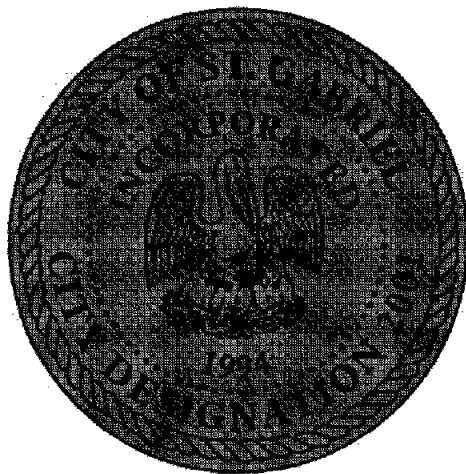


**St. Gabriel, Louisiana**  
"A City of Pride, Progress, and Possibilities"

**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**



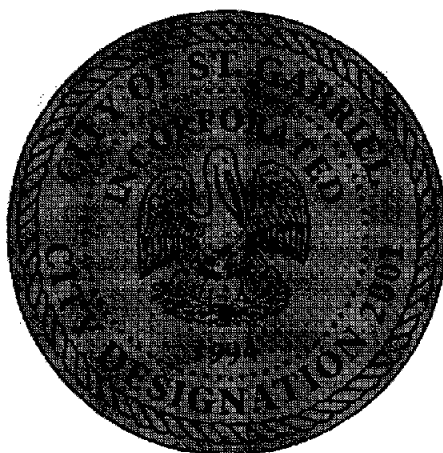
**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **CITY OF ST. GABRIEL, LOUISIANA**

For the fiscal year ended June 30, 2013



Prepared by

City of St. Gabriel  
Finance Department

**CITY OF ST. GABRIEL, LOUISIANA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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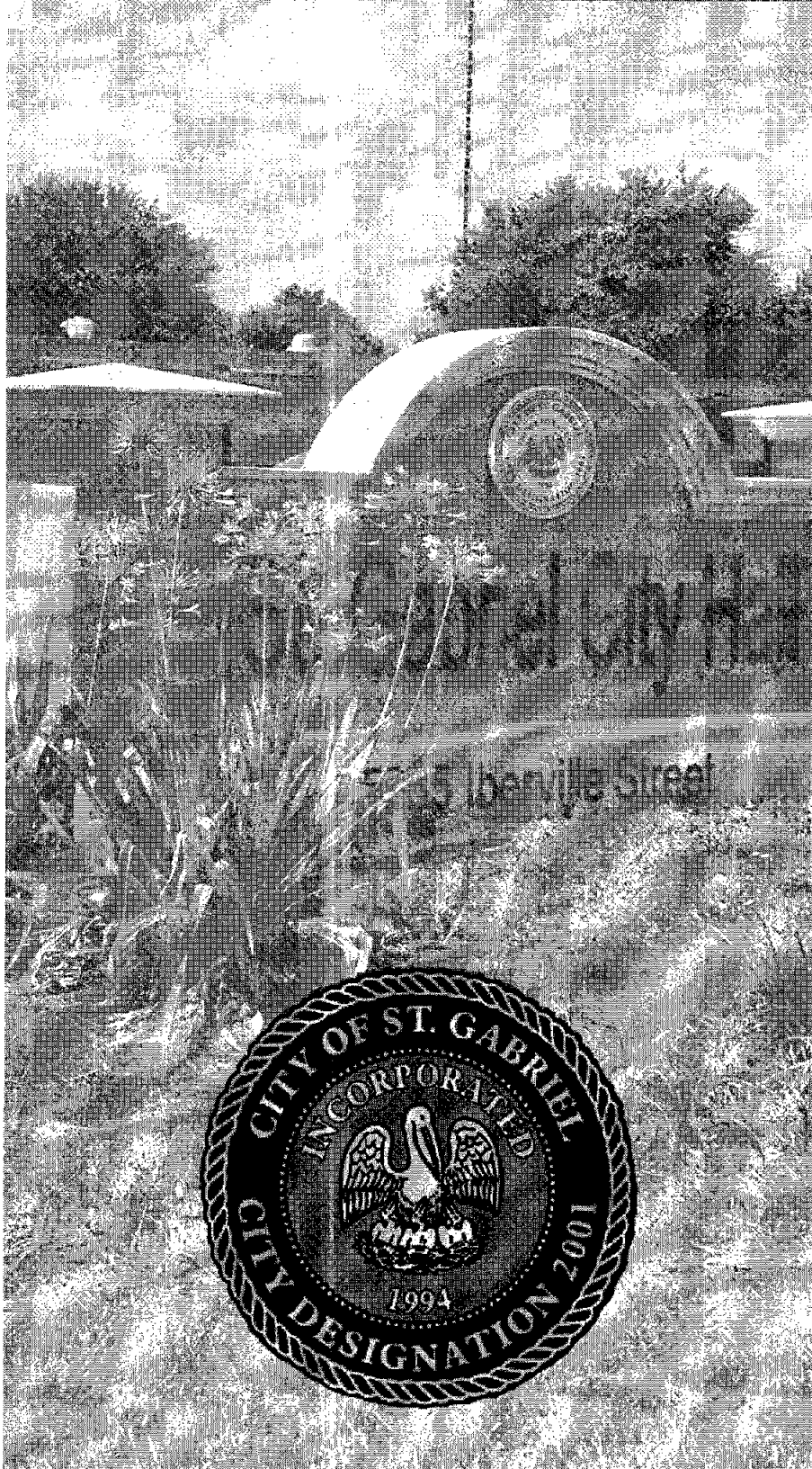
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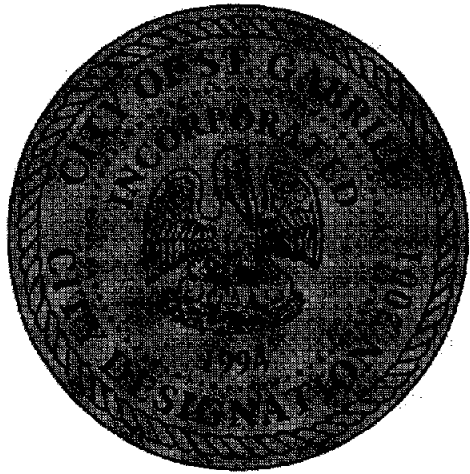
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# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## INTRODUCTORY SECTION





# City of St. Gabriel

Lionel Johnson, Jr.

Mayor

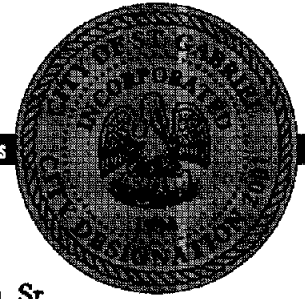
P.O. Box 597 • 5035 Iberville Street • St. Gabriel, LA 70776 • Tel.: (225) 642-9800 • Fax: (225) 642-0043 • Website: [cityofstgabriel.us](http://cityofstgabriel.us)

*Chief of Police:*

Kevin Arbeau, Sr.

*City Council:*

Deborah Alexander • Flora Danielfield • Melvin Hasten, Sr. • Freddie Frazier • Ralph Johnson, Sr.



December 31, 2013

The Citizens,  
The Mayor,  
and Members of the City Council  
City of St. Gabriel

Dear Citizens, Mayor, and Council Members:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the City of St. Gabriel (the City) for the year ended June 30, 2013. The City Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City.

The City financial statements have been audited by Postlethwaite & Netterville, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City of St. Gabriel's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first document of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of St. Gabriel was incorporated as a town in 1994, and received city designation in 2001. It is located in Iberville Parish, on the Mississippi River, with the historic Bayou Manchac serving as the official boundary between St. Gabriel, Ascension Parish, and East Baton Rouge Parish. The City currently occupies a land area of 29 square miles and serves an estimated population of 6,677 according to the U.S. Census as of 2010. The population reflects a growth of more than 20% from the 2000 U.S. Census.

The City follows the provisions of the Lawrason Act as provided by Louisiana Law. The City has seven elected officials comprised of a Mayor, five City Council members and one Chief of Police that serve four year terms. Policy making and legislative authority are vested in a governing council consisting of five council members. The Council is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is the chief executive officer of the City. The Chief of Police is responsible for administration of the City's law enforcement services. Finally, the City Clerk is appointed by the Mayor and approved by the City Council.

The City provides a full range of services to the public including infrastructure maintenance and construction, public safety, social and recreational services, and general administrative services.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement No. 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

An explanation of the accounting policies of the City is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies are explained in detail in the Notes to the Financial Statements.

## **Budgetary Control**

The annual budget serves as the foundation for the City's financial planning and control. The annual operating budget is proposed by the Mayor and enacted by the City Council. The City Council is required to adopt the final budgets no later than June 30<sup>th</sup> of each year. Budgets are adopted at the fund and department level. Budgetary transfers across department lines or between classes of lump sum appropriations require approval of the City Council. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund in Exhibits B through B-3.

The Finance Department is entrusted with maintaining accounting systems for the City in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each City department, office, and agency.

In developing and evaluating the accounting system of the City, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from an unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls for the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

St. Gabriel is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. Because of the proximity to New Orleans, the Baton Rouge MSA initially absorbed nearly a quarter million south Louisiana residents in the aftermath of Hurricane Katrina in 2005. Since then, traffic counts, sales tax collections, school enrollment and other factors indicate that the region's population is growing.

St. Gabriel is located on the Mississippi River in the southeast region of the state and is a major center for commerce and industry. The largest taxpayers in St. Gabriel are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the City. The taxes paid by local industry are significant to the City's tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the City expects to maintain a stable level of property and sales tax collections through 2014.

General sales and use tax revenues in 2013 for operations of the City were approximately \$235,000 more than the 2012 revenues, representing a 6% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing 40% of available resources.

During 2013 the City had employed labor of approximately 5,900 with an unemployment rate of 9.4% and a current per capita personal income of \$34,239 and age of 34.

The City provides some source of housing to the Baton Rouge MSA with 1,184 household units in the 2010 census with a median value of \$104,600. Other important industries include government, construction, transportation, real estate and retail trade.

## **Major Initiatives in 2014**

The City is in the preliminary stages of planning for various capital outlay projects with an estimated cost of over \$30 million, to include sewer system expansions and improvements, road repairs and improvements, drainage improvements, and the construction of sidewalks. The City has budgeted approximately \$11.8 million for these projects in fiscal year 2014. These projects will be funded by public improvement bonds issued by the City.

## **LONG-TERM FINANCIAL PLANNING**

As stated above, the City has planned capital initiatives in excess of \$30 million. These projects address immediate and anticipated needs of the City and its growing population. These projects range in nature and scope and the City's administration has ranked them to establish the priority for which they will be addressed.

### **Road and Drainage Improvements Projects**

The City has the responsibility to maintain approximately 17 miles of roads and the related drainage. The City administration has identified 13 roadways in need of reconstruction or repair. These projects have an estimated construction cost of over \$17 million. Additionally, the City has identified several roads which would benefit from covered drainage and culverts. These projects have an estimated cost of more than \$7.5 million. Due to the significant amount of resources required to accomplish all of these projects, the City has elected to accomplish in phases. Both the highway improvements and sidewalks projects will be funded by the City's local resources and public improvement bonds issued by the City.

### **Sewer Improvements Project**

Due to the increased population, the City's sewer utility systems are in need of expanded capacity. The total estimated cost to expand all sewer systems to their needed capacity is projected to be approximately \$7 million. The improvements will be funded by the City's local resources and public improvement bonds issued by the City in 2013.

## **ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the City of St. Gabriel for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012, as well as 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.



In order to be awarded a Certificate of Achievement for excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming with standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City has received this award each year of the two year period ended June 30, 2012. Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, LLC, and our financial and accounting consultants, Faulk & Winkler, LLC. We thank the Mayor and City Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,

Tammy Phillips  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of St. Gabriel  
Louisiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**CITY OF ST. GABRIEL  
PRINCIPAL OFFICIALS  
JUNE 30, 2012**

**MAYOR**

Lionel Johnson, Jr.

**COUNCIL MEMBERS**

Deborah R. Alexander

Flora J. Danielfield

Freddie C. Frazier, Sr.

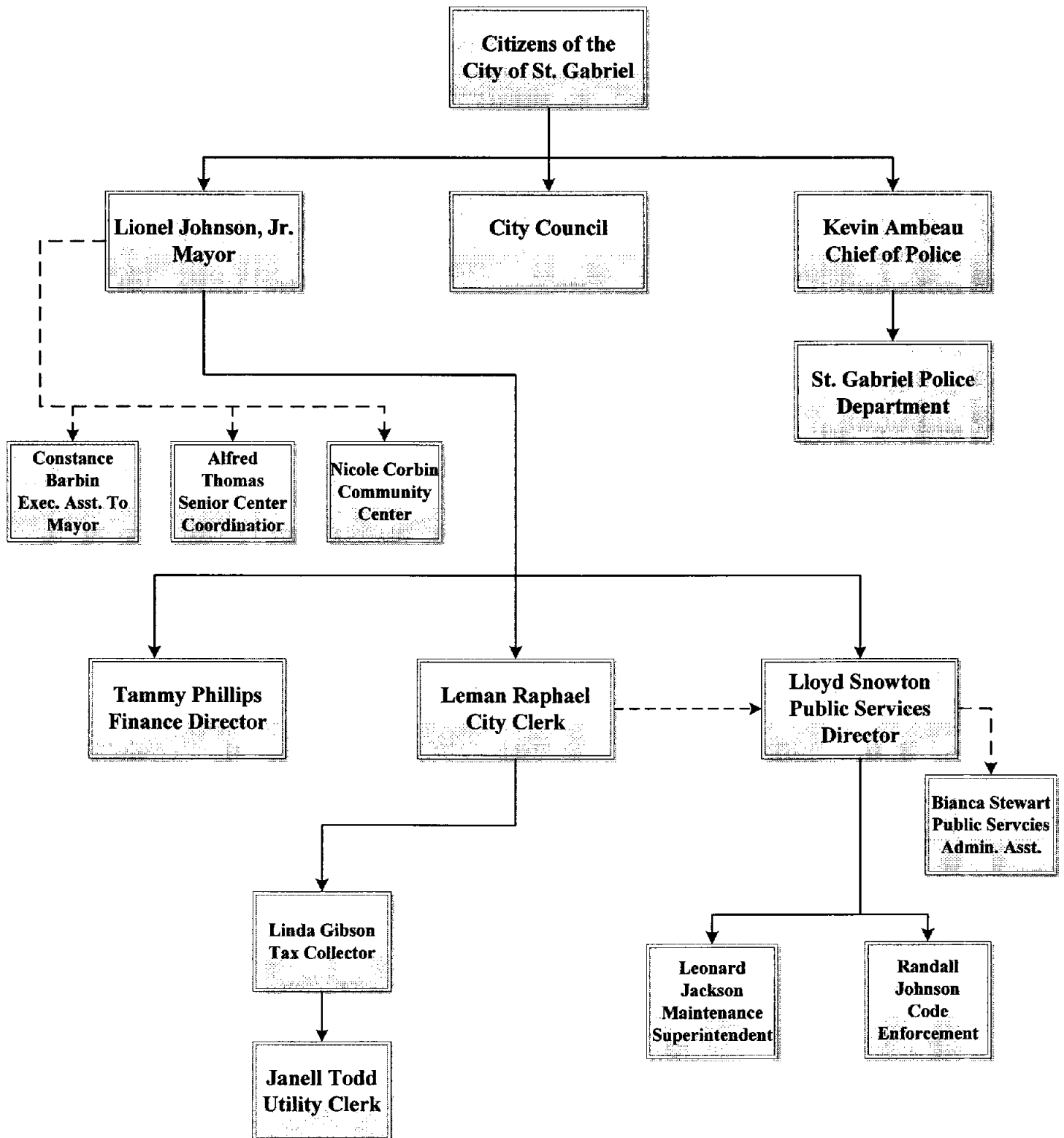
Melvin Hasten, Sr.

Ralph Johnson, Sr.

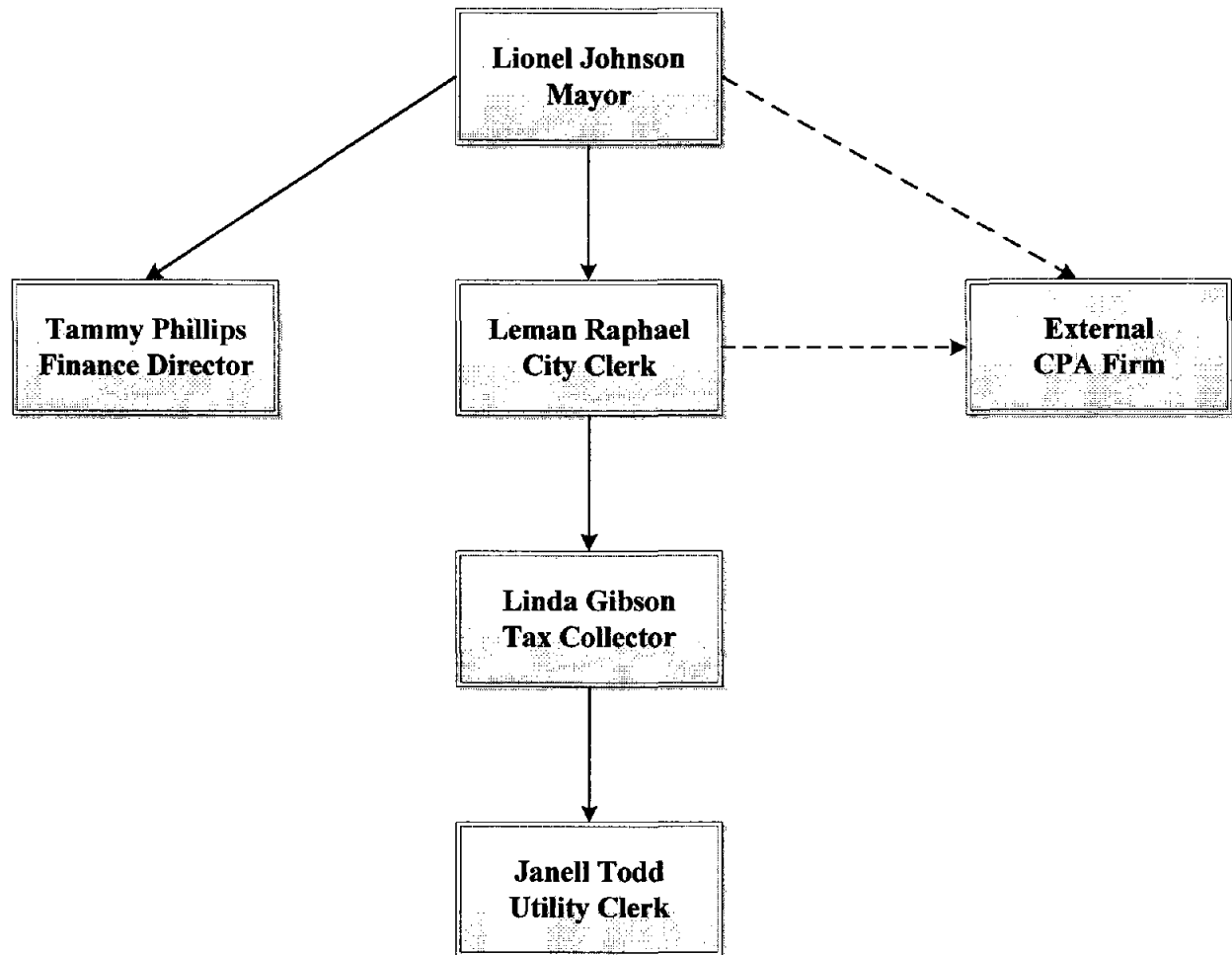
**CHIEF OF POLICE**

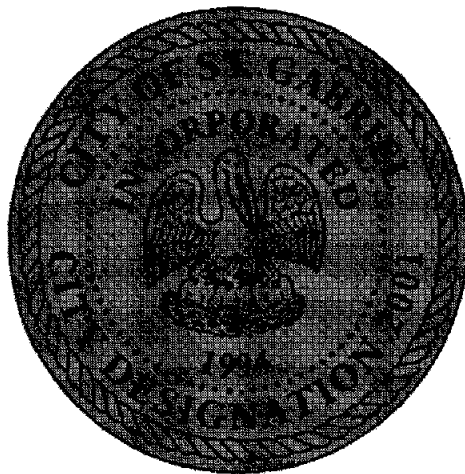
Kevin Ambeau

**CITY OF ST. GABRIEL  
ORGANIZATIONAL CHART  
PRIMARY GOVERNMENT**



**CITY OF ST. GABRIEL  
ORGANIZATIONAL CHART  
CITY CLERK'S OFFICE**



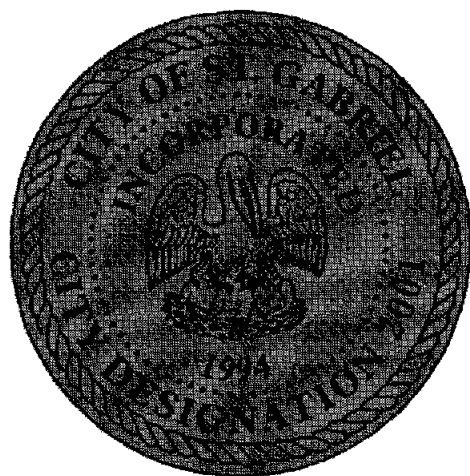


# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## FINANCIAL SECTION







**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and  
City Council Members  
City of St. Gabriel, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana, as of June 30, 2013, 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 and budgetary comparison information on pages 3 through 14 and 53 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 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 City of St. Gabriel, Louisiana's basic financial statements. The introductory section, combining individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken 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 December 31, 2013, on our consideration of the City of St. Gabriel, Louisiana'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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Gabriel, Louisiana's internal control over financial reporting and compliance.

