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**TOWN OF ST. GABRIEL, LOUISIANA**  
**GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 1999

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

Release Date JAN 0 5 2000

# TOWN OF ST. GABRIEL, LOUISIANA

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the Board of Aldermen,  
Town of St. Gabriel, Louisiana

We have audited the accompanying general-purpose financial statements of the **TOWN OF ST. GABRIEL, LOUISIANA**, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the **TOWN OF ST. GABRIEL**'s management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the **TOWN OF ST. GABRIEL, LOUISIANA**, as of June 30, 1999, and the results of its operations and the cash flows from its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 1999, on our consideration of **TOWN OF ST. GABRIEL, LOUISIANA**'s internal control over financial reporting and compliance with certain provision of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The schedules and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the **TOWN OF ST. GABRIEL, LOUISIANA**. Such information has

been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

*Faulk & Winter LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
September 13, 1999 (except for Note 12,  
as to which the date is November 30, 1999)

**TOWN OF ST. GABRIEL, LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS**

**COMBINED BALANCE SHEET**

June 30, 1999

	Governmental Fund Types		Proprietary Fund Type		Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Enterprise	General Fixed Assets	General Long-term Debt		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 13,984	\$ 12,464	\$ -	\$ -	\$ -	\$ -	\$ 26,448
Taxes receivable	42,375	-	-	-	-	-	42,375
Other receivable	8,651	-	2,635	-	-	-	11,286
Due from other governments	-	2,359,597	-	-	-	-	2,359,597
Due from other fund	143,469	-	-	-	-	-	143,469
General fixed assets	-	-	-	967,209	-	-	967,209
Fixed assets, net	-	-	566,057	-	-	-	566,057
Amount to be provided for the retirement of general long-term debt	-	-	-	-	81,126	-	81,126
Total assets	\$ 208,479	\$ 2,372,061	\$ 568,692	\$ 967,209	\$ 81,126	\$ -	\$ 4,197,567
<b>LIABILITIES</b>							
Accounts payable	\$ 87,303	\$ -	\$ 191,575	\$ -	\$ -	\$ -	\$ 278,878
Accrued payroll and payroll taxes	111,787	-	-	-	-	-	111,787
Due to other fund	-	-	143,469	-	-	-	143,469
Amount held in escrow	-	2,308,759	-	-	-	-	2,308,759
Long - term debt payable	-	-	-	-	81,126	-	81,126
Total liabilities	199,090	2,308,759	335,044	-	81,126	-	2,924,019
<b>FUND EQUITY</b>							
Investment in general fixed assets	-	-	-	967,209	-	-	967,209
Contributed capital	-	-	197,064	-	-	-	197,064
Fund balance	9,389	63,302	-	-	-	-	72,691
Retained earnings	-	-	36,584	-	-	-	36,584
Total fund equity	9,389	63,302	233,648	967,209	-	-	1,273,548
Total liabilities and fund equity	\$ 208,479	\$ 2,372,061	\$ 568,692	\$ 967,209	\$ 81,126	\$ -	\$ 4,197,567

**TOWN OF ST. GABRIEL, LOUISIANA  
ALL GOVERNMENTAL FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

For the year ended June 30, 1999

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>REVENUES</b>			
Taxes	\$ 762,260	\$ 778,254	\$ 1,540,514
Intergovernmental	70,525	-	70,525
Licenses and permits	116,198	-	116,198
Fines	131	-	131
Other	42,015	-	42,015
	991,129	778,254	1,769,383
<b>EXPENDITURES</b>			
General government	809,466	-	809,466
Public safety	268,410	-	268,410
Streets and sanitation	765,073	-	765,073
Social services and recreation, and senior center	312,932	-	312,932
	2,155,881	-	2,155,881
Excess (deficiency) of revenues over expenditures	(1,164,752)	778,254	(386,498)
<b>OTHER FINANCING SOURCE (USES)</b>			
Operating transfers in	1,082,000	-	1,082,000
Proceeds from debt issuance	90,000	-	90,000
Operating transfers out	-	(1,082,000)	(1,082,000)
	1,172,000	(1,082,000)	90,000
Excess (deficiency) of revenues over expenditures and other sources (uses)	7,248	(303,746)	(296,498)
<b>FUND BALANCE</b>			
Beginning of year	2,141	367,048	369,189
End of year	\$ 9,389	\$ 63,302	\$ 72,691

Notes on Exhibit A-5 are an integral part of this statement.

**TOWN OF ST. GABRIEL, LOUISIANA  
GENERAL AND SPECIAL REVENUE FUNDS**

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

For the year ended June 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
<b>REVENUES</b>						
Taxes	\$ 761,000	\$ 762,260	\$ 1,260	\$ 777,000	\$ 778,254	\$ 1,254
Intergovernmental	77,600	70,525	(7,075)	-	-	-
Licenses and permits	113,500	116,198	2,698	-	-	-
Fines	120	131	11	-	-	-
Other	59,100	42,015	(17,085)	-	-	-
Total revenues	1,011,320	991,129	(20,191)	777,000	778,254	1,254
<b>EXPENDITURES</b>						
General government	842,880	809,466	33,414	-	-	-
Public safety	288,040	268,410	19,630	-	-	-
Streets and sanitation	818,131	765,073	53,058	-	-	-
Social services and recreation, and senior center	323,840	312,932	10,908	-	-	-
Total expenditures	2,272,891	2,155,881	117,010	-	-	-
Excess (deficiency) of revenues over expenditures	(1,261,571)	(1,164,752)	96,819	777,000	778,254	1,254
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	1,172,000	1,082,000	(90,000)	-	-	-
Proceeds from debt issuance	90,000	90,000	-	-	-	-
Operating transfers out	-	-	-	(1,137,000)	(1,082,000)	55,000
Total financing sources (uses)	1,262,000	1,172,000	(90,000)	(1,137,000)	(1,082,000)	55,000
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ 429	7,248	\$ 6,819	\$ (360,000)	(303,746)	\$ 56,254
<b>FUND BALANCE</b>						
Beginning of year		2,141			367,048	
End of year		\$ 9,389			\$ 63,302	

Notes on Exhibit A-5 are an integral part of this statement.

