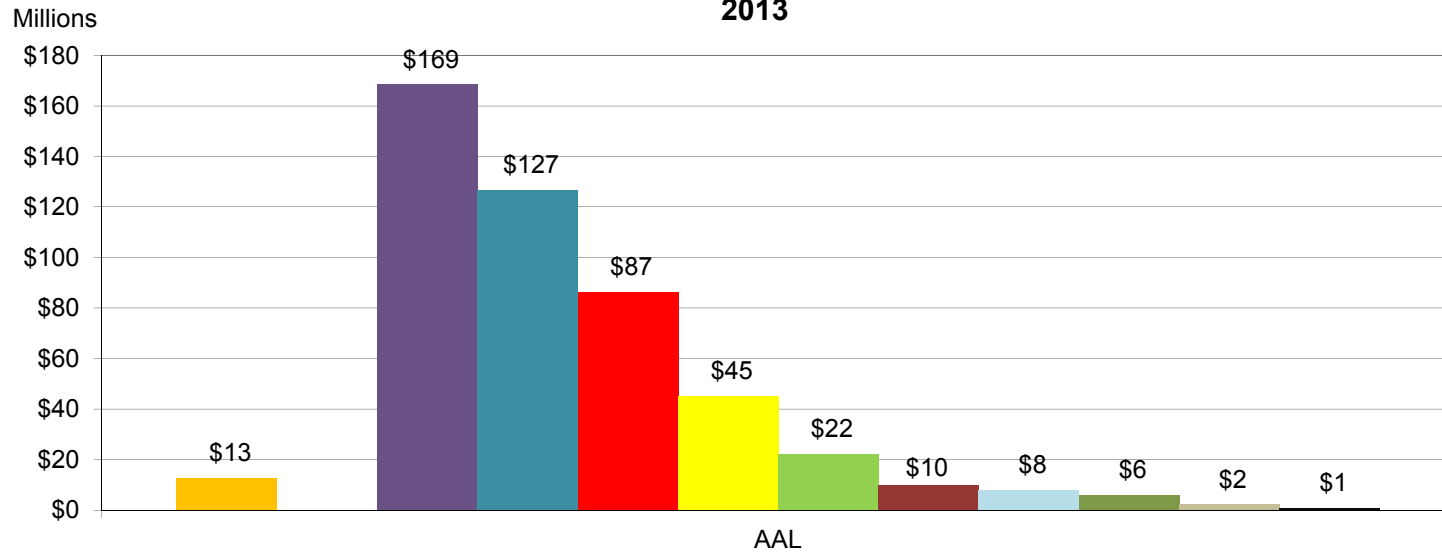
**ST. CHARLES PARISH
COMPOSITION OF LONG-TERM DEBT
2011 - 2013**



The annual requirements to maturity for the next 5 years for Governmental and Business-Type Debt are as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Principal	\$ 4,188,000	\$ 4,471,000	\$ 4,188,000	\$ 4,086,000	\$ 4,213,000
Interest	1,667,677	1,542,999	1,439,155	1,344,282	1,248,181
Total	\$ 5,855,677	\$ 6,013,999	\$ 5,627,155	\$ 5,430,282	\$ 5,461,181

**ST. CHARLES PARISH
ACTUARIAL ACCRUED LIABILITY (POST EMPLOYMENT HEALTHCARE AND LIFE
INSURANCE BENEFITS)
2013**



- St. Charles Parish - 2013
- City of New Orleans - 2012
- Terrebonne Parish - 2012
- St. John the Baptist Parish - 2012
- St. Tammany Parish - 2012
- Tangipahoa Parish - 2012
- Jefferson Parish - 2012
- Plaquemines Parish - 2012
- West Baton Rouge Parish - 2012
- St. James Parish - 2012
- Ascension Parish - 2012

**ST. CHARLES PARISH
SALES AND PROPERTY TAX TRENDS
2004 - 2013**

Millions