*Patricia A. Netturilly*

December 31, 2013  
Gonzales, Louisiana

## **CITY OF ST. GABRIEL, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our analysis of The City of St. Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the City's financial statements which begin on page 15. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

### **FINANCIAL HIGHLIGHTS**

In 2013, the City of St. Gabriel had governmental revenues increased relative to prior years, with governmental expenditures also increasing. All City funds continue to be maintained with sufficient fund balance that represents adequate net worth. Although community demands have increased with the growing population, the City has been responsible with its available resources.

The major financial highlights for 2013 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$14.1 million (net position). Of this amount, approximately \$3.3 million (unrestricted net position) may be used without restrictions to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$2.3 million during 2013.
- Governmental activities' net position increased by approximately \$2.2 million, primarily the result of an increase in ad valorem and sales tax revenue and capital grant revenue.
- Business type total net position increased by approximately \$137,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$10.7 million, an decrease of \$733,000 in comparison to the prior year. This was primarily the result increases in tax revenues and increases in planned capital outlay spending.

Significant aspects of the City's financial well being, as of and for the year ended June 30, 2013, are detailed throughout this analysis.

## **USING THIS ANNUAL REPORT**

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has greatly changed. The new statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the City's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17 and 18) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 19. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Our auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required supplemental information and the supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

### **Reporting on the City as a Whole**

Our analysis of the City as a whole begins on page 17. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way to determine if the City is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the City's net position and related changes. You can think of the City's net position—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property and sales tax base and the condition of the City's roads and buildings, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

**Governmental activities** - Most of the City's basic services are reported here, including public safety, streets and sanitation, culture and recreation, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

**Business-type activities** - The City charges a fee to customers to help it cover the cost of certain services it provides. The City maintains a wastewater treatment system which is reported here. The shortfall of revenue from this activity has been funded from sales tax collections.

The analysis below of the primary government focuses on the net position and change in net position of the City's governmental and business-type activities.

City of St. Gabriel, Louisiana						
Statement of Net Position						
June 30, 2013 and 2012						
(in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$12,206	\$12,321	\$ 265	\$ 80	\$12,471	\$12,401
Capital assets	10,121	7,366	8,740	8,968	18,861	16,334
Total assets	22,327	19,687	9,005	9,048	31,332	28,735
Current and other liabilities	1,539	750	55	187	1,594	937
Long-term liabilities	12,735	12,913	2,897	2,945	15,632	15,858
Total liabilities	14,274	13,663	2,952	3,132	17,226	16,795
Net position:						
Invested in capital assets, net of related debt	2,241	2,850	5,844	6,024	8,085	8,874
Restricted	2,583	2,469	153	153	2,736	2,622
Unrestricted	3,229	705	56	(261)	3,285	444
Total net position	\$ 8,053	\$ 6,024	\$ 6,053	\$ 5,916	\$14,106	\$11,940

At June 30, 2013, the City's net position was \$14.1 million, of which \$3.3 million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the City's ability to use that net position for day-to-day operations.

Net position of the City's governmental activities increased by approximately \$2.3 million during 2013, ending the year with unrestricted net position of \$3.2 million. The increase in governmental net position was primarily due to an increase in tax and capital grant revenues and slight decreases in overall expenditures. Unrestricted net position, which increased by \$2 million, represents the portion of the City's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$3.2 million in governmental activities unrestricted net position at the completion of the 2013 fiscal year represents the accumulated results of operations. It means that if we had to pay off all of the debt, we would have \$3.2 million remaining. The change in net position is discussed later in this analysis.

The City operates wastewater treatment systems for its constituents. The principal focus of this activity is to operate on a profitable basis. For the current and past several years, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits. The subsidy was increased by approximately \$185,000 to \$900,000 in 2013. The net position of the City's business activities increased by approximately \$137,000 during 2013.

(Continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities, are as follows:

City of St. Gabriel, Louisiana						
Changes in Net Position						
For the years ended June 30, 2013 and 2012						
(in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 1,114	\$ 850	\$ 128	\$ 126	\$ 1,242	\$ 976
Operating grants	-	96	-	-	-	96
Capital grants	1,125	450	-	850	1,125	1,300
General revenues:						
Ad valorem taxes	3,045	2,708	-	-	3,045	2,708
Sales taxes	3,939	3,704	-	-	3,939	3,704
Video poker taxes	533	584	-	-	533	584
Other general revenues	<u>128</u>	<u>97</u>	<u>-</u>	<u>-</u>	<u>128</u>	<u>97</u>
Total revenues	<u>9,884</u>	<u>8,489</u>	<u>128</u>	<u>976</u>	<u>10,012</u>	<u>9,465</u>
Functions/Program Expenses:						
General government	2,467	2,213	-	-	2,467	2,213
Public safety	1,841	1,835	-	-	1,841	1,835
Streets and sanitation	1,330	1,358	-	-	1,330	1,358
Culture and recreation	642	655	-	-	642	655
Economic development	-	250	-	-	-	250
Wastewater treatment	-	-	891	906	891	906
Interest on long-term debt	<u>511</u>	<u>243</u>	<u>-</u>	<u>-</u>	<u>511</u>	<u>243</u>
Total expenses	<u>6,791</u>	<u>6,554</u>	<u>891</u>	<u>906</u>	<u>7,682</u>	<u>7,460</u>
Increase (decrease) in net position						
before transfers	3,093	1,935	(763)	70	2,330	2,005
Transfers	<u>(900)</u>	<u>(715)</u>	<u>900</u>	<u>715</u>	<u>-</u>	<u>-</u>
Change in net position	2,193	1,220	137	785	2,330	2,005
Beginning net position, restated	<u>5,859</u>	<u>4,639</u>	<u>5,916</u>	<u>5,131</u>	<u>11,775</u>	<u>9,770</u>
Ending net position	<u>\$ 8,052</u>	<u>\$ 5,859</u>	<u>\$ 6,053</u>	<u>\$ 5,916</u>	<u>\$14,105</u>	<u>\$11,775</u>

The increase in net position of approximately \$2.3 million is due mainly to the increase in capital grants, ad valorem and sales tax revenues of the governmental activities. These results were also discussed in the previous section.

### **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. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

### **Reporting the City's Most Significant Funds**

An analysis of the City's major funds begins on page 18 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes other funds to control and manage financial resources for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other assets. The City's two kinds of funds, governmental and proprietary, use different accounting bases.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in governmental funds. These funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation to the financial statements. The governmental major funds (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the City.

**Proprietary funds** - When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.



**Notes to the 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. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the City's major funds. See Exhibit B through B-3.

Certain supplementary financial information can be found in Exhibits C and C-1. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

### **Financial Analysis of the Government's Funds**

The general government operations of the City are accounted for in the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2013 by fund type:

	(in thousands)				
	2013				
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Totals
Revenue & other financing sources	\$ 8,320	\$ 1,187	\$ 1,128	\$ 584	\$ 11,219
Special item	108	-	-	-	108
Expenditures & other financing uses	7,519	1,116	2,876	549	12,060
Surplus (deficit)	909	71	(1,748)	35	(733)
Fund balance, June 30 2012	2,516	331	8,616	-	11,463
Fund balance, June 30, 2013	<u>\$ 3,425</u>	<u>\$ 402</u>	<u>\$ 6,868</u>	<u>\$ 35</u>	<u>\$ 10,730</u>

	(in thousands)			
	2012			
	General Fund	Special Revenue Funds	Capital Project Fund	Totals
Revenue & other financing sources	\$ 7,526	\$ 1,052	\$ 9,535	\$ 18,113
Expenditures & other financing uses	7,212	1,004	919	9,135
Surplus (deficit)	314	48	8,616	8,978
Fund balance, June 30 2011, restated	2,202	283	-	2,485
Fund balance, June 30, 2012	<u>\$ 2,516</u>	<u>\$ 331</u>	<u>\$ 8,616</u>	<u>\$ 11,463</u>

The City's governmental funds experienced a deficit of approximately \$733,000 during 2013. At year end, fund balances were approximately \$10.7 million. Approximately \$1.7 million is unassigned and available for utilization at the City's discretion. The remainder of the fund balance has been restricted, committed, or classified as nonspendable. These classifications and restrictions are for debt service, infrastructure and maintenance, public improvements, and assets such as prepaid insurance, which cannot be used for other purposes.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance of the General Fund was approximately \$3.4 million compared to the fund balance of \$2.5 million at 2012. The increase in fund balance resulted from the operating surplus of \$909,000, which is \$1.2 million more than the \$227,000 deficit budgeted by the City. This variation is primarily due to the budgeted revenue from sales tax exceeding expectations and a reduction in expenditures of the public safety and streets and sanitation functions, which did not meet budget expectations.

The City's other major funds are the Civic Center Operating Fund, the Code Enforcement Grant Fund, and the Capital Projects Fund. The Civic Center Operating Fund realized an operating deficit of approximately \$562,000, before transfers in. After transfers, the Civic Center Operating Fund completed the year with a deficit of approximately \$62,000, which is an decrease from the prior year's surplus of approximately \$51,000. The Code Enforcement Grant Fund experienced an increase in fund balance of \$134,000, which is and improvement over the prior year's deficit of approximately \$2,000.

Sources of governmental revenues, excluding transfers, are summarized below.

<u>Source of Revenue</u>	(in thousands)			
	2013		2012	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 7,023	71%	\$ 6,453	76%
Intergovernmental	1,729	18%	1,130	13%
Licenses and permits	406	4%	327	4%
Fines	597	6%	418	5%
Miscellaneous	125	1%	160	2%
Total	\$ 9,880	100%	\$ 8,488	100%

Revenues of the primary government for general governmental fund types for 2013 totaled \$9.9 million, compared with \$8.5 million for the previous year, representing nearly a \$1.4 million or 16% increase. The increase in revenue of \$1.4 million is primarily due to increases in ad valorem and sales and use taxes collected, along with significant increases in intergovernmental and fine revenues. As noted above, the City's activities are largely supported by tax revenues, which represent 71% of total governmental resources.

Approximately \$3.9 million of the \$9.9 million of governmental revenues in 2013 were for dedicated purposes. The remaining \$6 million, generated in the General Fund, was available to fund a number of City services, such as the streets and sanitation department, public safety, social and recreational services and City administrative functions.

The expenditures of the primary government increased by approximately \$2.7 million in 2013. General governmental expenditures for each major function are summarized in the following table.

<u>Function</u>	(in thousands)			
	2013		2012	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 2,102	21%	\$ 1,977	28%
Public safety	1,747	18%	1,717	24%
Streets and sanitation	1,163	12%	1,263	18%
Social and recreational services	640	7%	522	7%
Economic development	-	0%	250	4%
Debt service	814	8%	264	4%
Capital outlay	3,360	34%	1,049	15%
Total	\$ 9,826	100%	\$ 7,042	100%

The largest increase in spending occurred in capital outlay due to infrastructure improvements of \$2.3 million and debt service, which is a result of the 2012 bond issuance.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year the City's General Fund's budget was amended on several occasions. The amendment of the operating and capital budgets is a customary practice of the City and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant change during 2013 was as follows:

- To reflect increased tax revenues and decreases in revenue related to licenses and permits and traffic fines.
- To reflect decreases in expenditures, primarily in public safety and social and recreational services.

With these adjustments, the actual charges to appropriations (expenditures) were \$426,000 less than the related final budget appropriations of \$5.7 million. The most significant positive variance occurred in the City's public safety and streets and sanitation functions, where expenditures were \$255,000 and \$188,000 respectively, less than anticipated expenditures. Additionally, the general governmental function incurred a negative variance of approximately \$45,000.

The City experienced increased expenditures from the prior year overall, mainly due to the decreased expenditure related to the social and recreational services function.

The operating surplus in the General Fund for 2013 was \$909,000 and the related fund balance was \$3.4 million at year end.

(Continued)

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2013, the City had approximately \$18.7 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, park facilities, roads, and sewer treatment systems. This amount represents no change in overall capital investment balance from the prior year.

	(in thousands)					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land	\$ 442	\$ 442	\$ 60	\$ 60	\$ 502	\$ 502
Construction in progress	3,021	144	31	1,116	3,052	1,260
Buildings	4,524	4,616	-	-	4,524	4,616
Equipment and vehicles	776	627	-	-	776	627
Sewer treatment plants	-	-	8,649	7,793	8,649	7,793
Infrastructure	1,358	1,537	-	-	1,358	1,537
Total assets, net of depreciation	<u>\$ 10,121</u>	<u>\$ 7,366</u>	<u>\$ 8,740</u>	<u>\$ 8,969</u>	<u>\$ 18,861</u>	<u>\$ 16,335</u>

More detailed information about the City's capital assets as well as information on the City's capital projects is presented in Note 5 to the financial statements. The City had \$3.4 million in capital additions during 2013. These capital outlays were primarily related to improvements made to roads and sewer facilities (\$2.9 million). Depreciation expense of the City's assets of \$893,000 resulted in a net increase in capital assets of \$2.5 million.

The City is primarily responsible for approximately 17 miles of roads.

(Continued)

### **Debt**

At year-end, the City had \$15.6 million in bonds and notes outstanding versus \$15.9 million last year—an decrease of \$300,000 — as shown below:

	(in thousands)			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Promissory Note - USDA	\$ -	\$ 108	\$ 2	\$ 106
Capital Projects				
Revenue Bond	8,830	-	240	8,590
Civic Center				
Revenue Bond	4,516	-	67	4,449
Sewer Revenue Bonds	2,944	-	45	2,899
Bond discount	(432)	-	(23)	(409)
	<u>\$ 15,858</u>	<u>\$ 108</u>	<u>\$ 331</u>	<u>\$ 15,635</u>

The City remained current on all bonds and notes outstanding and retired approximately \$331,000 in debt during 2013.

The State of Louisiana limits the amount of general obligation debt that municipalities can issue to 35 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$63 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The City's elected and appointed officials considered many factors when setting the fiscal-year 2014 budget and tax rates. One of those factors is the economy. The largest taxpayers in the City are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the City.

For 2014, revenues and other financing sources are budgeted at \$9.2 million while expenditures are expected to be \$11.7 million. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2013 by \$2.5 million.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 73% of 2014 budgeted operating revenue. The City budgeted an increase of approximately 5% in sales tax collections for 2014. Additionally, the 2014 operating budget expenditures provides for increases in capital outlay of 73% and community center related expenses of 45%. General government expenditures are budgeted to increase by 9% and public safety expenditures are budgeted to decrease by 15%, primarily to decreases in expenditures of the fire department.

These indicators were taken into account when adopting the General Fund budget for 2014. Property taxes are expected to increase approximately 3.5% during 2014. The taxes are expected to fund operations of the City's governmental operations, the Civic Center, including debt service, sewer operations, and economic development projects. Fines revenue is projected to increase by 8% for 2014. The City will use these revenues to fund the City's Police Department.

#### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Phillips with the City's Finance Office at (225) 642-9600 or 5035 Iberville Street, St. Gabriel, Louisiana, 70776.