**TOWN OF ST. GABRIEL, LOUISIANA  
PROPRIETARY FUND TYPE - SEWER FUND**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS**

For the year ended June 30, 1999

	<b>1999</b>	<b>1998</b>
<b>REVENUES</b>		
Charges for services	\$ 27,364	\$ 31,054
<b>EXPENSES</b>		
Maintenance	9,052	584
Depreciation	19,706	19,706
Bad debt	3,365	4,800
Utilities	236	-
Other	8,638	4,534
Total operating expenses	40,997	29,624
Net income (loss)	(13,633)	1,430
Depreciation transferred to contributed capital	19,706	19,706
Net income transferred to retained earnings	6,073	21,136
<b>RETAINED EARNINGS</b>		
Beginning of year	30,511	9,375
End of year	\$ 36,584	\$ 30,511

Notes on Exhibit A-5 are an integral part of this statement.

**TOWN OF ST. GABRIEL, LOUISIANA  
PROPRIETARY FUND TYPE - SEWER FUND**

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 1999

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (13,633)	\$ 1,430
Adjustments to net income (loss):		
Depreciation	19,706	19,706
Change in operating assets and liabilities:		
Account receivable	925	(3,560)
Account payable	156,307	25,238
Due to other fund	<u>143,469</u>	<u>-</u>
Net cash provided by operating activities	306,774	42,814
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Acquisition of fixed asset	<u>(333,725)</u>	<u>(25,238)</u>
Net increase (decrease) in cash	(26,951)	17,576
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>26,951</u>	<u>9,375</u>
End of year	<u>\$ -</u>	<u>\$ 26,951</u>

Notes on Exhibit A-5 are an integral part of this statement.

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

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **Statement presentation**

The financial statements of the Town of St. Gabriel, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. 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 of the government are described below.

The Town was incorporated August 26, 1994, and is a political subdivision of the State of Louisiana. The Town enacts ordinances, sets policies and established programs in such fields as public safety, streets and sanitation, recreation and health and welfare.

##### **Reporting entity**

For financial reporting purposes, the Town includes all funds and account groups that are controlled by or dependent on the Town's executive or legislative branches (the Mayor or the Board of Aldermen, respectively). Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the Town, obligations of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

##### **Estimates**

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

##### **Fund Accounting**

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. 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:

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

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town 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 Town:

**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Proprietary Fund Types**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

**Enterprise Fund** - An enterprise fund is used to account for sewer operations 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.

**Account Groups**

Account groups are used to establish accounting control and accountability for the Town's fixed assets and general long-term debt. The following are the account groups of the Town:

**General Fixed Assets Account Group** - This group of accounts represents a summary of the fixed assets of the Town. Capital expenditures are recorded as expenditures in the governmental fund types at the time of purchase and are subsequently recorded, at cost, for control purposes, in the general fixed assets account group.

In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded on general fixed assets.

**General Long-Term Debt Account Group** - This group of accounts represents a summary of the long-term debt of the Town.

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

**Basis of accounting**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available (collectible within the current period) and measurable (amount can be determined). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

The modified accrual basis of accounting as applied to the major sources of revenue is as follows:

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, and become due on December 31 of each year.

Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time.

Federal/State aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

**Cash, Cash Equivalents, and Investments**

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

Consolidated bank accounts have been established for the Town 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.

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

**Cash, Cash Equivalents, and Investments (Continued)**

The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions. The Town 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 Town has a custodial agreement.

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.

**Accounts receivable**

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.

**General fixed assets**

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the governmental fund, and the related assets are reported in the general fixed assets account group. Property acquired through donations is recorded at its estimated fair market value.

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.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Depreciation has not been provided on general fixed assets, nor has interest been capitalized.

**Fixed Assets - Proprietary fund**

The donated fixed asset used by the proprietary fund is stated at the fair value of the asset when it was received. Depreciation has been provided over the remaining estimated useful life of 13 years using the straight-line method.

**Compensated absences**

All full time employees of the Town are entitled to annual vacation and sick leave. Employees are able to carryover unused vacation to the next year without limitation. Vacation leave unused upon termination or retirement will be paid to the employee. Sick leave does not carry over from one year to another.

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

**Transfers**

Advances between funds that are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through various interfund accounts.

**Budget policy and budgetary accounting**

A proposed budget is prepared and submitted to the Mayor and Board of Aldermen 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 commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers all governmental activities anticipated by the Town. At the end of the fiscal year, unexpended appropriations automatically lapse. 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 amendments resides with the Board of Aldermen.

**Comparative total data**

Comparative data for the prior year have been presented in certain accompanying financial statements to provide an understanding of changes in the Town's financial position and operations.

**Total columns on combined statements**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At year-end, the Town's cash balances totaled \$26,448 and the related bank balances were \$53,550. The bank balances at year end were secured by federal depository insurance of \$200,000, collateral held by custodial banks, and investments in securities of the United States government.

The collateral pledged at June 30, 1999, was in the form of statutory approved investments as follows:

	Value	
	Par	Market
U.S. Agency	\$ <u>792,487</u>	\$ <u>789,935</u>

**NOTE 3 - AD VALOREM TAXES**

For the year ended June 30, 1999, taxes of 12.0 mills were levied for general government and public purposes on property with assessed valuations totaling \$88,437,880. Total taxes levied were \$1,016,308.

Property tax mileage 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.

Ad valorem taxes of \$930,012 were collected by the Town from eleven property owners during the year ended June 30, 1999. Tax collections from three of the eleven taxpayers amounted to \$708,810.

**NOTE 4 - FIXED ASSETS**

**General fixed assets**

A summary of changes in general fixed assets for the year ended June 30, 1999, is as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>End of Year</u>
Land and buildings	\$ 360,741	\$ -	\$ 360,741
Vehicles	210,227	92,614	302,841
Equipment	<u>277,002</u>	<u>26,625</u>	<u>303,627</u>
Totals	<u>\$ 847,970</u>	<u>\$ 119,239</u>	<u>\$ 967,209</u>

**Proprietary fund fixed assets**

A summary of changes in proprietary fund fixed assets for the year ended June 30, 1999, is as follows:

	<u>Beginning Year</u>	<u>Additions</u>	<u>End of Year</u>
Sewerage treatment system	\$ 256,182	\$ -	\$ 256,182
Construction in progress	<u>35,268</u>	<u>333,725</u>	<u>368,993</u>
	291,450	<u>\$ 333,725</u>	625,175
Accumulated depreciation	<u>(39,412)</u>	<u>\$ (19,706)</u>	<u>(59,118)</u>
Total	<u>\$ 252,038</u>		<u>\$ 566,057</u>

**NOTE 5 - LONG-TERM DEBT**

**Debt outstanding**

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 1999:

	Beginning of Year	Additions	Retired	End of Year
Capital leases	\$ 61,462	\$ 90,000	\$ 70,334	\$ 81,126

Capital leases at June 30, 1999, are comprised of the following:

6.5% capital lease, secured by equipment, payable in monthly installments of \$1,580, including interest, maturing July 1999.	\$ 2,038
6.25% capital lease, secured by equipment, payable in monthly installments of \$2,693, including interest, maturing November 1999.	10,634
4.94% capital lease, secured by vehicle, payable in annual installments at \$24,153, including interest, maturing March 2002	68,454
	\$ 81,126

Future minimum lease payments for capital leases in subsequent years are as follows:

Year	Amount
2000	\$ 34,841
2001	22,812
2002	23,473
Total	\$ 81,126

**NOTE 6 - PENSION PLANS**

**Municipal Employees' Retirement System of Louisiana**

*Plan Description* – Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana (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, with separate assets and benefit provisions. All employees of the Town are members of Plan A.

**NOTE 6 - PENSION PLANS (CONTINUED)**

All permanent employees working at least 35 hours per week who are paid wholly or in part from Town 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 or after age 55 with at least 25 years of creditable service or any age with at least 30 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. Furthermore, employees with at least one year of creditable service but less than 30 years, may take early retirement benefits commencing at or after age 60, with basic benefits reduced 3 percent for each year retirement precedes age 62. In any case, 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.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 5.75 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 Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 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 Town's contributions to the system under Plan A for the year ended June 30, 1999, was \$49,306.

**Municipal Police Employees' Retirement System**

*Plan Description* – Police department employees of the Town 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 the Town's police department are required to participate in the System.

**NOTE 6 - PENSION PLANS (CONTINUED)**

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% 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, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

*Funding Policy.* Under the Plan, members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As established 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 Town's contributions to the system under the Plan for the year ended June 30, 1999, was \$3,686.

**Firefighters' Retirement System**

*Plan Description* – Fire department employees of the Town are members of the Firefighters' Retirement System (System), a 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 Town's fire department are eligible to participate in the System.

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 any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 30 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% 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 Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060.

**NOTE 6 - PENSION PLANS (CONTINUED)**

*Funding Policy.* Under the Plan, members are required by state statute to contribute 8.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As established 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 Town's contributions to the system under the Plan for the year ended June 30, 1999, was \$2,740.

**NOTE 7 - DEDICATED REVENUES AND DEPOSITS HELD IN ESCROW**

**Ad Valorem Tax**

A 5 mill ad valorem tax through 2005 was approved by voters in July 1996. The tax is dedicated for public improvements including, but not limited to, sewer and waste water facilities, water and fire protection, streets, sidewalks, bridges, drainage and other capital expenditures, including operating and maintenance costs related thereto. Dedicated ad valorem taxes of \$ 442,281 were collected during the year ended June 30, 1999.

**Sales and Use Tax**

A 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 Town received \$ 335,972 from sales and use tax during the year ended June 30, 1999.

The collection of the sales and use tax has been challenged by nine corporate taxpayers of the Town. The basis for the challenge concerns the application of the state limitation for sales and use tax to municipalities relative to the combined rate being utilized by Iberville Parish. In December 1997, the state district court issued a summary judgment authorizing the Town to collect the sales and use tax. The defendants appealed the judgment of the district court to the First Circuit Court of Appeals. Accordingly, collections related to those taxpayers are being held in escrow pending resolution. At June 30, 1999, collections of \$2,308,759 for contested sales taxes were being held by the Iberville Parish Sales Tax Department. See Note 12.

**NOTE 8 - COMPENSATION TO GOVERNING BODY**

The Town compensated its Mayor and members of the Board of Aldermen as follows:

Mayor	
George Grace	\$ 45,000
Board of Aldermen	
Warren Berthelot	7,200
Melvin Hasten, Sr.	7,200
Lionel Johnson	7,200
Alexander Wright	7,200
Cardell Smith	<u>7,200</u>
	<u>\$ 81,000</u>

**NOTE 9 - CONTINGENCIES**

**Suits and Claims**

The Town is party to a class action filed suit for fines paid through the Mayor's Court. The suit alleges that the Mayor's Court was unconstitutional because it was organized and operated after the enactment of the 1974 Louisiana Constitution, which prohibited the creation of any court of limited jurisdiction. In January 1997, the trial court granted the plaintiff's motion for summary judgment declaring the Mayor's Court unconstitutional. The court deferred ruling on whether to treat this matter as a class action suit. The Town appealed the Court's ruling. The appellate court ruled that the trial court committed a procedural error by not ruling on the request for class certification first. As a result, the appellate court remanded the case with instructions that a hearing be held on class certification before any other action is taken. A class certification decision is expected in early 2000. The Town is defending this matter vigorously. If unsuccessful in its defenses, however, the estimated refunds will approximate \$150,000. The case is not covered by insurance.

Various other suits and claims arising in the ordinary course of operations are pending against the Town. 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 Town's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town.

**Risk Management**

The Town 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 Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 9 - CONTINGENCIES (CONTINUED)**

**Grants**

The Town 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 Town management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

**Construction Contracts**

At June 30, 1999, the Town had outstanding commitments resulting from construction and professional service contracts of approximately \$2,525,600 and \$68,100, respectively.

**NOTE 10 - SUBSEQUENT EVENTS**

**Indebtedness**

On July 1, 1999, the Town issued certificates of indebtedness in the amount of \$450,000, with a 6% interest rate and maturity of March 1, 2000.

**Sewer Revenue Bonds**

On August 19, 1999, The Town passed a resolution to issue \$1,237,000 of Sewer Revenue bonds bearing interest of 4.5% and payable over 40 annual installments. The proceeds for the issuance will be used to acquire and construct improvements and extensions of the sewer system.

**NOTE 11 - YEAR 2000 ISSUE**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations for the fiscal year ending June 30, 2000.

The Town of St. Gabriel has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Town operations. The Town has identified such systems as being financial reporting, payroll, and utility operations.