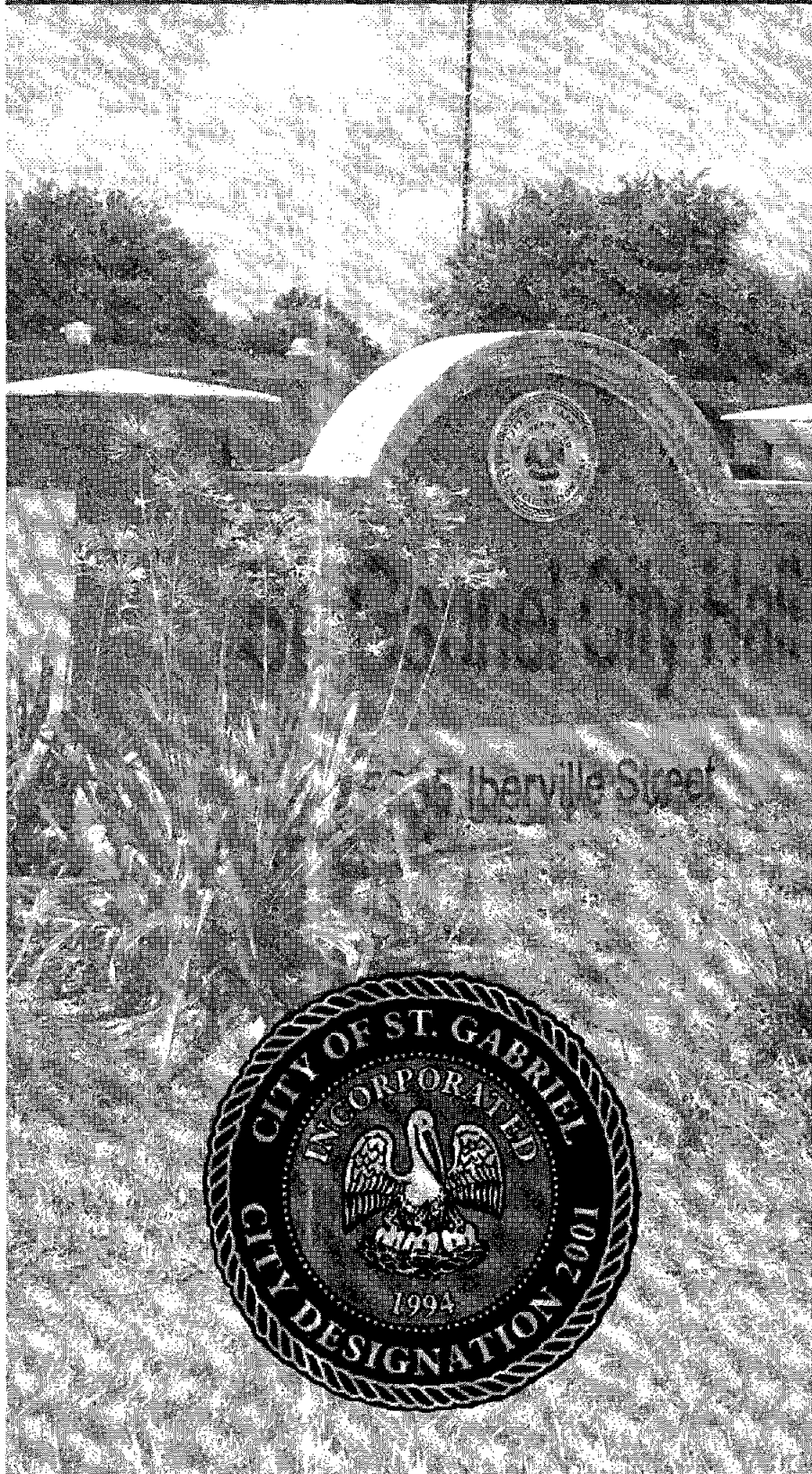


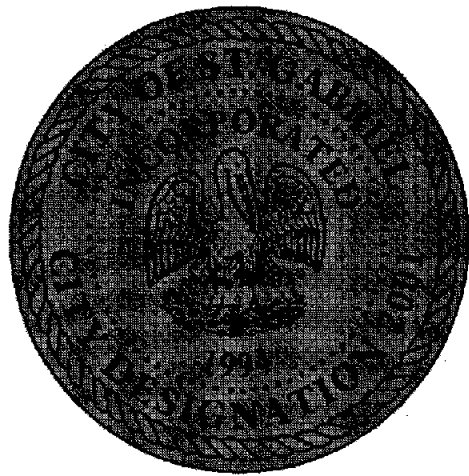


# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## BASIC FINANCIAL STATEMENTS





**CITY OF ST. GABRIEL, LOUISIANA**  
**STATEMENT OF NET POSITION**

June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,682,925	\$ 163,443	\$ 9,846,368
Accounts receivable, net	156,331	11,948	168,279
Other			
Due from other governments	1,078,893	-	1,078,893
Prepaid items	106,678	-	106,678
Internal balances	63,815	(63,815)	-
Restricted assets	1,116,858	153,296	1,270,154
Capital assets:			
Non-depreciable	3,462,759	91,438	3,554,197
Depreciable, net	6,658,432	8,649,140	15,307,572
 Total assets	 \$ 22,326,691	 \$ 9,005,450	 \$ 31,332,141
<b>LIABILITIES</b>			
Accounts payable	\$ 1,171,351	\$ 46,472	\$ 1,217,823
Accrued expenses	202,248	9,058	211,306
Deferred revenue - revolving loans	165,085	-	165,085
Long-term payables:			
Due within one year	321,025	49,758	370,783
Due in more than one year	12,414,245	2,847,162	15,261,407
 Total liabilities	 14,273,954	 2,952,450	 17,226,404
<b>NET POSITION</b>			
Investment in capital assets, net of related debt	2,241,066	5,843,658	8,084,724
Restricted for:			
Infrastructure and maintenance	797,102	-	797,102
Public improvements	716,469	-	716,469
Debt service	1,069,160	153,296	1,222,456
Unrestricted	3,228,940	56,046	3,284,986
 Total net position	 8,052,737	 6,053,000	 14,105,737
 Total liabilities and net position	 \$ 22,326,691	 \$ 9,005,450	 \$ 31,332,141

Notes on Exhibit A-9 are an integral part of this statement.

# CITY OF ST. GABRIEL, LOUISIANA

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 2,467,139	\$ 461,638	\$ -	\$ (2,005,501)	\$ -	\$ (2,005,501)
Public safety	1,841,348	596,463	-	(1,244,885)	-	(1,244,885)
Streets and sanitation	1,329,727	-	1,125,302	(204,425)	-	(204,425)
Culture and recreation	642,360	55,948	-	(586,412)	-	(586,412)
Interest on long-term debt	511,197	-	-	(511,197)	-	(511,197)
Total governmental activities	<u>6,791,771</u>	<u>1,114,049</u>	<u>1,125,302</u>	<u>(4,552,420)</u>	<u>-</u>	<u>(4,552,420)</u>
Business-type activities:						
Waste water treatment facilities	<u>891,030</u>	<u>128,011</u>	<u>-</u>	<u>-</u>	<u>(763,019)</u>	<u>(763,019)</u>
Total business-type activities	<u>891,030</u>	<u>128,011</u>	<u>-</u>	<u>-</u>	<u>(763,019)</u>	<u>(763,019)</u>
Total primary government	<u>\$ 7,682,801</u>	<u>\$ 1,242,060</u>	<u>\$ 1,125,302</u>	<u>(4,552,420)</u>	<u>(763,019)</u>	<u>(5,315,439)</u>
General revenues:						
Taxes:						
Ad valorem				3,044,935	-	3,044,935
Sales				3,939,310	-	3,939,310
Video Poker				532,655	-	532,655
Other				39,057	-	39,057
Grants and contributions not restricted to specific programs				71,832	-	71,832
Investment earnings				2,989	83	3,072
Gain on sale of capital assets				9,796	-	9,796
Proceeds from insurance				5,105	-	5,105
Transfers				(900,000)	900,000	-
Total general revenues and transfers				<u>6,745,679</u>	<u>900,083</u>	<u>7,645,762</u>
Change in net position				2,193,259	137,064	2,330,323
Net position - beginning of year				<u>5,859,478</u>	<u>5,915,936</u>	<u>11,775,414</u>
Net position - end of year				<u>\$ 8,052,737</u>	<u>\$ 6,053,000</u>	<u>\$ 14,105,737</u>

Notes on Exhibit A-9 are an integral part of this statement.

## CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEETS  
GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Civic Center Operating Fund	Code Enforcement Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,136,724	\$ 1,416	\$ 256,153	\$ 6,045,226	\$ 243,406	\$ 9,682,925
Receivables, net	94,105	2,225	-	60,001	-	156,331
Due from other governments	639,505	44,407	62,708	332,273	-	1,078,893
Prepaid items	106,678	-	-	-	-	106,678
Restricted cash	82,812	175,732	-	858,314	-	1,116,858
Due from other funds	444,503	132,346	937	623,983	-	1,201,769
Total assets	<u>\$ 4,504,327</u>	<u>\$ 356,126</u>	<u>\$ 319,798</u>	<u>\$ 7,919,797</u>	<u>\$ 243,406</u>	<u>\$ 13,343,454</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 288,146	\$ 7,129	\$ 280	\$ 875,796	\$ -	\$ 1,171,351
Accrued expenses	126,803	10,492	2,242	-	-	139,537
Due to other fund	550,591	239,705	13,376	125,990	208,292	1,137,954
Deferred revenue	113,876	-	-	51,209	-	165,085
Total liabilities	<u>1,079,416</u>	<u>257,326</u>	<u>15,898</u>	<u>1,052,995</u>	<u>208,292</u>	<u>2,613,927</u>
<b>FUND EQUITY</b>						
Fund Balances:						
Nonspendable	106,678	-	-	-	-	106,678
Restricted for:						
Infrastructure and maintenance	797,102	-	-	6,008,488	-	6,805,590
Public improvements	716,469	-	-	-	-	716,469
Debt service	-	175,732	-	858,314	35,114	1,069,160
Committed for code enforcement	-	-	303,900	-	-	303,900
Unassigned	1,804,662	(76,932)	-	-	-	1,727,730
Fund balance	<u>3,424,911</u>	<u>98,800</u>	<u>303,900</u>	<u>6,866,802</u>	<u>35,114</u>	<u>10,729,527</u>
Total liabilities and fund balance	<u>\$ 4,504,327</u>	<u>\$ 356,126</u>	<u>\$ 319,798</u>	<u>\$ 7,919,797</u>	<u>\$ 243,406</u>	<u>\$ 13,343,454</u>

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**

**BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2013

Total net position reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (Exhibit A-2)	\$ 10,729,527
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	10,121,191
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	\$ (62,711)
Bonds and capital lease payable	<u>(12,735,270)</u> <u>(12,797,981)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 8,052,737</u>

Notes on Exhibit A-9 are an integral part of this statement.

## CITY OF ST. GABRIEL, LOUISIANA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the year ended June 30, 2013

	General Fund	Civic Center Operating Fund	Code Enforcement Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Sales	\$ 3,939,310	\$ -	\$ -	\$ -	\$ -	\$ 3,939,310
Ad valorem	3,044,935	-	-	-	-	3,044,935
Other	39,057	-	-	-	-	39,057
Intergovernmental	287,321	316,453	-	1,125,302	-	1,729,076
Licenses and permits	285,852	-	120,428	-	-	406,280
Fines	596,463	-	-	-	-	596,463
Other	121,977	269	-	2,146	412	124,804
Total revenues	8,314,915	316,722	120,428	1,127,448	412	9,879,925
<b>EXPENDITURES</b>						
Current function:						
General government	1,865,042	-	236,804	-	-	2,101,846
Public safety	1,747,375	-	-	-	-	1,747,375
Streets and sanitation	1,163,113	-	-	-	-	1,163,113
Social and recreational services	155,320	485,016	-	-	-	640,336
Debt service	-	264,144	-	-	549,449	813,593
Capital outlay	354,189	129,597	-	2,876,555	-	3,360,341
Total expenditures	5,285,039	878,757	236,804	2,876,555	549,449	9,826,604
Excess (deficiency) of revenues over (under) expenditures	3,029,876	(562,035)	(116,376)	(1,749,107)	(549,037)	53,321
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	500,000	250,000	-	584,151	1,334,151
Proceeds from insurance	5,105	-	-	-	-	5,105
Transfers out	(2,234,151)	-	-	-	-	(2,234,151)
Total other financing sources (uses)	(2,229,046)	500,000	250,000	-	584,151	(894,895)
<b>SPECIAL ITEM</b>						
Conversion of current liability to long-term debt	108,209	-	-	-	-	108,209
Net change in fund balance	909,039	(62,035)	133,624	(1,749,107)	35,114	(733,365)
<b>FUND BALANCE</b>						
Beginning of year	2,515,872	160,835	170,276	8,615,909	-	11,462,892
End of year	\$ 3,424,911	\$ 98,800	\$ 303,900	\$ 6,866,802	\$ 35,114	\$ 10,729,527

Notes on Exhibit A-9 are an integral part of this statement.

## CITY OF ST. GABRIEL, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2013

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds (Exhibit A-4) \$ (733,365)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.

Capital outlay	\$ 3,360,341	
Depreciation expense	<u>(604,857)</u>	2,755,484

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal and the effect of issuance costs and discounts when debt is first issued are expenditures in the governmental funds but reduces the liability in the statement of activities.

Amortization on bond discount	(23,047)	
Issuance of debt	(108,209)	
Principal payments on debt	<u>309,474</u>	178,218

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest payable, change during 2013		<u>(7,078)</u>
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Change in net position of governmental activities (Exhibit A-1) \$ 2,193,259

Notes on Exhibit A-9 are an integral part of this statement.



**CITY OF ST. GABRIEL, LOUISIANA  
PROPRIETARY FUND - SEWER FUND**

**STATEMENT OF NET POSITION**

June 30, 2013

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 163,443
Accounts receivable, net	11,948
Restricted cash	<u>153,296</u>
Total current assets	<u>328,687</u>

Noncurrent assets:

Capital assets:	
Non-depreciable	91,438
Depreciable, net	<u>8,649,140</u>
Total noncurrent assets	<u>8,740,578</u>
Total assets	<u>\$ 9,069,265</u>

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 46,472
Accrued expenses	9,058
Due to other funds	63,815
Bonds payable	<u>49,758</u>
Total current liabilities	169,103

Noncurrent liabilities:

Bonds payable	<u>2,847,162</u>
Total liabilities	<u>3,016,265</u>

**NET POSITION**

Investment in capital assets, net of related debt	5,843,658
Restricted for:	
Debt service	153,296
Unrestricted	<u>56,046</u>
Total net position	<u>6,053,000</u>
Total liabilities and net position	<u>\$ 9,069,265</u>

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA**  
**PROPRIETARY FUND - SEWER FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**

For the year ended June 30, 2013

**OPERATING REVENUES**

Charges for services	\$ 128,011
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**OPERATING EXPENSES**

Personnel	186,167
Depreciation	288,319
Maintenance	87,953
Utilities	85,292
Supplies	64,253
Chemicals	11,966
Insurance	17,088
Professional services	15,000
Other	3,740
	759,778
Total operating expenses	759,778
Operating loss	(631,767)

**NON-OPERATING**

Interest income	83
Interest expense	(131,252)
	(131,169)
Loss before transfers	(762,936)
Transfers in	900,000
Net income	137,064

**NET POSITION**

Beginning of year	5,915,936
End of year	\$ 6,053,000

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA**  
**PROPRIETARY FUND - SEWER FUND**

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2013

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 127,275
Payments to suppliers	(417,292)
Payments to employees	<u>(185,720)</u>
Net cash used for operating activities	<u>(475,737)</u>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Due from other government	8,395
Capital asset additions	(60,510)
Principal paid on capital debt	(47,500)
Interest paid on capital debt	<u>(131,252)</u>
Net cash used by capital and related financing activities	<u>(230,867)</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Transfers in from other funds	900,000
Decrease in due to other funds, net	(38,666)
Net cash provided by noncapital and related financing activities	<u>861,334</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	<u>83</u>
Net increase in cash	154,813

**CASH**

Beginning of period	<u>161,926</u>
End of period	<u>\$ 316,739</u>

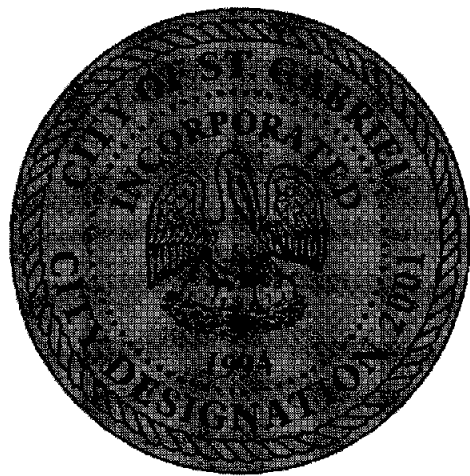
**RECONCILIATION OF CASH**

Cash and cash equivalents	\$ 163,443
Restricted cash	<u>153,296</u>
Total cash	<u>\$ 316,739</u>

**RECONCILIATION OF OPERATING LOSS TO  
NET CASH USED FOR OPERATING ACTIVITIES:**

Operating loss	\$ (631,767)
Adjustments of operating loss:	
Depreciation	288,319
Provision for bad debt	37,480
Change in operating assets and liabilities:	
Accrued expenses	447
Accounts payable	(132,000)
Accounts receivable	<u>(38,216)</u>
Net cash used for operating activities	<u>\$ (475,737)</u>

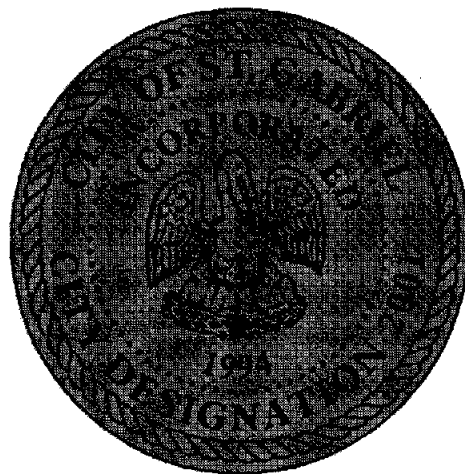
Notes on Exhibit A-9 are an integral part of this statement.



**St. Gabriel, Louisiana**  
"A City of Pride, Progress, and Possibilities"

**NOTES TO  
FINANCIAL  
STATEMENTS**





## **CITY OF ST. GABRIEL, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement Presentation**

The financial statements of the City of St. Gabriel, Louisiana (the City) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies established in GAAP and used by the City are described below.

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City’s activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

##### **Statement Presentation (Continued)**

GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net position by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in the statement of net position.

##### **Reporting Entity**

These financial statements present the City as the primary government. For financial reporting purposes, the City is controlled by or dependent on the City's executive or legislative branches (the Mayor or the City Council, respectively). Control by or dependence on the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

As the municipal governing authority, for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for determining which component units should be considered part of the City for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name;
- Whether the City governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit;
- Fiscal interdependency between the City and the potential component unit;
- Imposition of will by the City on the potential component unit; and
- Financial benefit/burden relationship between the City and the potential component unit.

As required by generally accepted accounting principles, these financial statements present the City; there are no component units to be included either blended within the City's funds or discretely presented in these financial statements.

**Basis of Presentation**

The City's basic financial statements consist of the government-wide statements of the primary government (the City) and the fund financial statements (individual major funds and combined non-major funds). The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

***Government-wide Financial Statements***

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the City.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Business type activities are financed in whole or part by fees charged to external parties for utility services provided. The City's sewer services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

***Fund Financial Statements***

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds by category or fund type are summarized into a single column.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

***Fund Financial Statements (Continued)***

The daily operations of the City continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The City does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (the general fund) or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described as follows:

***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the City are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the City:

***General Fund*** - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. 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 (other than major capital projects) such as intergovernmental revenues and charges for services that are legally restricted to expenditures for specified purposes. The special revenue funds that are considered major funds are the Civic Center Operating Fund and the Code Enforcement Grant Fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

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

***Debt Service Funds*** – 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. The City considers the 2012 Debt Service Fund a major fund.

***Capital Projects Fund*** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Fund is considered a major fund and is used to account for infrastructure improvements.

***Proprietary Fund Types***

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***Enterprise Funds*** - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise fund has been considered a major fund.

**Basis of Accounting and Measurement Focus**

***Government-wide financial statements***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad Valorem taxes are recognized in the year for which they are assessed.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus (Continued)**

***Fund financial statements***

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the City receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Furthermore, the City budgets use of ad valorem taxes on a fiscal year basis. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the City is entitled to the funds, generally corresponding to when grant-related costs are incurred by the City, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable party gives and receives. Revenues resulting from the exchange transactions, in which each party gives and receives essentially equal value, is reconciled on the accrual basis when the exchange takes place.

**Cash and Cash Equivalents**

Cash and cash equivalents for the City include the Louisiana Asset Management Pool (LAMP) account and each individual fund's share of the consolidated operating cash accounts.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents (Continued)**

Consolidated bank accounts have been established for the City into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its' pro rata share of investments made through the investment of excess cash. Investment earnings are recorded in the general fund.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the City is governed by state statutes that include depository and custodial contract provisions. The City invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States treasury bonds, treasury notes, treasury bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the City has a custodial agreement. The City primarily utilizes the Louisiana Asset Management Pool to invest idle funds and records amounts invested at fair value.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. Also, see Note 2.

**Accounts Receivable and Bad Debts**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue or deferred revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$225,500 was recorded at June 30, 2013.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Interfund Receivables/Payables**

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Notes 9 and 10 for details of interfund transactions, including receivables and payables at year-end. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

### **Restricted Cash**

Restricted cash represents amounts which have been designated for debt service reserves and to meet unexpected contingencies for property repairs and replacements. Restricted cash consisted of \$1,260,000 as of June 30, 2013.

### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **Capital Assets**

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### ***Government-wide Statements***

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The City’s capitalization policy stipulates a capitalization threshold of \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB No. 34, governmental funds’ infrastructure assets were not capitalized. These assets are comprised of the streets maintained by the City and have been valued at estimated historical cost.

# **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## **Capital Assets (Continued)**

### ***Government-wide Statements (Continued)***

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-40 years
Improvements	7-30 years
Machinery and equipment	5-20 years
Utility system	5-40 years
Infrastructure	15-40 years

### ***Fund Financial Statements***

In the fund financial statements capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Sewer treatment systems	5-40 years
Sewer pump station	20 years

## **Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt is reported as a liability. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the bond. The long-term debt consists primarily of public improvement bonds and certificates of indebtedness for public improvements.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Long-term Debt (Continued)**

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The face amount of the debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs in the period incurred. The accounting for proprietary fund debt is the same in the fund financial statements as it is in the government-wide financial statements. The City is not obligated for any special assessment debt.

### **Compensated Absences**

All full-time employees of the City are entitled to annual paid vacation and sick leave. Accumulated unused vacation leave earned but not taken is forfeited at the end of the City's fiscal year. Additionally, sick leave may be accumulated up to 60 days. However, unused sick leave is forfeited upon retirement or termination and has not been reflected in these financial statements.

### **Government-wide and Proprietary Fund Net Position**

Government-wide and proprietary fund net position is divided into three components:

- Invested in capital assets, net of related debt—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position —consist of net position that is restricted by the City'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—all other net position is reported in this category.

### **Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance. This includes the budget reserves.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Balances (Continued)**

- Assigned-Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- Unassigned-All amounts not included in other spendable classifications.

**Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

**Interfund Transfers**

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

**Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service, capital projects, and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the City Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year by formal action of the City Council. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, prepaid insurance, and deferred revenue.

**NOTE 2 - CASH AND INVESTMENTS**

The City may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2013, the City's deposits were not exposed to any custodial risk.

As of June 30, 2013, the City had a balance of \$541,000 invested in LAMP.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost.

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2013, consists of the following:

**Primary Government:**

Parish of Iberville, Louisiana - sales tax	\$ 607,598
State of Louisiana - grant revenue	344,773
State of Louisiana - video poker	63,814
State of Louisiana - Code Enforcement Grant	<u>62,708</u>
Total primary government	<u>\$ 1,078,893</u>

**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (L.R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

**NOTE 4 - AD VALOREM TAXES (CONTINUED)**

The property tax calendar is as follows:

Millage rates adopted	July 21, 2012
Levy date	July 21, 2012
Due date	December 31, 2012
Lien date	January 1, 2013
Collection dates	December 1, 2012 to February 29, 2013

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (La.R.S. 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (La.R.S. 47:2181). Therefore, there are no delinquent taxes at year end.

For the year ended June 30, 2013, taxes of 16.84 mills were levied for general government and public purposes on property with assessed valuations totaling \$181,142,755. Total taxes levied were \$3,050,444. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

The City collected ad valorem taxes of \$2,246,314 from ten property owners during the year ended June 30, 2013. Tax collections from five of the ten taxpayers amounted to \$1,896,412.

(Continued)

**NOTE 5 - CAPITAL ASSETS**

**General Capital Assets**

A summary of changes in general capital assets for the year ended June 30, 2013, is as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 442,324	\$ -	\$ -	\$ 442,324
Construction in progress	143,880	2,876,555	-	3,020,435
Total capital assets, not being depreciated	586,204	2,876,555	-	3,462,759
<b>Capital assets being depreciated:</b>				
Buildings and improvements	5,639,397	74,471	-	5,713,868
Equipment and vehicles	3,722,812	409,315	(232,252)	3,899,875
Infrastructure	2,674,420	-	-	2,674,420
Total capital assets being depreciated	12,036,629	483,786	(232,252)	12,288,163
Less accumulated depreciation for:				
Buildings and improvements	1,023,309	166,704	-	1,190,013
Equipment and vehicles	3,096,226	259,858	(232,252)	3,123,832
Infrastructure	1,137,591	178,295	-	1,315,886
Total accumulated depreciation	5,257,126	604,857	(232,252)	5,629,731
Total capital assets, being depreciated, net	6,779,503	(121,071)	-	6,658,432
Governmental activities capital assets, net	\$ 7,365,707	\$ 2,755,484	\$ -	\$ 10,121,191
<b>Business Activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Construction in progress	1,115,659	40,438	(1,124,659)	31,438
Total capital assets, not being depreciated	1,175,659	40,438	(1,124,659)	91,438
<b>Capital assets being depreciated:</b>				
Sewer treatment plants	9,984,128	1,144,731	-	11,128,859
Sewer pump station	189,961	-	-	189,961
Total capital assets being depreciated	10,174,089	1,144,731	-	11,318,820
Less accumulated depreciation for:				
Sewer treatment plants	2,313,575	283,570	-	2,597,145
Sewer pump station	67,784	4,751	-	72,535
Total accumulated depreciation	2,381,359	288,321	-	2,669,680
Total capital assets being depreciated, net	7,792,730	856,410	-	8,649,140
Business-type activities capital assets, net	\$ 8,968,389	\$ 896,848	\$ (1,124,659)	\$ 8,740,578

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

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

Governmental activities:	
General government	\$ 235,697
Streets and sanitation	143,566
Recreation	131,621
Public Safety	<u>93,973</u>
Total depreciation expense - governmental activities	<u>\$ 604,857</u>

**NOTE 6 - LONG-TERM DEBT**

**Debt Outstanding**

The following is a summary of debt transactions of the City for the year ended June 30, 2013:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Promissory note payable - USDA	\$ -	\$ 108,209	\$ 1,536	\$ 106,673	\$ 5,054
Civic Center Revenue Bond	4,515,603	-	67,938	4,447,665	70,971
Capital projects Revenue Bond	8,830,000	-	240,000	8,590,000	245,000
Bond discount	<u>(432,115)</u>	<u>-</u>	<u>(23,047)</u>	<u>(409,068)</u>	<u>(17,285)</u>
Total	<u>\$ 12,913,488</u>	<u>\$ 108,209</u>	<u>\$ 286,427</u>	<u>\$ 12,735,270</u>	<u>\$ 303,740</u>

(Continued)

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Long-term debt obligations for the primary government at June 30, 2013, are comprised of the following:

**Governmental Activities**

\$8,830,000 Capital Projects Revenue Bond secured by a pledge and dedication of sales tax revenues, due in annual installments of \$240,000 - \$525,000 through May 2037; interest at 2.500 % - 4.000 %.	\$ 8,590,000
Bond discount, net of accumulated amortization	<u>(409,068)</u>
	<u>8,180,932</u>
\$108,209 promissory note payable to USDA due in monthly installments of \$865 through February 1, 2028; interest at 5.10 %.	106,673
\$4,980,000 Civic Center Revenue Bond secured by a pledge and dedication of sales tax revenues, due in monthly installments of \$22,012 through October 7, 2045; interest at 4.375 %.	<u>4,447,665</u>
Total long-term debt from governmental activities	<u>\$ 12,735,270</u>

**Business-Type Activities**

**Revenue Bonds:**

\$1,237,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$5,617 through December 15, 2040; interest at 4.500 %.	\$ 1,062,234
\$532,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,416 through June 6, 2041; interest at 4.500 %.	460,263
\$1,064,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, initial annual interest payments of \$47,880 due on December 18, 2004 and 2005, thereafter in monthly installments of \$4,884 through December 18, 2043; interest at 4.500 %.	969,728
\$444,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$1,980 through February 23, 2045; interest at 4.500 %.	<u>406,705</u>
Total long-term debt from business-type activities	<u>\$ 2,898,930</u>

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding at June 30, 2013, are as follows:

**Governmental activities:**

Year	Promissory Note Payable - USDA		Capital Projects Revenue Bond		Civic Center Revenue Bond		Total Governmental Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	5,054	5,325	245,000	301,675	70,971	193,173	321,025	500,173
2015	5,318	5,061	250,000	295,550	74,139	190,005	329,457	490,616
2016	5,596	4,783	260,000	289,300	77,448	186,696	343,044	480,779
2017	5,888	4,491	265,000	282,800	80,905	183,239	351,793	470,530
2018	6,195	4,184	270,000	276,175	84,516	179,628	360,711	459,987
2019-2023	78,622	15,716	1,485,000	1,253,825	482,655	838,065	2,046,277	2,107,606
2024-2028	-	-	1,745,000	991,975	600,436	720,284	2,345,436	1,712,259
2029-2033	-	-	2,085,000	651,875	746,956	573,764	2,831,956	1,225,639
2034-2038	-	-	1,985,000	202,200	929,232	391,488	2,914,232	593,688
2039-2043	-	-	-	-	1,155,986	164,734	1,155,986	164,734
2044-2045	-	-	-	-	144,421	1,978	144,421	1,978
	<u>\$ 106,673</u>	<u>\$ 39,560</u>	<u>\$ 8,590,000</u>	<u>\$ 4,545,375</u>	<u>\$ 4,447,665</u>	<u>\$ 3,623,054</u>	<u>\$ 13,144,338</u>	<u>\$ 8,207,989</u>

**Business-type activities:**

Year	Sewer Revenue Bonds	
	Principal	Interest
2014	49,758	129,006
2015	52,038	126,726
2016	54,422	124,342
2017	56,917	121,947
2018	59,525	119,239
2019-2023	341,135	552,695
2024-2028	426,291	466,992
2029-2033	534,004	359,816
2034-2038	667,841	225,699
2039-2043	588,400	71,014
2044-2045	66,589	1,869
	<u>\$ 2,896,920</u>	<u>\$ 2,299,345</u>



**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Normally debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenditures of the City only with the passage of time and they represent fixed and determinable obligations which must be retired from future revenues.

There are no outstanding bonds secured by ad valorem taxes of the City at this time.

**Bond Restrictions**

**Sewer Revenue Bonds – Phase I, II, III, and IV**

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, 2001, 2002, and 2003 cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewerage Enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each debt issue.

1. The Sewer System Revenue fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the series 2000, 2001, 2002, and 2003 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond and Interest Sinking funds require monthly fund transfers from the Sewer System Revenue fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve funds require monthly transfers until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. These funds are restricted to payment of principal and interest in case of default. Monthly transfers are \$281, \$121, \$244, and \$99. At June 30, 2013, \$35,443, \$19,023, \$14,587, and \$7,595 was held in these reserve accounts.
4. The Sewer Depreciation and Contingency funds require monthly transfers of \$281, \$121, \$244, and \$99. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. The funds will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond and Interest Sinking funds, or Sewer Revenue Bond Reserve funds. At June 30, 2013, \$35,443, \$19,023, \$14,587, and \$7,595 was held in these reserve accounts.

Sewer revenue bonds are secured by a pledge of sewer revenues through 2045. The bonds were issued for the construction of wastewater treatment facilities. During 2013, the City received \$165,500 in sewer revenues. The bonds debt service for 2013 was \$176,700. The shortfall was funded by transfers from the City's General Fund.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Capital Projects Revenue Bonds**

In accordance with the indentures governing Capital Projects Revenue bonds, Series 2013, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the City to be serviced by the proceeds from sales tax revenue. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Capital Projects Revenue Bonds Debt Service Reserve Fund is a cash account maintained by the trustee bank. This fund is restricted to payment of principal and interest in case of default. At June 30, 2013, \$549,814 was held in this account.
2. The Capital Projects Revenue Bonds Debt Service Fund requires monthly transfers ranging from \$52,073 to \$45,500. This fund is restricted to payment of principal and interest on an annual and semi-annual basis, respectively. At June 30, 2013, \$308,500 was held in this debt service account.

**Civic Center Revenue Bonds**

In accordance with the indentures governing Civic Center Revenue bonds, Series 2003, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Civic Center Special Revenue fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Civic Center Revenue bonds require all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Civic Center Revenue Bond Reserve fund requires monthly transfers ranging from \$1,100 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. This fund is restricted to payment of principal and interest in case of default. At June 30, 2013, \$88,100 was held in this reserve accounts.
3. The Civic Center Depreciation and Contingency funds require monthly transfers of \$1,100. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Civic Center Revenue fund. At June 30, 2013, \$87,600 was held in this reserve accounts

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Civic Center Revenue Bonds (Continued)**

The Civic Center Revenue bonds are secured from a pledge of the City's 1% sales and use tax. During 2013, the City collected \$1,634,000 in sales and use tax proceeds with \$308,000 used to fund current debt service until retirement through 2045. The debt was issued for the purpose of funding the construction of a community center. Excess sales tax revenues over debt service requirements are available for use as stipulated by the tax dedication and determined by the City. See Note 7.

**Legal Debt Margin**

Computation for legal debt margin for general obligation bonds is as follows:

Ad Valorem taxes – assessed valuation	<u>\$ 181,142,755</u>
Debt limit: 10% of assessed valuation (for any one purpose)	<u>\$ 18,114,276</u>
Debt limit: 35% of assessed valuation (aggregate, all purposes)	<u>\$ 63,399,964</u>

**NOTE 7 - DEDICATED REVENUES**

**Ad Valorem Tax**

A 10.00 mills ad valorem tax was levied in July 2012. The tax is dedicated for public improvements including, but not limited to, housing, economic development, and funding for a community center. Dedicated ad valorem taxes of \$1,808,156 were collected during the year ended June 30, 2013.

**Sales and Use Tax**

A one-third of one percent sales and use tax is dedicated for public purposes, including, but not limited to, sewer and wastewater facilities, water and fire protection, streets, sidewalks, bridges and drainage and other capital expenditures, including operating and maintenance costs related thereto. The City received \$1,634,500 from sales and use tax during the year ended June 30, 2013.

**Parish-wide Sales Tax**

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City received \$2,304,800 from parish-wide sales tax during the year ended June 30, 2013. The tax is collected on a parish-wide basis in Iberville Parish and shared with certain municipalities in the Parish on a pro-rata basis based on populations.

## NOTE 8 - PENSION AND RETIREMENT PLANS

### State of Louisiana Municipal Employees' Retirement System

*Plan Description* – Substantially all employees of the City are members of the State of Louisiana Municipal Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, each with separate assets and benefit provisions. All employees of the City are members of Plan A.

All permanent employees working at least 35 hours per week who are paid wholly or in part from City funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary multiplied for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810. Their web site is [www.mersla.com](http://www.mersla.com).

*Funding Policy* – Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 17 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by L.R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under Plan A for the years ended June 30, 2013, 2012 and 2011 were \$205,639, \$246,781, and \$291,762, respectively, and were equal to the statutorily required contributions for each year.

**NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)**

**Municipal Police Employees' Retirement System**

*Plan Description* – Police department employees of the City are members of the Municipal Police Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time police officers who are paid wholly or in part from City police department funds are required to participate in the System.

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 percent of their final-average salary multiplied for each year of creditable service not to exceed 100 percent of final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411. Their web site is [www.lampers.org](http://www.lampers.org).

*Funding Policy* – Under the plan, members are required to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 31 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under the plan for the years ended June 30, 2013, 2012 and 2011 were \$188,223, \$170,832, and \$155,306, respectively, and were equal to the statutorily required contributions for each year.

**Firefighters' Retirement System**

*Plan Description* – Fire department employees of the City are members of the Firefighters' Retirement System (System), a state-wide cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time fire department employees who are paid wholly or in part from the City's fire department funds are eligible to participate in the System.

**NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)**

**Firefighters' Retirement System (Continued)**

Under the plan, employees who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation based on 36 consecutive months of highest pay multiplied for each year of creditable service not to exceed 100 percent of their final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060. Their web site is [lafirefightersret.com](http://lafirefightersret.com).

*Funding Policy* – Under the plan, members are required by state statute to contribute 8 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 26 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System under the plan for the years ended June 30, 2013, 2012 and 2011, were \$38,105, \$46,127, and \$43,914, respectively, and were equal to the statutorily required contributions for each year. It was decided that on June 1, 2013, Iberville Parish Council will take over the firefighter operations and become responsible from that date thereon. The City agreed to pay contributions through June 30, 2013.

(Continued)

**NOTE 9 - INTERFUND TRANSFERS**

**Interfund Transfers**

Transfers for the year ended June 30, 2013, were as follows:

	Transfers	
	In	Out
<b>Governmental Activities:</b>		
General Fund		
Sewer Fund	\$ -	\$ 900,000
Civic Center Operating Fund	-	500,000
Code Enforcement Grant Fund	-	250,000
Debt Service Fund	-	584,151
Total General Fund	-	2,234,151
Debt Service Fund		
General Fund	584,151	-
Code Enforcement Grant Fund		
General Fund	250,000	-
Civic Center Operating Fund		
General Fund	500,000	-
<b>Business-type activities:</b>		
Sewer Fund		
General Fund	900,000	-
Total primary government	<u>\$ 2,234,151</u>	<u>\$ 2,234,151</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(Continued)

**NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables represent short-term borrowing between funds. Interfund receivables and payables as of June 30, 2013 are as follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
<b>Governmental Activities:</b>		
General		
Sewer	\$ 65,432	\$ 1,617
Code Enforcement Grant Fund	13,376	937
Capital Projects Fund	125,990	415,691
Debt Service	239,705	132,346
Total General Fund	444,503	550,591
Capital Projects Fund		
General Fund	623,983	125,990
Code Enforcement Grant Fund		
General Fund	937	13,376
Civic Center Operating		
General Fund	132,346	239,705
Debt Service		
Capital Projects Fund	-	208,292
<b>Business-type activities:</b>		
Sewer		
General Fund	1,617	65,432
Total primary government	<u>\$ 1,203,386</u>	<u>\$ 1,203,386</u>

**NOTE 11 - COMPENSATION TO THE GOVERNING BODY**

The City's elected officials' terms expire on June 30, 2015. The City compensated its Mayor and members of the City Council as follows:

Mayor:	
Lionel Johnson, Jr.	\$ 70,300
City Council:	
Deborah R. Alexander	12,500
Flora J. Danielfield	12,500
Freddie C. Frazier, Sr.	12,500
Melvin Hasten, Sr.	12,500
Ralph Johnson, Sr.	12,500
Total	<u>\$ 132,800</u>



## **NOTE 12 - COMMITMENTS AND CONTINGENCIES**

### **Suits and Claims**

Various suits and claims arising in the ordinary course of operations are pending against the City. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the City's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the City. The City settled a suit over in September 2013 in the amount of \$46,076, relating to compensation owed to a prior employee. The settlement will be paid out of the General Fund.