**NOTE 11 - YEAR 2000 ISSUE (CONTINUED)**

The Town is assessing the changes needed to these systems to be Year 2000 compliant. At June 30, 1999, no amounts were expended or had been committed for this project.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that parties with whom the Town does business will be Year 2000 ready.

**NOTE 12 - SALES TAX ISSUE**

In October 1999, the Town settled its lawsuit concerning the collection of the sales and use tax, which had been challenged by nine corporate taxpayers. As a result of the settlement, the Town received approximately \$1,300,000 from escrowed funds with the balance returned to the taxpayers. In addition, the Town agreed to reduce the percentage of sales and use tax collections from one percent to one-third of one percent.

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

## **GENERAL FUND**

The General Fund is used  
to account for all financial resources  
except those required to be accounted for  
in another fund.

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

**BALANCE SHEET**

June 30, 1999

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,984	\$ 74,926
Taxes receivable	42,375	39,052
Other receivable	8,651	8,116
Due from other fund	<u>143,469</u>	<u>-</u>
Total assets	<u>\$ 208,479</u>	<u>\$ 122,094</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 87,303	\$ 30,202
Accrued payroll and payroll taxes	<u>111,787</u>	<u>89,751</u>
Total liabilities	199,090	119,953
 <b>FUND BALANCE</b>		
	<u>9,389</u>	<u>2,141</u>
Total liabilities and fund balance	<u>\$ 208,479</u>	<u>\$ 122,094</u>

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

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

For the year ended June 30, 1999

	1999		Variance - favorable (unfavorable)	1998
	Budget	Actual		Actual
<b>REVENUES</b>				
Taxes	\$ 761,000	\$ 762,260	\$ 1,260	\$ 756,613
Intergovernmental	77,600	70,525	(7,075)	64,099
Licenses and permits	113,500	116,198	2,698	106,272
Fines	120	131	11	1,004
Other	59,100	42,015	(17,085)	44,317
	<u>1,011,320</u>	<u>991,129</u>	<u>(20,191)</u>	<u>972,305</u>
<b>EXPENDITURES</b>				
General government	842,880	809,466	33,414	882,092
Public safety	288,040	268,410	19,630	207,962
Streets and sanitation	818,131	765,073	53,058	547,083
Social services and recreation, and senior center	323,840	312,932	10,908	118,547
	<u>2,272,891</u>	<u>2,155,881</u>	<u>117,010</u>	<u>1,755,684</u>
Excess of expenditures over revenues	<u>(1,261,571)</u>	<u>(1,164,752)</u>	<u>96,819</u>	<u>(783,379)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
Ad valorem tax fund	442,000	442,000	-	542,000
Sales tax fund	695,000	640,000	(55,000)	241,000
Sewer fund	35,000	-	(35,000)	-
Proceeds from debt issuance	90,000	90,000	-	-
	<u>1,262,000</u>	<u>1,172,000</u>	<u>(90,000)</u>	<u>783,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ 429</u>	7,248	<u>\$ 6,819</u>	(379)
<b>FUND BALANCE</b>				
Beginning of year		<u>2,141</u>		<u>2,520</u>
End of year		<u>\$ 9,389</u>		<u>\$ 2,141</u>

Notes on Exhibit A-5 are an integral part of this statement.

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

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

For the year ended June 30, 1999

	1999		Variance - favorable (unfavorable)	1998
	Budget	Actual		Actual
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 620,000	\$ 619,026	\$ (974)	\$ 610,765
Franchise	102,000	103,859	1,859	107,058
Telephone	32,500	32,883	383	32,661
Cable TV	6,500	6,492	(8)	6,129
Licenses and permits	113,500	116,198	2,698	106,272
Intergovernmental:				
State of Louisiana	4,500	4,051	(449)	9,350
Contractual services	12,600	5,484	(7,116)	12,300
Tobacco	19,800	19,155	(645)	19,155
Video draw poker	40,000	21,319	(18,681)	18,502
JTPA reimbursements	-	-	-	4,792
Iberville Parish Council	-	20,000	20,000	-
Other	700	516	(184)	-
Fines	120	131	11	1,004
Other:				
Lease and royalty	6,000	5,875	(125)	6,015
Interest	11,000	16,197	5,197	27,590
Security reimbursement	15,600	-	(15,600)	-
Miscellaneous	26,500	19,943	(6,557)	10,712
Total revenues	<u>\$ 1,011,320</u>	<u>\$ 991,129</u>	<u>\$ (20,191)</u>	<u>\$ 972,305</u>

Notes on Exhibit A-5 are an integral part of this statement.

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

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

For the year ended June 30, 1999

	1999		Variance - favorable (unfavorable)	1998
	Budget	Actual		Actual
<b>GENERAL GOVERNMENT</b>				
Salaries	\$ 290,000	\$ 265,233	\$ 24,767	\$ 236,815
Payroll taxes	30,000	24,947	5,053	17,941
Municipal retirement	14,000	13,314	686	32,453
Travel	12,500	12,876	(376)	10,684
Fixed asset acquisitions	13,500	12,090	1,410	21,236
Accounting	44,500	37,598	6,902	39,673
Dues and subscriptions	4,000	8,754	(4,754)	4,471
Entertainment	2,200	6,377	(4,177)	5,061
Consultants	87,000	76,269	10,731	92,304
Contract labor	42,000	45,695	(3,695)	70,374
Interest	13,100	13,093	7	14,573
Insurance	33,380	42,083	(8,703)	89,315
Legal	63,000	57,462	5,538	54,656
Building maintenance	55,000	46,571	8,429	67,513
Vehicle fuel	1,800	1,465	335	1,762
Office supplies	29,000	30,751	(1,751)	20,382
Vehicle maintenance	22,500	13,057	9,443	11,271
Publishing	7,000	6,342	658	7,151
Telephone	29,000	30,053	(1,053)	20,611
Utilities	20,000	23,650	(3,650)	14,475
Debt service	-	-	-	10,520
Other	29,400	41,786	(12,386)	38,851
	<u>842,880</u>	<u>809,466</u>	<u>33,414</u>	<u>882,092</u>
<b>STREETS AND SANITATION</b>				
Salaries	480,000	455,515	24,485	326,645
Payroll taxes	10,000	9,737	263	5,594
Municipal retirement	24,400	23,174	1,226	-
Fixed asset acquisitions	15,000	15,703	(703)	33,991
Insurance	77,000	71,588	5,412	10,675
Equipment maintenance	41,000	55,700	(14,700)	49,516
Street and building maintenance	8,500	10,860	(2,360)	8,020
Utilities	33,000	26,585	6,415	30,977
Vehicle fuel	11,000	12,002	(1,002)	9,239
Equipment rental	4,500	4,809	(309)	2,254
Supplies	25,000	22,985	2,015	14,678
Debt service	48,631	47,007	1,624	52,860
Other	40,100	9,408	30,692	2,634
	<u>818,131</u>	<u>765,073</u>	<u>53,058</u>	<u>547,083</u>