### **Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. In addition, various risk control techniques including a drug free workplace program, employee drug screening, and employee safety programs have been implemented to minimize accident-related losses. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past four years.

### **Grants**

The City receives state and local grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of City management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

### **Environment Contingencies**

Management of the City is not aware of any unrecorded material commitments or contingent environmental liabilities. Environmental contingencies have been mitigated by testing of the sewer systems on a regular basis and providing test results to the proper environmental authorities.

### **Cash and Cash Equivalents**

The City typically maintains cash and temporary investments in local banks that may, at times, exceed the FDIC insured limits of \$250,000. Amounts in excess of the FDIC limits are required by law to be collateralized by securities pledged by the bank. See Note 2.

### **Construction Contracts**

At June 30, 2013, the City had outstanding commitments resulting from the construction contracts in progress of \$849,000 and engineering contracts in progress of \$10,698,000.

## **NOTE 13 - SUBSEQUENT EVENTS**

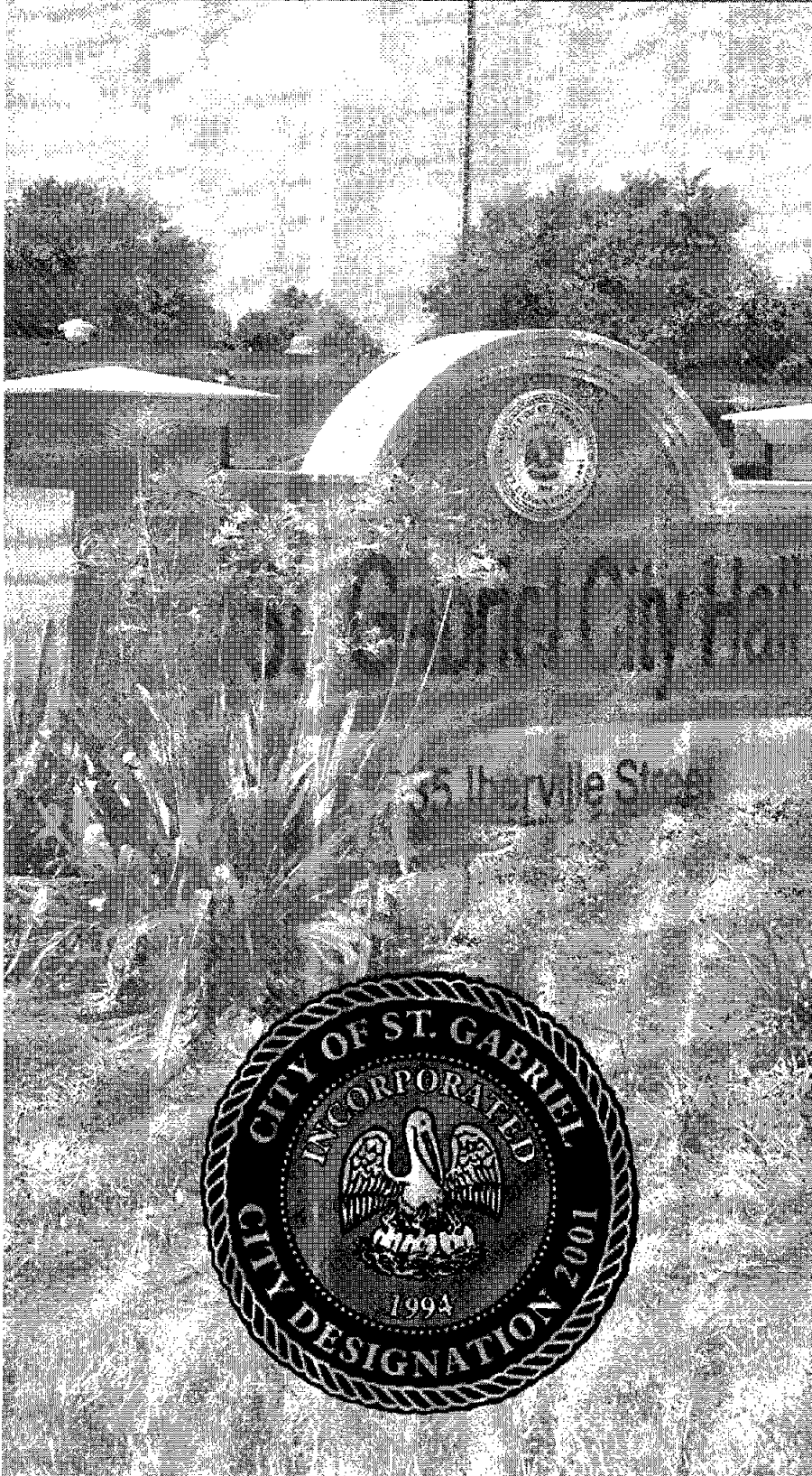
In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

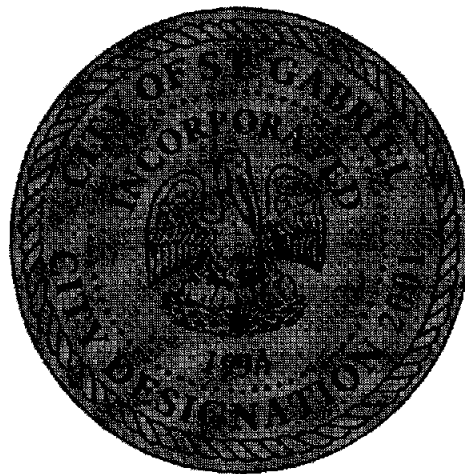


# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## REQUIRED SUPPLEMENTARY INFORMATION





**CITY OF ST. GABRIEL, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Taxes				
Sales	\$ 3,135,000	\$ 3,335,000	\$ 3,939,310	\$ 604,310
Ad valorem	2,850,000	3,010,000	3,044,935	34,935
Other	50,500	50,500	39,057	(11,443)
Intergovernmental	397,000	440,700	287,321	(153,379)
Licenses and permits	185,000	185,000	285,852	100,852
Fines	600,000	550,000	596,463	46,463
Other	<u>146,000</u>	<u>150,900</u>	<u>121,977</u>	<u>(28,923)</u>
Total revenues	<u>7,363,500</u>	<u>7,722,100</u>	<u>8,314,915</u>	<u>592,815</u>
<b>EXPENDITURES</b>				
Current function:				
General government	1,692,930	1,824,130	1,865,042	(40,912)
Public safety	1,999,205	2,021,955	1,747,375	274,580
Streets and sanitation	1,345,345	1,349,145	1,163,113	186,032
Social and recreational services	170,250	193,450	155,353	38,097
Capital outlay	<u>387,500</u>	<u>322,500</u>	<u>354,189</u>	<u>(31,689)</u>
Total expenditures	<u>5,595,230</u>	<u>5,711,180</u>	<u>5,285,072</u>	<u>426,108</u>
Excess of revenues over expenditures	<u>1,768,270</u>	<u>2,010,920</u>	<u>3,029,843</u>	<u>1,018,923</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from debt issuance			108,209	108,209
Proceeds from insurance	-	-	5,105	5,105
Transfers out:				
Civic Center Operating Fund	(500,000)	(500,000)	(500,000)	-
Debt Service Fund	(584,151)	(584,151)	(584,151)	-
Code Enforcement Grant Fund	(250,000)	(250,000)	(250,000)	-
Sewer Fund	<u>(800,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,134,151)</u>	<u>(2,234,151)</u>	<u>(2,120,837)</u>	<u>113,314</u>
Net change in fund balance	<u>\$ (365,881)</u>	<u>\$ (223,231)</u>	909,006	<u>\$ 1,132,237</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>2,515,872</u>	
End of year			<u>\$ 3,424,878</u>	

Notes on Exhibits A-9 and B-3 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA  
CIVIC CENTER OPERATING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 316,453	\$ 16,453
Other	<u>33,800</u>	<u>25,800</u>	<u>269</u>	<u>(25,531)</u>
Total revenues	<u>333,800</u>	<u>325,800</u>	<u>316,722</u>	<u>(9,078)</u>
<b>EXPENDITURES</b>				
Current function:				
Social and recreational services	560,999	553,300	485,016	68,284
Debt service	250,000	250,000	264,144	(14,144)
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>129,597</u>	<u>(29,597)</u>
Total expenditures	<u>910,999</u>	<u>903,300</u>	<u>878,757</u>	<u>24,543</u>
Deficiency of revenues over expenditures	(577,199)	(577,500)	(562,035)	15,465
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
General Fund	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (77,199)</u>	<u>\$ (77,500)</u>	<u>(62,035)</u>	<u>\$ 15,465</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>160,835</u>	
End of year			<u>\$ 98,800</u>	

Notes on Exhibit A-9 and B-4 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA  
CODE ENFORCEMENT GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 120,000	\$ 105,000	\$ 120,428	\$ 15,428
<b>EXPENDITURES</b>				
Current function:				
General government	<u>335,835</u>	<u>320,835</u>	<u>236,804</u>	<u>84,031</u>
Deficiency of revenues over expenditures	(215,835)	(215,835)	(116,376)	99,459
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
General fund	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 34,165</u>	<u>\$ 34,165</u>	133,624	<u>\$ 99,459</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>170,276</u>	
End of year			<u>\$ 303,900</u>	

Notes on Exhibits A-9 and B-4 are an integral part of this statement.

# CITY OF ST. GABRIEL, LOUISIANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2013

### NOTE 1 - BUDGETS

#### Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

#### Basis of Accounting

All of the City's budgets are prepared on the accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2013.

### NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Expenditures Exceeding Appropriations

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

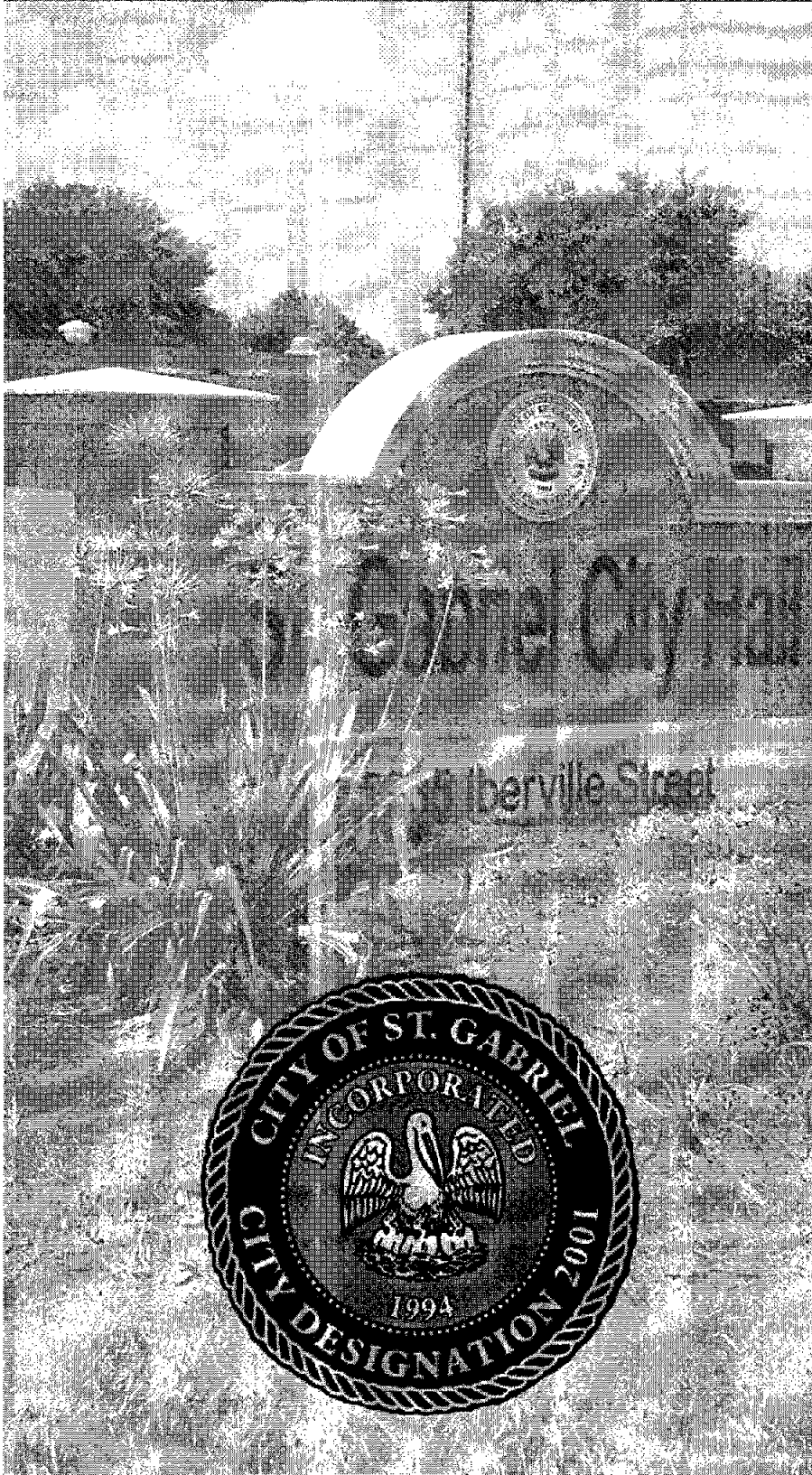
	Revised Budget	Actual (GAAP Basis)	Excess over Budget
<b>Governmental Fund:</b>			
General Fund			
Capital outlay	322,500	354,189	(31,689)
Civic Center Operating Fund			
Capital outlay	100,000	129,597	(29,597)



# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## INDIVIDUAL FUND STATEMENTS



**CITY OF ST. GABRIEL, LOUISIANA**

**Supplementary Information**

**CITY OF ST. GABRIEL, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 3,135,000	\$ 3,335,000	\$ 3,939,310	\$ 604,310
Ad valorem	2,850,000	3,010,000	3,044,935	34,935
Telephone	27,800	27,800	19,082	(8,718)
Cable TV	22,000	22,000	19,975	(2,025)
Franchise	700	700	-	(700)
Intergovernmental:				
State of Louisiana	95,000	137,500	18,311	(119,189)
Federal grants	-	-	-	-
Video draw poker	300,000	300,000	266,327	(33,673)
Contract services	1,000	2,200	-	(2,200)
Other	1,000	1,000	2,683	1,683
Licenses and permits	185,000	185,000	285,852	100,852
Fines	600,000	550,000	596,463	46,463
Other:				
Rent and other	75,000	(2,200)	34,435	36,635
Interest	1,000	100	382	282
Miscellaneous	50,000	-	56,695	56,695
Youth Camp fees	20,000	-	30,465	30,465
Total revenues	<u>\$ 7,363,500</u>	<u>\$ 7,569,100</u>	<u>\$ 8,314,915</u>	<u>\$ 745,815</u>

**CITY OF ST. GABRIEL, LOUISIANA  
GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>GENERAL GOVERNMENT</b>				
Salaries	\$ 543,010	\$ 493,200	\$ 459,938	\$ 33,262
Payroll taxes	21,660	25,860	20,364	5,496
Municipal retirement	89,990	80,000	41,433	38,567
Travel	7,000	29,500	47,566	(18,066)
Dues and subscriptions	20,000	7,000	6,531	469
Professional	165,000	265,000	392,219	(127,219)
Contract labor	10,000	25,000	21,698	3,302
Insurance	442,170	465,170	387,253	77,917
Building maintenance	11,200	-	55,980	(55,980)
Vehicle fuel	24,000	20,000	17,237	2,763
Office supplies	27,000	40,000	51,663	(11,663)
Vehicle maintenance	8,100	-	(2,590)	2,590
Telephone	54,000	54,000	38,971	15,029
Utilities	70,800	70,800	62,290	8,510
Council projects	85,000	80,600	91,576	(10,976)
Other	114,000	168,000	172,913	(4,913)
Total general government	1,692,930	1,824,130	1,865,042	(40,912)
<b>STREETS AND SANITATION</b>				
Salaries	715,735	670,735	583,197	87,538
Payroll taxes	26,630	26,630	19,325	7,305
Municipal retirement	115,700	90,700	99,855	(9,155)
Insurance	117,880	195,180	153,930	41,250
Contract labor	2,500	15,000	18,698	(3,698)
Equipment maintenance	59,300	51,500	39,841	11,659
Street and building maintenance	65,000	76,900	57,495	19,405
Utilities	3,000	3,900	4,457	(557)
Vehicle fuel	50,000	50,000	42,758	7,242
Supplies	75,000	95,500	80,469	15,031
Training	8,000	8,000	791	7,209
Other	106,600	65,100	62,297	2,803
Total streets and sanitation	1,345,345	1,349,145	1,163,113	186,032

**CITY OF ST. GABRIEL, LOUISIANA  
GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - favorable (unfavorable)</b>
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Salaries	\$ 881,830	\$ 810,000	\$ 711,684	\$ 98,316
Payroll taxes	35,550	31,950	23,186	8,764
Municipal and police retirement	225,760	200,300	188,222	12,078
Insurance	127,950	175,570	150,677	24,893
Travel	500	3,750	3,585	165
Clothing	12,400	5,000	5,856	(856)
Training	9,000	11,000	10,991	9
Office supplies	7,800	13,800	12,641	1,159
Telephone	13,000	16,600	15,661	939
Vehicle fuel	94,930	90,000	84,981	5,019
Vehicle maintenance	40,000	75,000	64,428	10,572
Equipment maintenance	13,400	5,500	4,545	955
Field supplies	27,650	20,000	13,256	6,744
Printing	1,950	500	24	476
Rent and utilities	49,545	49,545	45,292	4,253
Other	55,000	98,500	78,269	20,231
<b>Total police</b>	<b>1,596,265</b>	<b>1,607,015</b>	<b>1,413,298</b>	<b>193,717</b>
<b>Fire</b>				
Salaries	269,035	262,540	229,368	33,172
Payroll taxes	10,500	10,500	7,620	2,880
Fire fighters retirement	69,260	55,000	38,105	16,895
Insurance	36,445	65,700	52,601	13,099
Other	17,700	21,200	6,383	14,817
<b>Total fire</b>	<b>402,940</b>	<b>414,940</b>	<b>334,077</b>	<b>80,863</b>
<b>Total public safety</b>	<b>1,999,205</b>	<b>2,021,955</b>	<b>1,747,375</b>	<b>274,580</b>