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

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

For the year ended June 30, 1999

	1999			1998
	Budget	Actual	Variance - favorable (unfavorable)	Actual
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Salaries	\$ 70,000	\$ 58,343	\$ 11,657	\$ 44,984
Payroll taxes	6,000	1,405	4,595	698
Police retirement	6,000	3,686	2,314	3,433
Insurance	15,250	10,282	4,968	835
Travel	400	254	146	1,050
Clothing	2,000	164	1,836	-
Training	350	685	(335)	624
Dues and subscriptions	-	117	(117)	407
Utilities	600	450	150	3,500
Telephone	4,500	5,037	(537)	3,544
Vehicle fuel	2,400	2,522	(122)	1,887
Vehicle maintenance	6,000	5,414	586	1,290
Equipment maintenance	-	1,464	(1,464)	329
Field supplies	6,800	2,318	4,482	1,062
Printing	1,000	362	638	284
Debt service	-	-	-	10,454
Other	5,850	3,065	2,785	9,266
<b>Total police</b>	<b>127,150</b>	<b>95,568</b>	<b>31,582</b>	<b>83,647</b>
<b>Fire</b>				
Salaries	95,000	102,283	(7,283)	110,775
Payroll taxes	2,000	2,120	(120)	2,367
Municipal and fire fighters retirement	7,380	7,177	203	2,348
Insurance	7,610	7,129	481	-
Contract labor	38,000	39,784	(1,784)	-
Fixed asset acquisitions	1,400	1,297	103	-
Telephone	3,000	2,122	878	2,034
Office supplies	1,500	1,615	(115)	978
Travel	-	-	-	1,053
Debt service	-	4,572	(4,572)	-
Other	5,000	4,743	257	4,760
<b>Total fire</b>	<b>160,890</b>	<b>172,842</b>	<b>(11,952)</b>	<b>124,315</b>
<b>Total public safety</b>	<b>288,040</b>	<b>268,410</b>	<b>19,630</b>	<b>207,962</b>

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

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

For the year ended June 30, 1999

	1999			1998
	Budget	Actual	Variance - favorable (unfavorable)	Actual
<b>SOCIAL SERVICES AND RECREATION, AND SENIOR CENTER</b>				
<b>Social services and recreation</b>				
Salaries	\$ 73,700	\$ 75,137	\$ (1,437)	\$ 37,386
Payroll taxes	2,500	2,578	(78)	1,067
Municipal retirement	4,160	3,944	216	-
Insurance	5,500	6,085	(585)	1,772
Training	300	1,006	(706)	798
Vehicle	475	558	(83)	48
Supplies	4,100	2,471	1,629	8,537
Dues and subscription	1,500	830	670	1,538
Contract labor	800	770	30	565
Telephone	500	60	440	381
Other	3,000	1,686	1,314	4,417
<b>Total social services and recreation</b>	<b>96,535</b>	<b>95,125</b>	<b>1,410</b>	<b>56,509</b>
<b>Senior center</b>				
Salaries	81,000	72,923	8,077	49,675
Payroll taxes	2,900	2,607	293	1,533
Municipal retirement	4,680	4,437	243	-
Insurance	7,375	7,437	(62)	-
Training	850	712	138	45
Fixed asset acquisition	91,500	91,274	226	2,806
Vehicle	5,000	4,330	670	4,353
Supplies	2,600	2,693	(93)	2,134
Contract labor	4,200	4,870	(670)	-
Debt service	24,200	24,153	47	-
Other	3,000	2,371	629	1,492
<b>Total senior center</b>	<b>227,305</b>	<b>217,807</b>	<b>9,498</b>	<b>62,038</b>
<b>Total social services and recreation, and senior center</b>	<b>323,840</b>	<b>312,932</b>	<b>10,908</b>	<b>118,547</b>
<b>Total expenditures</b>	<b>\$ 2,272,891</b>	<b>\$ 2,155,881</b>	<b>\$ 117,010</b>	<b>\$ 1,755,684</b>

Notes on Exhibit A-5 are an integral part of this statement.

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

## **SPECIAL REVENUE FUNDS**

### **SALES AND USE TAX FUND**

The Sales and Use Tax Fund is used to account for the collection of a dedicated one-percent (one-third of one percent for periods subsequent to October 1999) sales and use tax in the Town. The Town participates in centralized administration of local sales taxes with other Parish municipalities.

### **AD VALOREM TAX FUND**

The Ad Valorem Tax Fund is used to account for the collection of a 5 mill ad valorem tax in the Town. The taxes are remitted to the appropriate funds as budgeted by the Town annually, or as dedicated.

**TOWN OF ST. GABRIEL, LOUISIANA  
SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET**

June 30, 1999

	<u>Sales and Use</u>	<u>Ad Valorem</u>	<u>Totals</u>	
	<u>Tax Fund</u>	<u>Tax Fund</u>	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,188	\$ 1,276	\$ 12,464	\$ 302,741
Due from other governments	<u>2,359,597</u>	<u>-</u>	<u>2,359,597</u>	<u>1,592,759</u>
Total assets	<u>\$ 2,370,785</u>	<u>\$ 1,276</u>	<u>\$ 2,372,061</u>	<u>\$ 1,895,500</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Amount held in escrow	\$ 2,308,759	\$ -	\$ 2,308,759	\$ 1,528,452
<b>FUND BALANCE</b>	<u>62,026</u>	<u>1,276</u>	<u>63,302</u>	<u>367,048</u>
Total liabilities and fund balance	<u>\$ 2,370,785</u>	<u>\$ 1,276</u>	<u>\$ 2,372,061</u>	<u>\$ 1,895,500</u>