**CITY OF ST. GABRIEL, LOUISIANA  
GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>SOCIAL AND RECREATIONAL SERVICES</b>				
<b>Social services and recreation</b>				
Salaries	\$ 115,200	\$ 86,340	\$ 75,072	\$ 11,268
Payroll taxes	4,865	4,400	3,193	1,207
Municipal retirement	12,325	9,000	3,763	5,237
Insurance	17,510	21,510	10,376	11,134
Training	1,000	1,000	-	1,000
Vehicle fuel	1,550	4,500	4,248	252
Supplies	2,100	24,900	22,895	2,005
Contract labor	-	3,000	2,565	435
Youth camp	12,200	32,200	27,494	4,706
Other	3,500	6,600	5,747	853
	<u>170,250</u>	<u>193,450</u>	<u>155,353</u>	<u>38,097</u>
<b>Total social and recreational services</b>	<u>170,250</u>	<u>193,450</u>	<u>155,353</u>	<u>38,097</u>
<b>CAPITAL OUTLAY</b>	<u>387,500</u>	<u>322,500</u>	<u>354,189</u>	<u>(31,689)</u>
<b>Total expenditures</b>	<u>\$ 5,595,230</u>	<u>\$ 5,711,180</u>	<u>\$ 5,285,072</u>	<u>\$ 426,108</u>

**CITY OF ST. GABRIEL, LOUISIANA**  
**CAPITAL PROJECTS FUND - MAJOR FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 859,200	\$ 1,125,302	\$ 266,102
Interest	-	2,000	2,146	146
Total revenues	-	861,200	1,127,448	266,248
<b>EXPENDITURES</b>				
Capital outlay	8,212,148	3,212,150	2,876,555	335,595
Deficiency of revenues and other financing sources over expenditures	<u>\$ (8,212,148)</u>	<u>\$ (2,350,950)</u>	(1,749,107)	<u>\$ 601,843</u>
<b>FUND BALANCE</b>				
Beginning of year			8,615,909	
End of year			<u>\$ 6,866,802</u>	

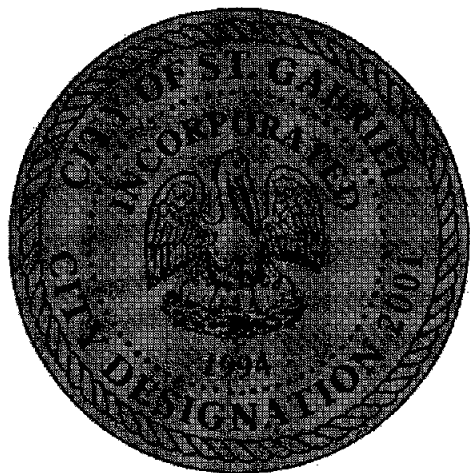
**CITY OF ST. GABRIEL, LOUISIANA**  
**DEBT SERVICE FUND - MAJOR FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Other	\$ -	\$ 200	\$ 412	\$ 212
<b>EXPENDITURES</b>				
Debt service	<u>584,151</u>	<u>584,151</u>	<u>549,449</u>	<u>34,702</u>
Deficiency of revenues over expenditures	<u>(584,151)</u>	<u>(583,951)</u>	<u>(549,037)</u>	<u>34,914</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	<u>584,151</u>	<u>584,151</u>	<u>584,151</u>	<u>-</u>
Total other financing sources (uses)	<u>584,151</u>	<u>584,151</u>	<u>584,151</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 200</u>	35,114	<u>\$ 34,914</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 35,114</u>	

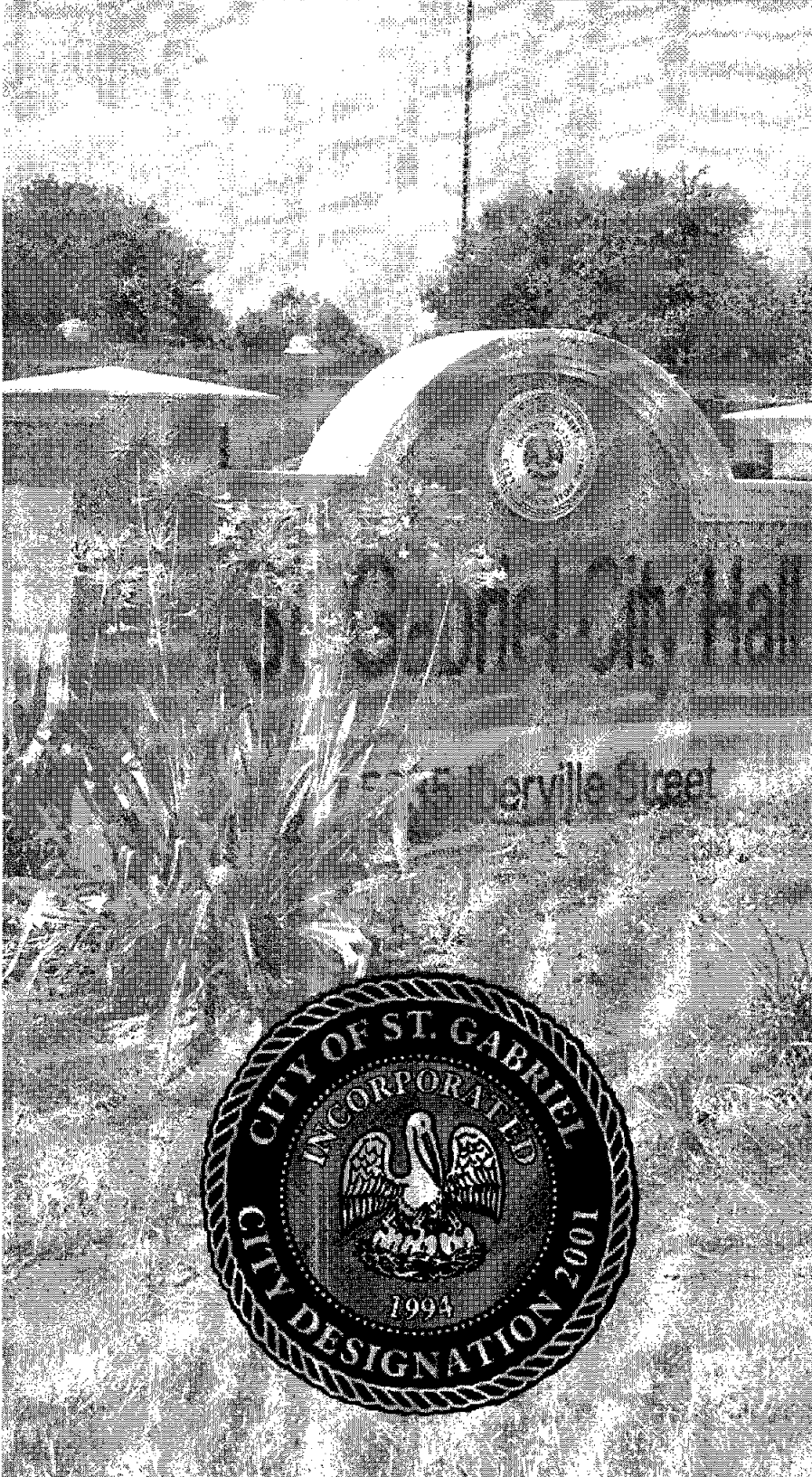


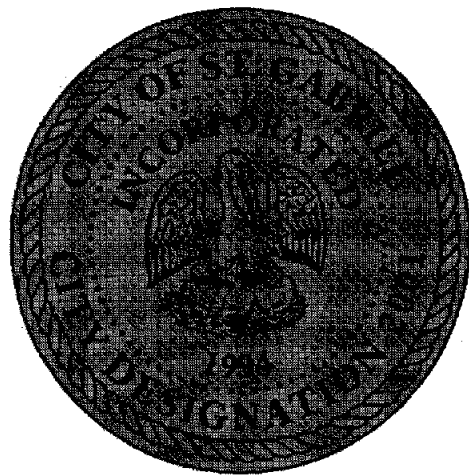


# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## STATISTICAL SECTION





# CITY OF ST. GABRIEL, LOUISIANA

## STATISTICAL SECTION

June 30, 2013

This section, which is composed of accounting and non-accounting data, is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

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### Exhibit

### Page

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**Revenue Capacity Information** - *These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

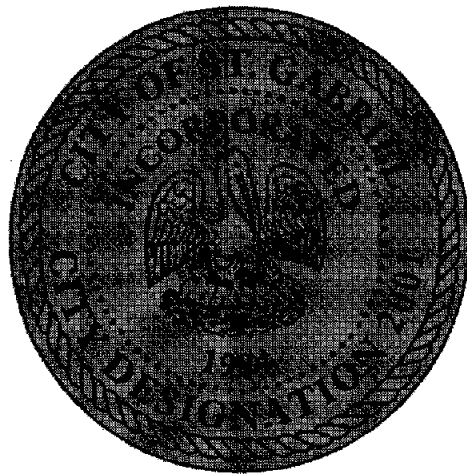
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**Debt Capacity Information** - *These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

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**Demographic and Economic Information** - *These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

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## CITY OF ST. GABRIEL, LOUISIANA

NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities									
Invested in capital assets, net of related debt	\$ 2,241	\$ 2,850	\$ 2,332	\$ 2,465	\$ 2,365	\$ 2,452	\$ 2,147	\$ 1,886	\$ 2,197
Restricted	2,583	2,469	1,699	402	315	140	90	243	140
Unrestricted	3,229	705	820	2,480	2,227	1,236	1,438	1,299	524
Total governmental activities net assets	<u>8,052</u>	<u>6,024</u>	<u>4,851</u>	<u>5,347</u>	<u>4,907</u>	<u>3,828</u>	<u>3,675</u>	<u>3,428</u>	<u>2,861</u>
Business-type activities									
Invested in capital assets, net of related debt	5,844	6,024	5,187	5,355	5,561	5,744	5,879	5,922	5,770
Restricted	153	153	142	144	63	31	31	29	29
Unrestricted	56	(261)	(198)	(361)	(204)	(339)	(372)	(434)	(259)
Total business-type activities net assets	<u>6,053</u>	<u>5,916</u>	<u>5,131</u>	<u>5,138</u>	<u>5,420</u>	<u>5,436</u>	<u>5,538</u>	<u>5,517</u>	<u>5,540</u>
Primary government									
Invested in capital assets, net of related debt	8,085	8,874	7,519	7,820	7,926	8,196	8,026	7,808	7,967
Restricted	2,735	2,622	1,841	546	378	171	121	272	169
Unrestricted	3,285	444	622	2,119	2,023	897	1,066	865	265
Total primary government net assets	<u>\$14,105</u>	<u>\$11,940</u>	<u>\$ 9,982</u>	<u>\$10,485</u>	<u>\$10,327</u>	<u>\$ 9,264</u>	<u>\$ 9,213</u>	<u>\$ 8,945</u>	<u>\$ 8,401</u>

Information not available for 2004.

## CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>									
Governmental activities									
General government	\$ 2,467	\$ 2,213	\$ 2,570	\$ 1,815	\$ 1,892	\$ 1,889	\$ 1,139	\$ 1,560	\$ 1,060
Public safety	1,841	1,835	1,933	1,681	1,513	1,257	1,026	1,195	1,017
Streets and sanitation	1,330	1,358	1,717	2,098	1,265	1,291	1,046	1,314	917
Culture and recreation	642	655	783	890	712	855	1,105	913	653
Economic development	-	250	-	-	-	-	-	-	-
Interest on long-term debt	511	243	203	144	180	220	299	223	51
Total governmental activities	6,791	6,554	7,206	6,628	5,562	5,512	4,615	5,205	3,698
Business-type activities									
Waste water treatment facilities	891	906	922	1,071	802	976	973	1,005	889
Total business-type activities	891	906	922	1,071	802	976	973	1,005	889
Total primary government expenses	7,682	7,460	8,128	7,699	6,364	6,488	5,588	6,210	4,587
<b>Program Revenues</b>									
Governmental activities									
Charges for services:									
General government	462	413	361	371	254	350	467	2,108	177
Public safety	596	418	485	580	624	610	117	182	175
Culture and recreation	56	18	13	17	11	13	17	18	13
Operating grants and contributions	-	96	73	314	26	463	310	147	-
Capital grants and contributions	1,125	450	90	-	-	-	7	-	284
Total governmental activities program revenues	2,239	1,395	1,022	1,282	915	1,436	918	2,455	649
Business-type activities									
Charges for Services									
Waste water treatment facilities	128	126	115	128	126	117	131	127	103
Capital grants and contributions	-	850	-	-	-	28	81	154	612
Total business-type activities program revenues	128	976	115	128	126	145	212	281	715
Total primary government total revenues	2,367	2,371	1,137	1,410	1,041	1,581	1,130	2,736	1,364

Information not available for 2004.

**CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (expense)/revenue:									
Governmental activities	\$ (4,552)	\$ (5,158)	\$ (6,184)	\$ (5,346)	\$ (4,647)	\$ (4,076)	\$ (3,697)	\$ (2,750)	\$ (3,049)
Business-type activities	(763)	70	(807)	(943)	(676)	(831)	(761)	(724)	(174)
Total primary government net revenue (expense)	(5,315)	(5,088)	(6,991)	(6,289)	(5,323)	(4,907)	(4,458)	(3,474)	(3,223)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities									
Taxes:									
Property	3,045	2,708	2,500	2,388	2,357	2,359	2,058	2,487	2,404
Sales	3,939	3,704	2,871	2,851	2,480	1,676	1,730	697	835
Video Poker	533	584	560	593	577	625	640	597	530
Franchise	-	-	-	-	-	-	-	-	44
Other	39	40	48	40	44	54	45	43	41
Unrestricted grants and contributions	72	12	198	223	920	205	172	142	21
Investment earnings	2	1	2	1	4	26	49	11	5
Donation	-	-	-	350	-	-	-	-	-
Proceeds from insurance	5	15	310	-	-	-	-	-	-
Gain on sale of capital assets	10	29	-	-	-	100	-	-	-
Transfers to other funds	(900)	(715)	(800)	(660)	(660)	(725)	(775)	(700)	(380)
Total governmental activities general revenues	6,745	6,378	5,689	5,786	5,722	4,320	3,919	3,277	3,500
Business-type activities									
Unrestricted grants and contributions	-	-	-	-	-	4	5	2	-
Investment earnings	-	-	-	-	-	1	1	-	-
Special Item-loss	-	-	-	-	-	-	-	-	(60)
Transfers from other funds	900	715	800	660	660	725	775	700	380
Total business-type activities general revenues	900	715	800	660	660	730	781	702	320
Total primary government general revenues	7,645	7,093	6,489	6,446	6,382	5,050	4,700	3,979	3,820
<b>Change in Net Assets</b>									
Governmental activities	2,193	1,220	(495)	440	1,075	244	222	527	451
Business-type activities	137	785	(7)	(283)	(16)	(101)	20	(22)	146



**CITY OF ST. GABRIEL, LOUISIANA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Video Poker Fees</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2013	\$ 3,045	\$ 3,939	\$ 533	\$ -	\$ 39	\$ 7,556
2012	2,708	3,704	585	-	40	7,037
2011	2,500	2,872	560	-	48	5,980
2010	2,388	2,851	593	-	40	5,872
2009	2,356	2,480	577	-	44	5,457
2008	2,358	1,676	625	-	54	4,713
2007	2,059	1,730	640	-	45	4,474
2006	2,485	697	597	-	43	3,822
2005	2,400	835	530	44	41	3,850
2004	1,301	823	515	130	41	2,810
2003	1,191	844	528	133	45	2,741

## CITY OF ST. GABRIEL, LOUISIANA

FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS(modified accrual basis of accounting)  
(in thousands)

GENERAL FUND					ALL OTHER GOVERNMENTAL FUNDS				
Fiscal Year	Nonspendable	Restricted	Unassigned	Total	Unassigned	Committed	Restricted	Total all other Governmental Funds	
2013	\$ 107	\$ 1,513	\$ 1,805	\$ 3,425	\$ (76)	\$ 304	\$ 7,077	\$ 7,305	
2012	109	1,618	789	2,516	-	170	8,777	8,947	
2011	85	1,552	588	2,225	-	172	134	306	

GENERAL FUND				ALL OTHER GOVERNMENTAL FUNDS			
Fiscal Year	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Project Funds	Total all other Governmental Funds
2010	\$ -	\$ 40	\$ 40	\$ -	\$ 2,813	\$ 41	\$ 2,854
2009	-	129	129	137	2,243	41	2,421
2008	-	90	90	139	1,172	-	1,311
2007	-	47	47	14	971	68	1,053
2006	-	560	560	6	700	139	845
2005	-	125	125	9	428	131	568
2004	-	184	184	-	318	40	358

**\*Debt Service Funds.**

All fund balances in Debt Service Funds are reserved to pay future debt service

**NOTE:**

Due to the implementation of GASB 54 on a prospective basis in 2011 and increases to beginning restricted net asset resulting from the application of existing accounting principles, the illustrated comparisons of the City's prior year government wide net assets and governmental fund balances presented will not represent actual changes.