**TOWN OF ST. GABRIEL, LOUISIANA  
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, OTHER FINANCING USES  
AND CHANGES IN FUND BALANCE**

For the year ended June 30, 1999

	<u>Sales and Use Tax Fund</u>	<u>Ad Valorem Tax Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
<b>REVENUES</b>				
Taxes	\$ 335,973	\$ 442,281	\$ 778,254	\$ 803,475
<b>OTHER FINANCING USES</b>				
Transfers out				
General Fund	<u>(640,000)</u>	<u>(442,000)</u>	<u>(1,082,000)</u>	<u>(783,000)</u>
Excess (deficiency) of revenues over other financing uses	(304,027)	281	(303,746)	20,475
<b>FUND BALANCE</b>				
Beginning of year	<u>366,053</u>	<u>995</u>	<u>367,048</u>	<u>346,573</u>
End of year	<u>\$ 62,026</u>	<u>\$ 1,276</u>	<u>\$ 63,302</u>	<u>\$ 367,048</u>

Notes on Exhibit A-5 are an integral part of this statement.

**TOWN OF ST. GABRIEL, LOUISIANA  
SALES AND USE TAX FUND**

**STATEMENT OF REVENUES AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 1999

	1999		Variance - favorable (unfavorable)	1998
	Budget	Actual		Actual
<b>REVENUES</b>				
Taxes				
Sales and use taxes	\$ 335,000	\$ 335,973	\$ 973	\$ 367,168
<b>OTHER FINANCING USES</b>				
Transfers out				
General Fund	(695,000)	(640,000)	55,000	(241,000)
Excess (deficiency) of revenues over other financing uses	<u>\$ (360,000)</u>	(304,027)	<u>\$ 55,973</u>	126,168
<b>FUND BALANCE</b>				
Beginning of year		<u>366,053</u>		<u>239,885</u>
End of year		<u>\$ 62,026</u>		<u>\$ 366,053</u>

Notes on Exhibit A-5 are an integral part of this statement.

**TOWN OF ST. GABRIEL, LOUISIANA  
AD VALOREM TAX FUND**

**STATEMENT OF REVENUES, OTHER FINANCING USES AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 1999

	1999		Variance - favorable (unfavorable)	1998
	Budget	Actual		Actual
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 442,000	\$ 442,281	\$ 281	\$ 436,307
<b>OTHER FINANCING USES</b>				
Transfers out				
General Fund	<u>(442,000)</u>	<u>(442,000)</u>	-	<u>(542,000)</u>
Excess (deficiency) of revenues over other financing uses	<u>\$ -</u>	281	<u>\$ 281</u>	(105,693)
<b>FUND BALANCE</b>				
Beginning of year		<u>995</u>		<u>106,688</u>
End of year		<u>\$ 1,276</u>		<u>\$ 995</u>

**TOWN OF ST. GABRIEL, LOUISIANA**  
**SPECIAL INDEPENDENT AUDITORS' REPORTS**



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

The Honorable Mayor and  
Members of the Board of Alderman,  
Town of St. Gabriel, Louisiana

We have audited the general purpose financial statements of the **TOWN OF ST. GABRIEL, LOUISIANA**, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 13, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the **TOWN OF ST. GABRIEL, LOUISIANA**'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is as follows:

**Public Bid Law**

**Observation:** During the year ended June 30, 1999, the Town purchased a bus for approximately \$91,000. The Town obtained five quotations prior to the purchase of the bus; however, a public advertisement soliciting bids was not made.

**Recommendation:** Purchases of equipment in excess of \$15,000 are to be advertised for bid solicitation by the Town.

**Management's corrective action plan:** The Town has reviewed its policy for large purchases subject to the public bid law and has determined this to be an isolated incident. Typically, the Town advertises for bid solicitation for equipment purchases. The Town will comply with the public bid law in the future.

## **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the **TOWN OF ST. GABRIEL, LOUISIANA**'s internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, the reportable condition described below involving internal control over financial reporting is also considered to be a material weakness as defined above.

### **SEGREGATION OF DUTIES**

**Observation:** There is not sufficient segregation of duties to have effective internal control. The finding results from the small size of the Town which is served by a limited accounting system. These limitations allow no opportunity for meaningful segregation of duties.

**Recommendation:** No action recommended

**Management response:** We concur with the finding.

This report is intended for the information of management of the Town and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Baton Rouge, Louisiana  
September 13, 1999 (except for Note 12,  
as to which the date is November 30, 1999)

**TOWN OF ST. GABRIEL, LOUISIANA**  
St. Gabriel, Louisiana

**SUMMARY OF PRIOR YEAR FINDINGS**

For the year ended June 30, 1999

**Collateral Pledges of Cash and Investments**

During the year ended June 30, 1998, we reported an instance of non-compliance that was required to be reported under *Government Auditing Standards*. Amounts held in the Town's financial institution were not adequately secured. During 1999, the Town obtained additional security pledges to adequately secure the funds held by its financial institutions.

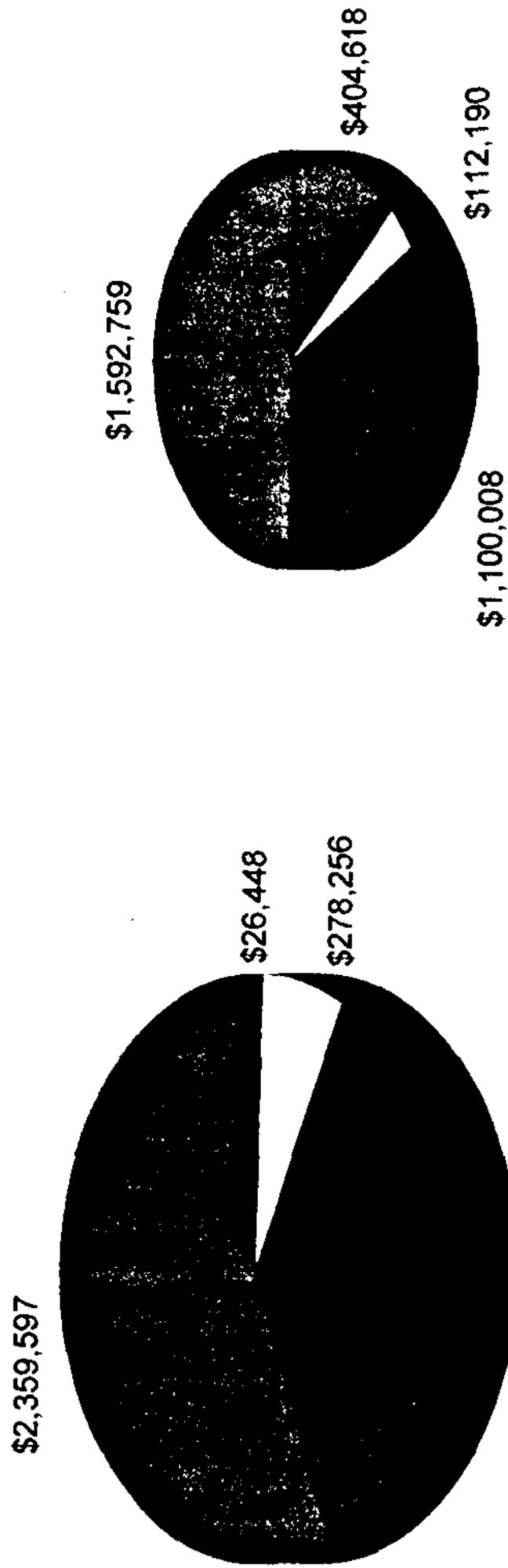
As a result, this matter has been resolved to our satisfaction.