**CITY OF ST. GABRIEL, LOUISIANA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2013	2012	2011	2010
<b>REVENUES</b>				
Taxes	\$ 7,023	\$ 6,453	\$ 5,413	\$ 5,279
Intergovernmental	1,729	1,130	655	1,067
Licenses and permits	406	327	265	287
Fines	596	418	485	580
Miscellaneous revenues	125	160	385	166
Total revenues	<u>9,879</u>	<u>8,488</u>	<u>7,203</u>	<u>7,379</u>
<b>EXPENDITURES</b>				
Current				
General government	2,102	1,978	2,309	1,983
Public safety	1,747	1,717	1,842	1,657
Streets and sanitation	1,163	1,263	1,676	1,881
Culture and recreation	640	522	652	753
Economic development	-	250	-	-
Debt service				
Principal retirement	77	65	78	213
Interest and bank charges	737	199	195	238
Capital outlay	<u>3,360</u>	<u>1,049</u>	<u>474</u>	<u>-</u>
Total expenditures	<u>9,826</u>	<u>7,043</u>	<u>7,226</u>	<u>6,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53</u>	<u>1,445</u>	<u>(23)</u>	<u>654</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Long-term debt proceeds	-	8,830	151	-
Bond issuance costs	-	(165)	-	-
Bond discount	-	(432)	-	-
Proceeds from insurance	5	15	310	-
Donation	-	-	-	350
Transfers in	1,334	1,377	719	2,995
Transfers out	<u>(2,233)</u>	<u>(2,092)</u>	<u>(1,519)</u>	<u>(3,655)</u>
Total other financing sources and uses	<u>(894)</u>	<u>7,533</u>	<u>(339)</u>	<u>(310)</u>
Special item	<u>108</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (733)</u>	<u>\$ 8,978</u>	<u>\$ (362)</u>	<u>\$ 344</u>
Debt service as a percentage of noncapital expenditures	12.6%	4.4%	4.0%	6.7%

Exhibit D-5  
(Continued)

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
\$ 4,880	\$ 4,088	\$ 3,834	\$ 3,225	\$ 3,320	\$ 2,295
1,411	1,262	1,300	2,566	828	1,247
180	208	169	197	139	127
624	610	117	181	174	23
205	212	189	231	68	32
<u>7,300</u>	<u>6,380</u>	<u>5,609</u>	<u>6,400</u>	<u>4,529</u>	<u>3,724</u>
1,757	1,957	1,423	1,552	1,054	958
1,555	1,380	1,117	1,092	1,240	793
1,043	1,238	969	1,255	830	718
530	687	819	706	603	232
-	-	-	-	-	-
246	168	490	245	134	133
207	220	299	235	51	41
153	6	-	160	1,254	4,464
<u>5,491</u>	<u>5,656</u>	<u>5,117</u>	<u>5,245</u>	<u>5,166</u>	<u>7,339</u>
<u>1,809</u>	<u>724</u>	<u>492</u>	<u>1,155</u>	<u>(637)</u>	<u>(3,615)</u>
-	300	-	-	-	-
-	-	65	401	1,167	3,725
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,411	2,311	1,909	1,462	2,107	1,352
<u>(3,071)</u>	<u>(3,036)</u>	<u>(2,684)</u>	<u>(2,162)</u>	<u>(2,487)</u>	<u>(1,670)</u>
<u>(660)</u>	<u>(425)</u>	<u>(710)</u>	<u>(299)</u>	<u>787</u>	<u>3,407</u>
-	-	-	-	-	-
<u>\$ 1,149</u>	<u>\$ 299</u>	<u>\$ (218)</u>	<u>\$ 856</u>	<u>\$ 150</u>	<u>\$ (208)</u>
8.5%	6.9%	15.4%	9.4%	4.7%	6.1%

**CITY OF ST. GABRIEL, LOUISIANA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)  
(in thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2013	\$ 3,045	\$ 3,939	\$ -	\$ 39	7,023
2012	2,708	3,704	-	40	6,452
2011	2,500	2,872	-	42	5,414
2010	2,388	2,851	-	40	5,279
2009	2,356	2,480	-	44	4,880
2008	2,358	1,676	-	54	4,088
2007	2,059	1,730	-	45	3,834
2006	2,485	697	-	43	3,225
2005	2,400	835	44	41	3,320
2004	1,301	823	130	41	2,295
2003	1,191	844	133	45	2,213

**CITY OF ST. GABRIEL, LOUISIANA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Fiscal Year			Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate - Millages	Estimated Actual Value	Ratio of Total Taxable Assessed Value to Total Estimated Actual Value*
	Real Property	Personal Property						
2013	\$ 20,271,444	\$ 108,664,744	\$ 52,206,568	\$ 181,142,755	16.84	\$ 181,142,755	100%	
2012	17,662,310	94,678,525	45,487,070	157,827,905	16.84	157,827,905	100%	
2011	17,330,640	91,579,460	39,893,520	148,803,620	16.84	148,803,620	100%	
2010	17,032,126	93,676,690	38,695,794	149,404,610	15.88	149,404,610	100%	
2009	16,895,260	92,958,025	38,314,350	148,167,635	15.88	148,167,635	100%	
2008	12,086,572	88,689,660	37,402,420	138,178,652	16.84	138,178,652	100%	
2007	10,920,522	78,886,150	35,344,300	125,150,972	16.84	125,150,972	100%	
2006	9,606,132	72,270,265	33,777,785	115,654,182	21.73	115,654,182	100%	
2005	9,205,452	70,287,085	31,359,220	110,851,757	21.73	110,851,757	100%	
2004	8,987,440	67,597,655	31,745,270	108,330,365	12.00	108,330,365	100%	
2003	9,135,070	57,698,050	30,686,050	97,519,170	12.00	97,519,170	100%	

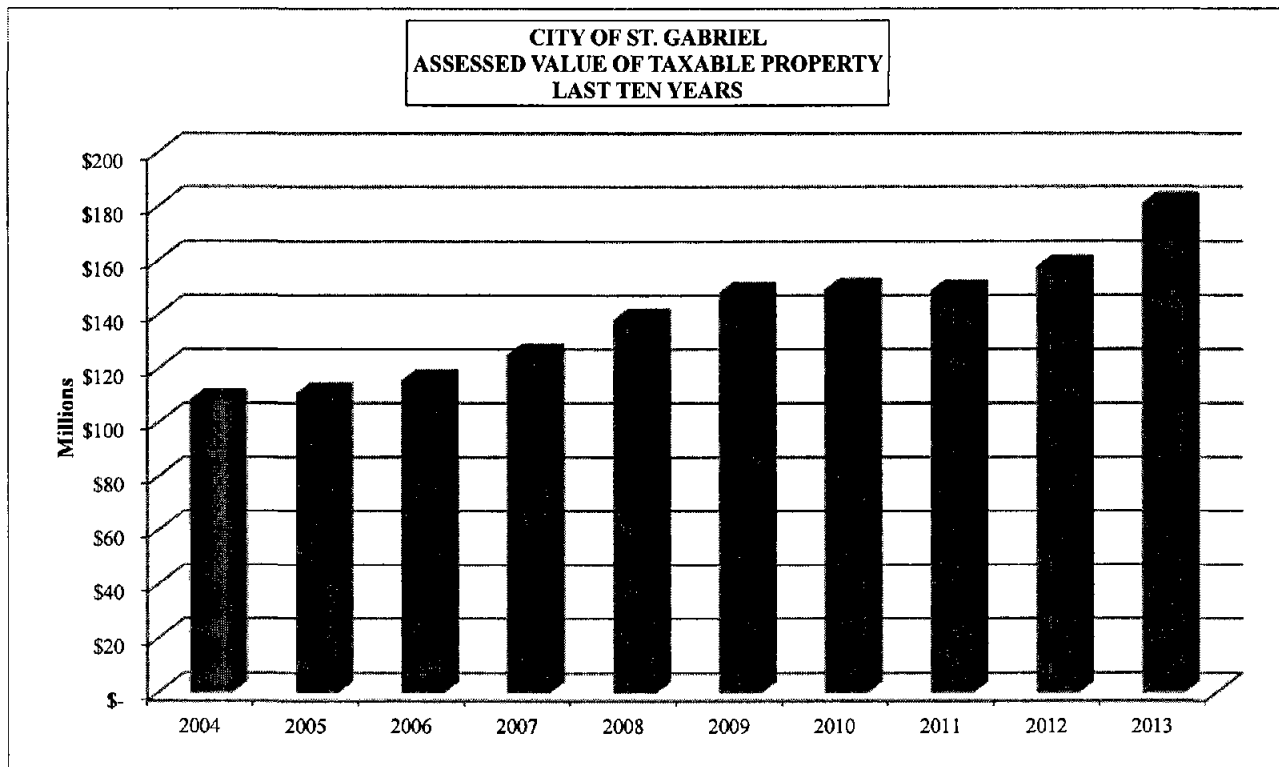
Source: City of St. Gabriel

\*Actual Valuation (Market Value) as Compared to Assessed Valuation

In Louisiana, the classification of property subject to ad valorem taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed value are as follows:

Land	10%
Improvements for Residential	10%
Improvements for Commercial	15%
Business Movable Property (Personal)	15%
Public Service (Excluding Land)	25%

**CITY OF ST. GABRIEL, LOUISIANA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN CALENDAR YEARS**



**CITY OF ST. GABRIEL, LOUISIANA**

**PROPERTY TAX RATES AND TAX LEVIES**

**DIRECT GOVERNMENTS**

**LAST TEN CALENDAR YEARS**

Fiscal Year	City of St. Gabriel	Overlapping Rates					Total Direct and Overlapping Rates
	Operating & Public Improvements	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
2013	16.84	22.00	56.66	22.56	2.06	3.47	123.59
2012	16.84	22.00	56.66	19.68	2.06	3.52	120.76
2011	16.84	22.00	56.66	21.18	2.06	3.67	122.41
2010	15.88	22.00	56.66	19.84	2.06	3.67	120.11
2009	15.88	22.00	56.66	19.84	2.06	3.67	120.11
2008	16.84	22.00	39.27	22.68	2.06	3.74	106.59
2007	16.84	22.00	39.27	22.68	2.06	3.74	106.59
2006	21.73	22.00	39.27	22.68	2.06	3.74	111.48
2005	21.73	22.00	39.27	22.68	2.06	3.74	111.48
2004	12.00	22.00	39.27	22.68	1.98	3.74	101.67

The tax levies represent the original levy of the Assessor and exclude the homestead exemption amounts.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 1% per month. No discounts are allowed for taxes, and there is no provision for partial payments.

Source: Audited financial statements of each governmental entity shown above.



**CITY OF ST. GABRIEL, LOUISIANA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	Type of Business	2013			2003		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Entergy Gulf States	Energy	\$ 38,214,060	1	35.58%	\$ 40,036,420	2	21.48%
Syngenta Crop Protection	Chemical	2,894,590	2	2.70%	-	-	-
Cos Mar Company	Chemical	23,892,750	3	22.25%	14,200,670	5	7.62%
Total Petrochemicals USA	Chemical	11,623,200	4	10.82%	-	-	-
Mexichem Fluor Inc	Chemical	9,988,950	5	9.30%	-	-	-
Marathon Petroleum	Oil/Gas	5,380,940	6	5.01%	-	-	-
Taminco Higher Amines	Chemical	4,886,230	7	4.55%	-	-	-
Pioneer Americas, LLC	Chemical	3,892,100	8	3.62%	-	-	-
PCS Nitrogen Fertilizer	Chemical	3,603,940	9	3.36%	-	-	-
Petrologistics Choctaw, LLC	Oil/Gas	3,014,819	10	2.81%	-	-	-
Dow Chemical Company	Chemical	-	-	-	64,846,600	1	34.78%
Syngenta	Chemical	-	-	-	20,457,365	3	10.97%
Georgia Gulf Corporation	Chemical	-	-	-	18,365,280	4	9.85%
INEOS	Chemical	-	-	-	8,837,820	6	4.74%
CIBA	Chemical	-	-	-	3,934,302	9	2.11%
Shell Oil Company	Oil/Gas	-	-	-	7,480,440	7	4.01%
Exxon/Mobil	Chemical	-	-	-	4,428,290	8	2.38%
FINA Oil	Oil/Gas	-	-	-	3,840,720	10	2.06%
		<u>\$107,391,579</u>		<u>100%</u>	<u>\$ 186,427,907</u>		<u>100%</u>

Source: City of St. Gabriel (2013) and Iberville Parish 2003 Comprehensive Annual Financial Report (2003).

**CITY OF ST. GABRIEL, LOUISIANA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

<u>Year</u>	<u>(1) Total Tax Levy</u>	<u>(1) Collections</u>	<u>Percent of Levy Collected</u>	<u>(1) Collections in Subsequent Years</u>	<u>(1) Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
2013	\$ 3,050,445	\$ 3,028,185	99.27%	\$ -	\$ 3,028,185	99.27%
2012	2,657,822	2,615,673	98.41%	42,149	2,657,822	100.00%
2011	2,507,413	2,476,747	98.78%	22,838	2,499,585	99.69%
2010	2,387,528	2,381,105	99.73%	6,423	2,387,528	100.00%
2009	2,352,906	2,336,374	99.30%	16,532	2,352,906	100.00%
2008	2,326,928	2,321,256	99.76%	5,672	2,326,928	100.00%
2007	2,107,242	2,058,494	97.69%	39,444	2,097,938	99.56%
2006	2,489,824	2,486,589	99.87%	3,235	2,489,824	100.00%
2005	2,411,798	2,403,836	99.67%	7,962	2,411,798	100.00%
2004	1,299,964	1,297,281	99.79%	2,683	1,299,964	100.00%

(1) City of St. Gabriel

## CITY OF ST. GABRIEL, LOUISIANA

SALES TAX REVENUES  
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>1% City Public</u>	<u>2% Public Infrastructure and Maintenance</u>	<u>Total</u>
2013	\$ 1,634,502	\$ 2,304,808	\$3,939,310
2012	1,521,233	2,183,040	3,704,273
2011	1,059,487	1,812,069	2,871,556
2010	1,027,086	1,824,387	2,851,473
2009	814,745	1,665,155	2,479,900
2008	510,362	1,165,513	1,675,875
2007	497,608	1,232,889	1,730,497
2006	481,121	216,302	697,423
2005	555,562	281,094	836,656
2004	548,183	275,242	823,425

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2012:

Iberville Parish School Board	2.00%
Parish of Iberville	2.67%
City of St. Gabriel	<u>1.00%</u>
Local Rate	5.67%
State Rate	<u>4.00%</u>
Total Rate	<u>9.67%</u>

The Parish of Iberville collects the 2.67% sales and use tax which is shared with certain municipalities on a pro-rata basis based on population. The City of St. Gabriel participates in the collection of 2% of this tax and is excluded from the .67% tax collected parishwide. The City began participating in the 2% sales and use tax in 2002.

Source: Iberville Parish Sales Tax Department

**CITY OF ST. GABRIEL, LOUISIANA**  
**TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX**  
**LAST SIX FISCAL YEARS (1)**  
(modified accrual basis of accounting)

Industry	FISCAL YEAR					
	2012	2011	2010	2009	2008	2007
Manufacturer of chemicals	\$ 398,210,177	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513	\$ 383,428,833
Industrial equipment sales	77,657,168	51,834,793	57,494,719	44,812,120	38,473,171	49,692,665
Department stores & dry goods	37,594,616	37,965,471	37,657,428	39,397,302	35,155,751	38,075,149
Grocery stores	37,586,350	37,089,615	37,314,861	36,151,634	33,179,640	30,518,673
Motor vehicle dealers	30,447,867	56,985,901	47,570,749	49,300,031	43,511,789	55,019,311
Lumber, building materials stores	15,943,033	21,085,725	21,878,034	28,460,909	23,271,228	25,975,932
Miscellaneous - others	<u>267,992,844</u>	<u>181,563,931</u>	<u>90,009,390</u>	<u>99,475,828</u>	<u>105,688,605</u>	<u>136,057,691</u>
	<u>\$ 865,432,055</u>	<u>\$ 794,020,366</u>	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>	<u>\$ 343,176,697</u>	<u>\$ 718,768,254</u>

Source: Relevant information was not available for the City of St. Gabriel. Data presented is for the Iberville Parish Government

(1) Data not available for 2013 and 2006-2003.

## CITY OF ST. GABRIEL, LOUISIANA

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS(full accrual basis of accounting)  
(in thousands, except per capita amount)

Fiscal Year	Governmental Activities Debt			Business-Type Debt		(1)	(2)	(2)
	Certificate of Indebtedness	Public Improvement Bonds	Capital Leases & Other	Revenue Bonds		Total Primary Government	Percentage of Personal Income	Debt Per Capita
2013	\$ -	\$ 12,630	\$ 108	\$ 2,896		15,634	1.26%	2
2012	-	12,914	-	2,944		15,858	1.31%	2
2011	-	4,581	-	2,990		7,571	0.65%	1
2010	-	4,501	8	3,041		7,550	0.68%	1
2009	183	4,556	61	3,126		7,926	0.77%	1
2008	357	4,628	109	3,177		8,271	0.89%	1
2007	773	4,679	173	3,250		8,875	1.03%	2
2006	675	4,737	263	3,315		8,990	1.04%	2
2005	828	4,559	284	3,368		9,039	1.10%	2
2004	973	3,725	-	2,969		7,667	1.09%	1
2003	1,100	-	-	1,947		3,047	0.71%	1

(1) City of St. Gabriel

(2) Bureau of Economic Analysis for Iberville Parish. Information for 2012 and 2011 are estimates based over year over year increase in personal income in prior years.

## CITY OF ST. GABRIEL, LOUISIANA

## COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2013  
(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City direct debt	\$ <u>12,914</u>	100%	\$ <u>12,914</u>
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 44,970	34%	\$ 15,198
Iberville Parish Government (4)	<u>18,875</u>	34%	<u>6,379</u>
Total other government agencies	\$ <u>63,845</u>		\$ <u>21,578</u>
Total direct and overlapping			\$ <u>34,492</u>
2013 population estimate			<u>6,755</u>
Per capita			\$ <u>5.11</u>

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Gabriel. This process recognizes that, when considering the City'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 responsible for repaying the debt, of each overlapping government.

(2) 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 City's boundaries and dividing it by the Parish's taxable assessed value.

(3) Source: 2011 general purpose financial statements

(4) Source: 2011 comprehensive annual financial report

**CITY OF ST. GABRIEL, LOUISIANA**  
**LEGAL DEBT MARGIN CALCULATION**  
**LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Assessed Value</u>	<u>Any One Purpose</u>	<u>Aggregate All Purposes (1)</u>	<u>Debt Outstanding (2)</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin to Aggregate Debt Limit</u>
2013	\$ 181,142,755	\$ 18,114,276	\$ 63,399,964	-	\$ 63,399,964	0.00%
2012	157,827,905	15,782,791	55,239,767	-	55,239,767	0.00%
2011	148,896,250	14,889,625	52,113,688	-	52,113,688	0.00%
2010	149,404,610	14,940,461	52,291,614	-	52,291,614	0.00%
2009	148,167,635	14,816,764	51,858,672	-	51,858,672	0.00%
2008	138,178,652	13,817,865	48,362,528	-	48,362,528	0.00%
				-		
2007	125,150,972	12,515,097	43,802,840	-	43,802,840	0.00%
2006	114,580,102	11,458,010	40,103,036	-	40,103,036	0.00%
2005	110,989,362	11,098,936	38,846,277	-	38,846,277	0.00%
2004	108,330,365	10,833,037	37,915,628	-	37,915,628	0.00%
2003	97,519,170	9,751,917	34,131,710	-	34,131,710	0.00%

Source: City of St. Gabriel

- (1) Legal debt limit is 35% of the total assessed value of taxable property (10% of the assessed value of taxable property for any one purpose)
- (2) There was no indebtedness secured by ad valorem taxes.