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## **STATISTICAL INFORMATION**

# TOWN OF ST. GABRIEL, LOUISIANA

## ASSETS



JUNE 30, 1999

JUNE 30, 1998

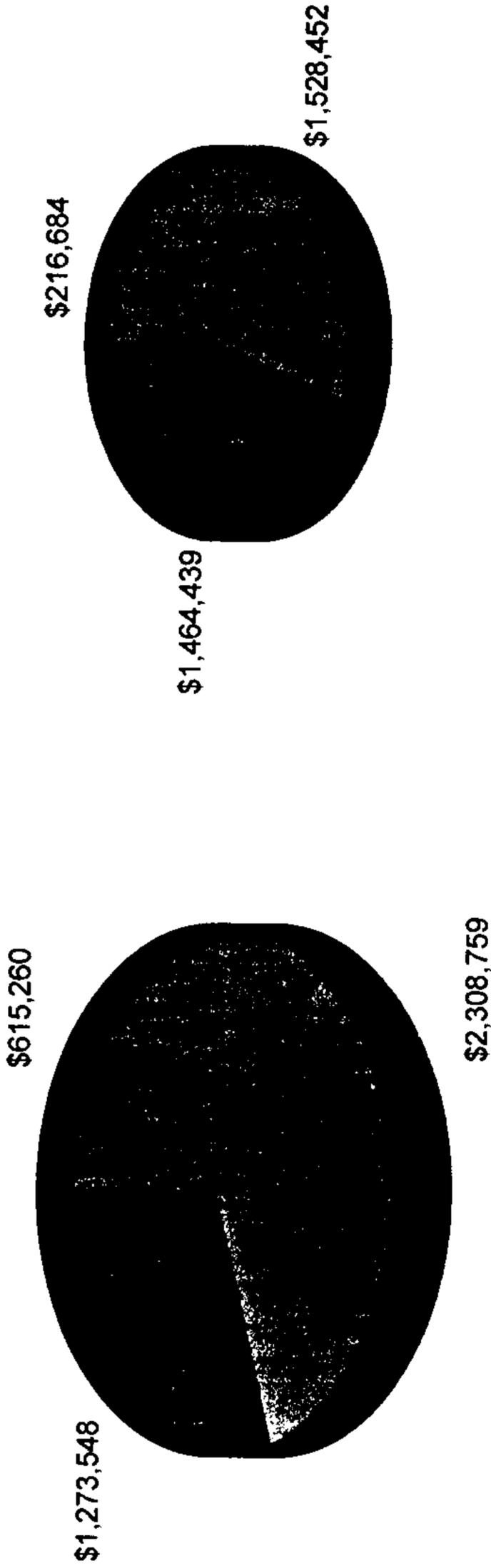
- CASH & CASH EQUIVALENT
- PROPERTY AND EQUIPMENT
- DUE FROM OTHER GOVERNMENTS
- OTHER

ASSETS = \$ 4,197,567

ASSETS = \$ 3,209,575

# TOWN OF ST. GABRIEL, LOUISIANA

## LIABILITIES & FUND EQUITY



JUNE 30, 1998

JUNE 30, 1999

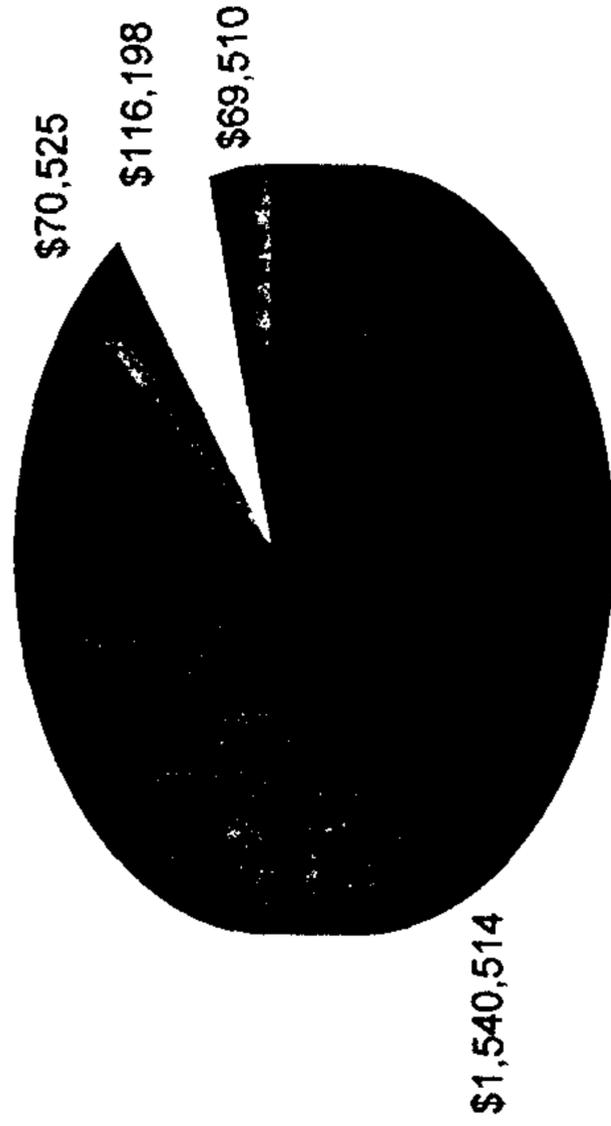
<p>■ DEBT</p>	<p>■ AMOUNT HELD IN ESCROW</p>
<p>■ FUND EQUITY</p>	