# CITY OF ST. GABRIEL, LOUISIANA

## PLEDGED REVENUE COVERAGE

### LAST TEN FISCAL YEARS

(full accrual basis of accounting)

#### SCHEDULE A - REVENUE BONDS-SALES TAX-CIVIC CENTER OPERATION FUND

Year	(1) Gross Revenue	Expenses	Available for Debt Service	(4) Debt Service Requirements			Coverage
	Principal			Interest	Total		
2013	\$ 1,634,502	\$ -	\$ 1,634,502	\$ 77,000	\$ 736,593	\$ 813,593	2.01
2012	1,521,233	-	1,521,233	65,035	199,194	264,229	5.76
2011	1,059,487	-	1,059,487	70,699	202,445	273,144	3.88
2010	978,468	-	978,468	55,406	208,738	264,144	3.70
2009	814,745	-	814,745	53,039	211,105	264,144	3.08
2008	510,362	230	510,132	50,772	213,372	264,144	1.93
2007	497,608	-	497,608	48,603	215,541	264,144	1.88
2006	481,121	-	481,121	-	-	-	-
2005	555,562	-	555,562	-	-	-	-
2004	548,183	-	548,183	-	-	-	-

#### SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2) Gross Revenue	(3) Expenses	Available for Debt Service	(5) Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 1,242,060	\$ 486,397	\$ 755,663	\$ 49,758	\$ 131,252	\$ 181,010	4.17
2012	975,842	494,989	480,853	45,492	132,376	177,868	2.70
2011	915,004	510,690	404,314	43,498	135,258	178,756	2.26
2010	788,437	655,286	133,151	73,842	135,392	209,234	0.64
2009	786,266	414,091	372,175	70,520	138,388	208,908	1.78
2008	846,364	571,902	274,462	72,277	136,018	208,295	1.32
2007	912,094	566,586	345,508	64,632	144,065	208,697	1.66
2006	828,665	588,526	240,139	53,714	167,466	221,180	1.09
2005	482,744	533,440	(50,696)	44,472	167,321	211,793	(0.24)
2004	434,170	321,693	112,477	41,834	89,538	131,372	0.86

- (1) City of St. Gabriel 1% sales and use tax
- (2) Sewer revenues and transfers from other tax funds
- (3) Total expenses less payments toward debt service and depreciation
- (4) The City began retiring this debt in 2007
- (5) The City began retiring this debt in 2002



**CITY OF ST. GABRIEL, LOUISIANA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

Year	(1) Iberville Parish Population	(1) City of St. Gabriel Population	(2) Personal Income (In Thousands)	(2) Per Capita Personal Income	(3) Unemployment Rate	(4) Labor Market Area Unemployment Rate
2013	33,228	6,755	1,242,950	38,239	9.4	7.0
2012	32,505	6,570	1,206,748	37,125	10.7	8.7
2011	33,387	6,700	1,169,346	35,024	11.6	8.4
2010	33,387	6,677	1,102,353	33,042	10.4	8.5
2009	32,505	5,546	1,035,320	31,851	9.8	7.4
2008	32,899	5,583	1,001,084	30,429	7.8	4.8
2007	32,915	5,572	933,897	28,373	5.3	4.6
2006	32,885	5,605	860,732	26,174	4.8	4.8
2005	32,180	5,534	824,645	25,626	7.9	6.2
2004	32,332	5,560	741,599	22,937	8.8	7.1
			103%	94%		
			106%	94%		
			106%	96%		
			103%	96%		

## Source:

- (1) U.S. Department of Commerce, Bureau of the Census. 2011 data not available.
- (2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2012 and 2011 not available. 2012 and 2011 are estimates based on year over year increase in prior years.
- (3) Louisiana Workforce Commission, Research and Statistics Division, information is for Parish of Iberville.
- (4) U.S. Department of Labor, Bureau of Labor Statistics

**CITY OF ST. GABRIEL, LOUISIANA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2013 (1)	
	Number of Employees	Percent of Total
The Dow Chemical Co.	1,500	35.39%
Iberville Parish School Board	675	15.92%
Georgia Gulf	370	8.73%
Syngenta	340	8.02%
Hebert Brothers General Contractors	300	7.08%
Iberville Parish Council	270	6.37%
Total Petrochemicals	244	5.76%
Wal-Mart	220	5.19%
Olin Chlor Alkali Products	160	3.77%
Shintech	160	4%
	<u>4,239</u>	<u>100.00%</u>

Source: Iberville Parish 2012 Comprehensive Annual Financial Report.

(1) Data for 2004, or nine years ago, was not available.

**CITY OF ST. GABRIEL, LOUISIANA**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES**  
**BY FUND/DEPARTMENT**  
**LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees Allotted in Annual Budget									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	7	12	12	13	12	12	11	13	13	13
Police Department	19	25	22	22	21	21	18	17	15	15
Fire Department	4	7	8	7	10	7	5	6	7	7
Street Maintenance	14	26	19	11	15	9	15	17	17	17
Building	3	6	3	3	4	6	1	1	1	1
Social Services	2	3	3	3	3	7	6	8	12	12
Sewer	4	4	7	7	9	9	9	8	7	7
Civic Center	3	4	6	8	8	5	8	8	-	-
Code Enforcement	4	4	7	4	4	2	-	-	-	-
Total employees	60	91	87	78	86	78	73	78	72	72

Source: City of St. Gabriel

**CITY OF ST. GABRIEL, LOUISIANA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Function:</b>										
Public Safety:										
Police:										
Physical arrests	52	77	156	148	113	135	148	183	94	166
Traffic violations	4,458	2,253	4,144	3,867	4,160	4,067	780	1,213	1,167	N/A
Public Works:										
Building Permits:										
Residential (new)	61	161	50	34	17	26	78	N/A	N/A	N/A
Commercial	10	22	4	5	7	31	22	N/A	N/A	N/A
Transportation:										
Parish street maintenance program:										
Number of miles maintained	17	17	17	17	17	17	17	17	17	17
Number of bridges	5	5	4	4	4	4	4	4	4	4
Sanitation:										
Wastewater:										
Number of users	833	793	789	751	690	688	348	343	339	210
Monthly flat fee	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15
Drainage:										
Miles of drainage ditches maintained	35	35	35	35	35	35	35	35	35	35
Culture-Recreation:										
Parks:										
Number of parks maintained	4	4	4	4	4	4	4	4	4	3

Source: City of St. Gabriel Government and [www.city-data.com](http://www.city-data.com)

Traffic violation information not available for 2004.

Permit information not available for 2006 to 2004.

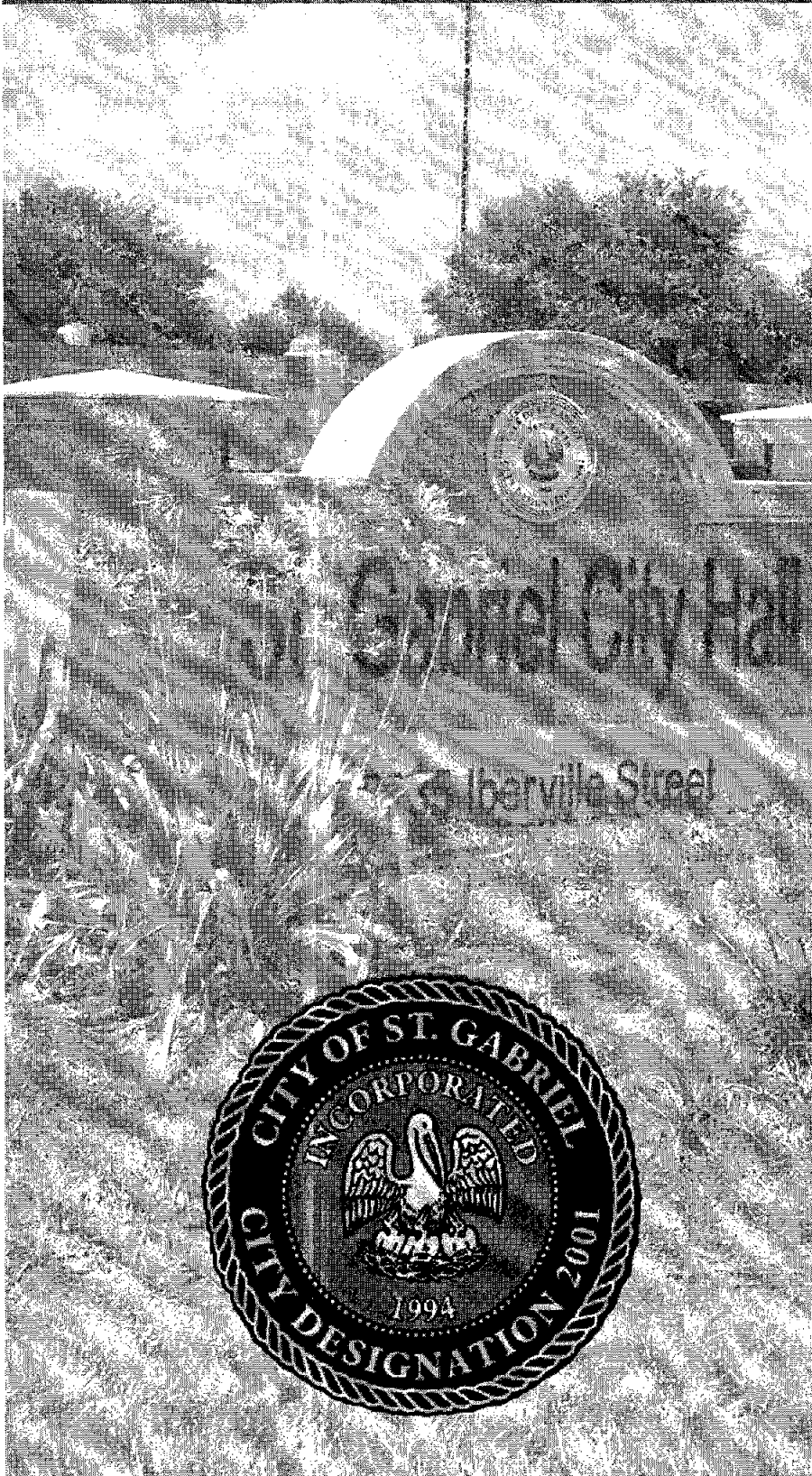
**CITY OF ST. GABRIEL, LOUISIANA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

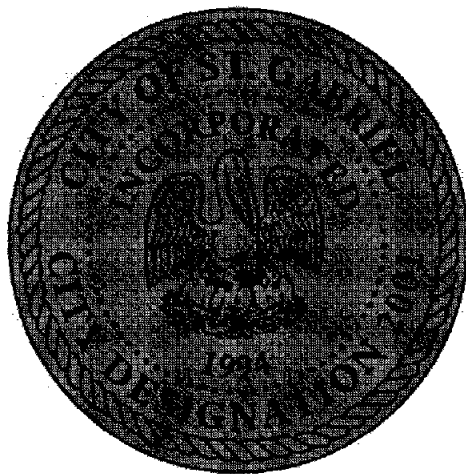
<b>Major Programs</b>	<b>FISCAL YEAR</b>									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government:										
Number of general government buildings	3	3	3	3	3	3	3	2	1	1
Number of vehicles	3	13	12	12	11	11	5	5	5	5
Public Safety:										
Police:										
Number of vehicles	29	28	25	21	19	15	15	17	17	14
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	0	3	3	3	3	3	3	3	3	3
Number of vehicles	0	3	3	3	3	3	3	3	3	3
Streets and Sanitation:										
Number of vehicles	19	22	22	22	22	22	20	19	19	19
Miles of streets	17	17	17	17	17	17	17	17	17	17
Number of bridges	4	4	4	4	4	4	4	4	4	4
Sewer:										
Number of sanitary sewer systems	3	3	3	3	3	3	3	3	3	2
Culture and Recreation										
Number of parks	4	4	4	4	4	4	4	4	4	3
Number of community centers	1	1	1	1	1	1	1	1	1	0
Number of vehicles	3	10	8	8	8	8	8	8	8	8

Source: City of St. Gabriel

**St. Gabriel, Louisiana**  
"A City of Pride, Progress, and Possibilities"

**SPECIAL INDEPENDENT  
AUDITORS' REPORTS**





**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**

To the Honorable Mayor and  
City Council Members  
City of St. Gabriel, 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, and each major fund of the City of St. Gabriel, Louisiana as of and for the year ended June 30, 2013, and the related notes to the financial, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements, and have issued our report thereon dated December 31, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of St. Gabriel, Louisiana'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 City of St. Gabriel, Louisiana's internal control over. Accordingly, we do not express an opinion on the effectiveness of the City of St. Gabriel, Louisiana'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 City of St. Gabriel, Louisiana's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 thereof, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2013-1 and 2013-2].



## **Compliance and Other matters**

As part of obtaining reasonable assurance about whether the City of St. Gabriel, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2013-3 and 2013-4].

## **City of St. Gabriel, Louisiana's Response to Findings**

The City of St. Gabriel, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of St. Gabriel, Louisiana's response was not subjected to 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.



Gonzales, Louisiana  
December 31, 2013

**INDEPENDENT AUDITORS' 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 OMB CIRCULAR A-133**

To the Honorable Mayor and Members  
of the City Council  
City of St. Gabriel, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited City of St. Gabriel, Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of St. Gabriel, Louisiana's major programs for the year ended June 30, 2013. The City of St. Gabriel's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of St. Gabriel, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of St. Gabriel, Louisiana'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 City of St. Gabriel's compliance with those requirements.

**Opinion on Each Major Program**

In our opinion, City of St. Gabriel, Louisiana 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 June 30, 2013.

## Report on Internal Control Over Compliance

Management of City of St. Gabriel, Louisiana 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 City of St. Gabriel, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of St. Gabriel, Louisiana'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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Postlethwaite & Netterville*

Gonzales, Louisiana  
December 31, 2013

**CITY OF ST. GABRIEL**  
**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass-Through Grantor Name/ Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>United States Department of Transportation - FHWA</u></b>			
Passed through the Louisiana Department of Transportation and Development:			
St. Gabriel Sidewalks - Phase IIA, Route LA 75	20.205	257-01-0017	974,041
Total United States Department of Transportation - FHWA			<u>974,041</u>
<b><u>United States Department of Housing and Urban Development</u></b>			
Passed through the Louisiana Community Development Block Program:			
Community Development Block Grant	14.228	B-10-DC-22-0001	138,698
Total United States Department of Housing and Urban Development			<u>138,698</u>
 Total Federal Assistance Expended			 <u>\$ 1,112,739</u>

See auditor's report.

**CITY OF ST. GABRIEL, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of City of St. Gabriel as is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Reconciliation of Federal Expenditures to the Financial Statement**

Federal grant expenses are reported on the Capital	
Projects Fund of the Governmental Fund Statement	\$ 1,125,302
Federal grant expenses are in the prior year	<u>(12,563)</u>
Federal assistance expended as reported on the	
Schedule of Expenditures of Federal Awards	<u>\$ 1,112,739</u>

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

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

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

Identification of Major Program:

CFDA Number  
20.205

Name of Federal Program  
Highway Planning and Construction

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The City did not qualify as a low-risk auditee

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

**B. FINDINGS – FINANCIAL STATEMENT FINDINGS**

**2013-1 Delinquent Sewer Accounts**

**Condition:** As reported in previous audit findings, the City has a significant amount of unpaid and delinquent sewer utility service receivables. Additionally, certain delinquent balances were reported as owed by some City employees.

**Criteria:** Sewer Fees should be collected timely to avoid delinquent status.

**Effect:** Efforts in collecting fees for sewer services have not been successful.

**Cause:** The City does not have adequate controls in place to effectively monitor the billing and collections of unpaid accounts.

**Recommendation:** The City should consider implementing the Legislative Auditor's recommendations.

**Management's corrective action plan:** The City continues to be diligent with efforts associated with collecting fees for providing sewer services; however, the desired results have not been achieved, which is the ultimate collection of the delinquent receivables.

**2013-2 Segregation of Duties**

**Condition:** There is inadequate segregation of duties within the City's accounting department. The following was observed:

- Individuals who process bills are not independent of the collection function.
- An individual who prepares deposits also maintains the cash receipts ledger and posts entries to the general ledger.

**Criteria:** Segregation of duties should be adequate within the City's accounting department to provide effective internal control.

**Effect:** The segregation of duties is inadequate to provide effective internal control over collections.

**Cause:** The City's staff is insufficient to properly segregate duties within the accounting department.

**Recommendation:** The City has an independent CPA firm to assist its accounting department. We found that duties are divided between the CPA firm and the City personnel so that internal controls are enhanced. However, it is still noted that the City's size may make it unfeasible to adequately staff an accounting department with sufficient segregation of duties.

**Management's corrective action plan:** Management concurs with this finding and continues to pursue adequate segregation of duties.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

**NON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2013-3 Noncompliance with Bond Covenants**

**Condition:** The City is not in compliance with the bond covenants requiring monthly deposits to be made into the Sinking Fund, Reserve Fund, and Contingency Fund from Net Revenues, no later than the 20<sup>th</sup> day of each month.

**Criteria:** Deposits should be made in the appropriate funds to comply with requirements set forth in the bond covenants.

**Effect:** The City is not in compliance with its bond covenants as specified in the bond resolutions.

**Cause:** The City's failed to follow procedure to ensure compliance with bond covenants.

**Recommendation:** We recommend that the City adhere to all of the bond covenants set forth in the bond resolutions.

**Management's corrective action plan:** Management concurs with this finding and will take proper corrective action to fund the required bond reserve and contingency funds in 2014.

**2013-4 Public Bid Law**

**Condition:** The City did not comply with public bid law for the purchase a vehicle.

**Criteria:** According to Louisiana Public Bid Law, the City is required to obtain and maintain documentation of at least three telephone or facsimile quotes for purchases in excess of \$10,000 and a public advertisement must be made for all purchases exceeding \$30,000.

**Effect:** The City is not in compliance with Public Bid Law.

**Cause:** The City did not make public an advertisement to bid for the purchase of a vehicle in excess of \$30,000.

**Recommendation:** We recommend that the City monitor the purchases of capital outlay to ensure compliance with public bid law.

**Management's corrective action plan:** Management concurs with this finding.



**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**CITY OF ST. GABRIEL, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2013**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2012-1 Delinquent Sewer Accounts**

**Observation:** This matter has been reclassified to Item 2013-1.

**2012-2 Segregation of Duties**

**Observation:** This matter has been reclassified to Item 2013-2.

**B. FINDINGS – COMPLIANCE**

None

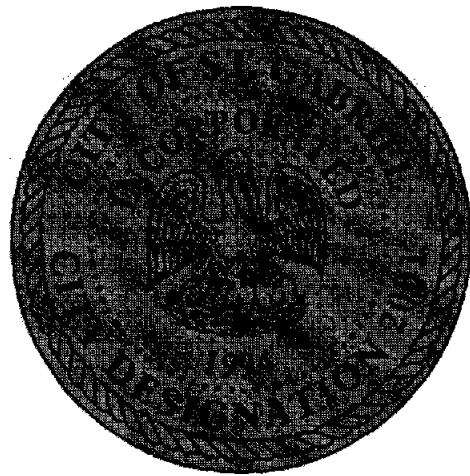
## **SPECIAL ACKNOWLEDGEMENTS**

Leman Raphael  
City Clerk

Tammy Phillips  
Finance Director

Linda Gibson  
Accountant

Janet Madison  
Police Department Manager



# St. Gabriel, Louisiana

"A City of Pride, Progress, and Possibilities"

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### MAYOR

Honorable Lionel Johnson, Jr.

### CITY COUNCIL

Honorable Melvin Hasten, Sr., *Mayor Pro-Tem*

Honorable Deborah Alexander

Honorable Flora Danielfield

Honorable Freddie Frazier, Sr.

Honorable Ralph Johnson, Sr.

### CHIEF OF POLICE

Honorable Kevin Ambeau, Sr.