LIABILITIES = \$ 2,924,019  
 FUND EQUITY = \$ 1,273,548

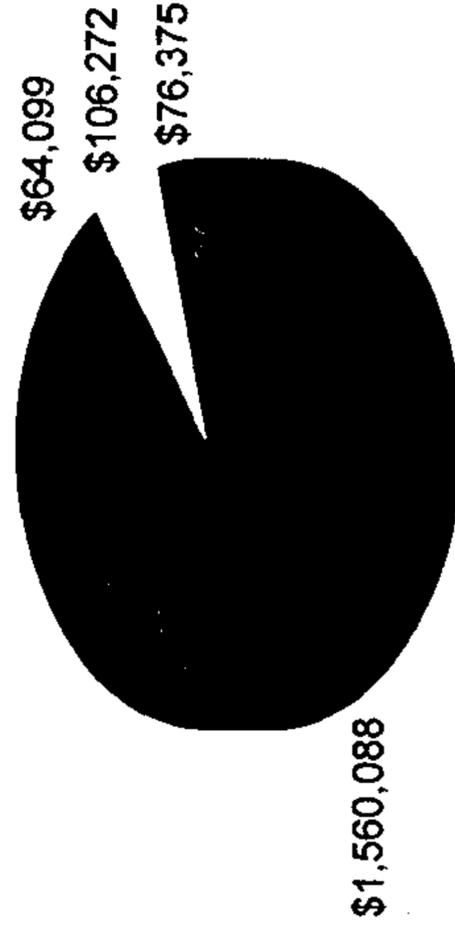
LIABILITIES = \$ 1,745,136  
 FUND EQUITY = \$ 1,464,439

# TOWN OF ST. GABRIEL, LOUISIANA

## REVENUES



JUNE 30, 1999



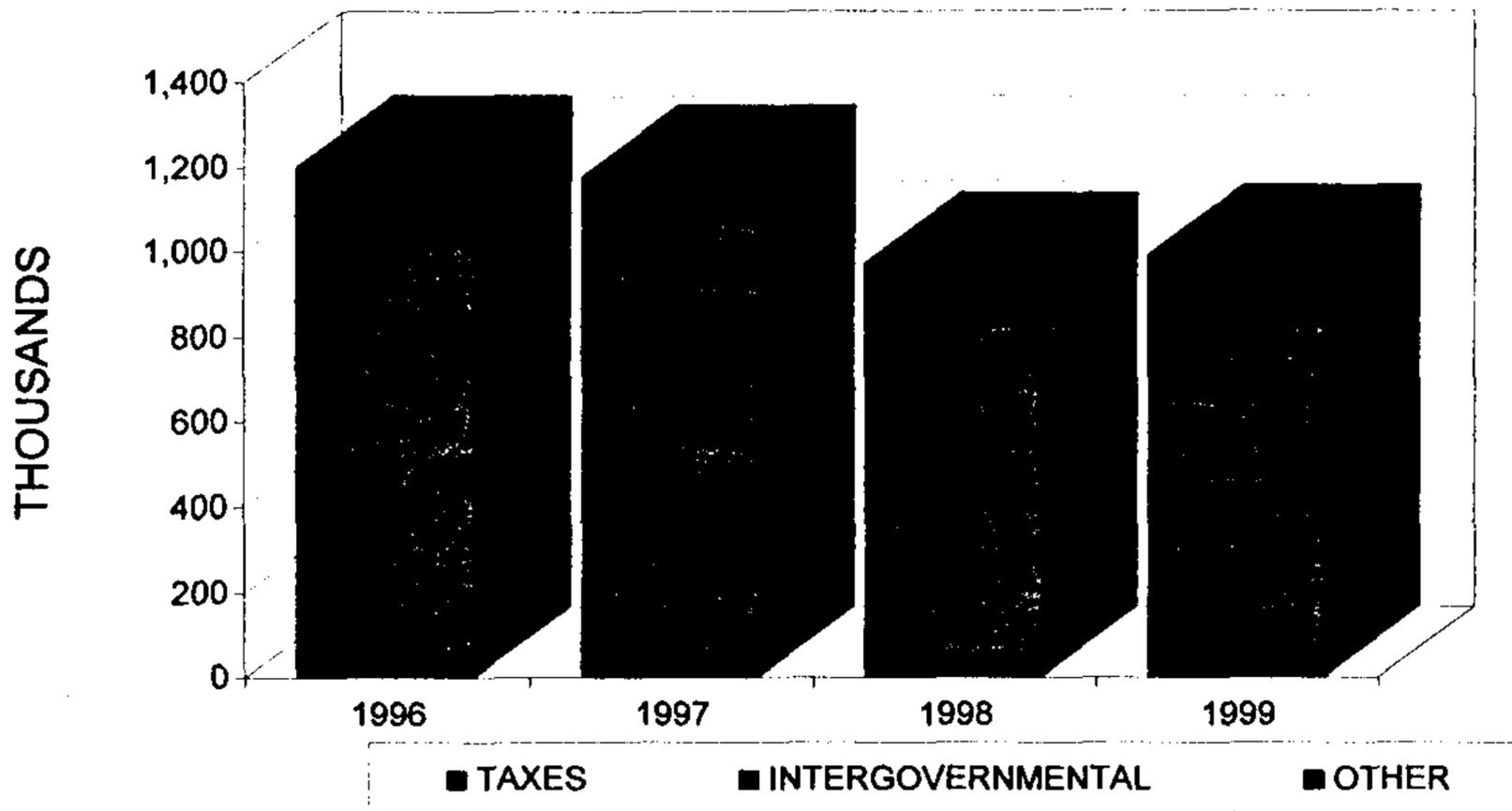
JUNE 30, 1998

- TAXES
- INTERGOVERNMENTAL
- LICENSES
- FINES AND OTHER

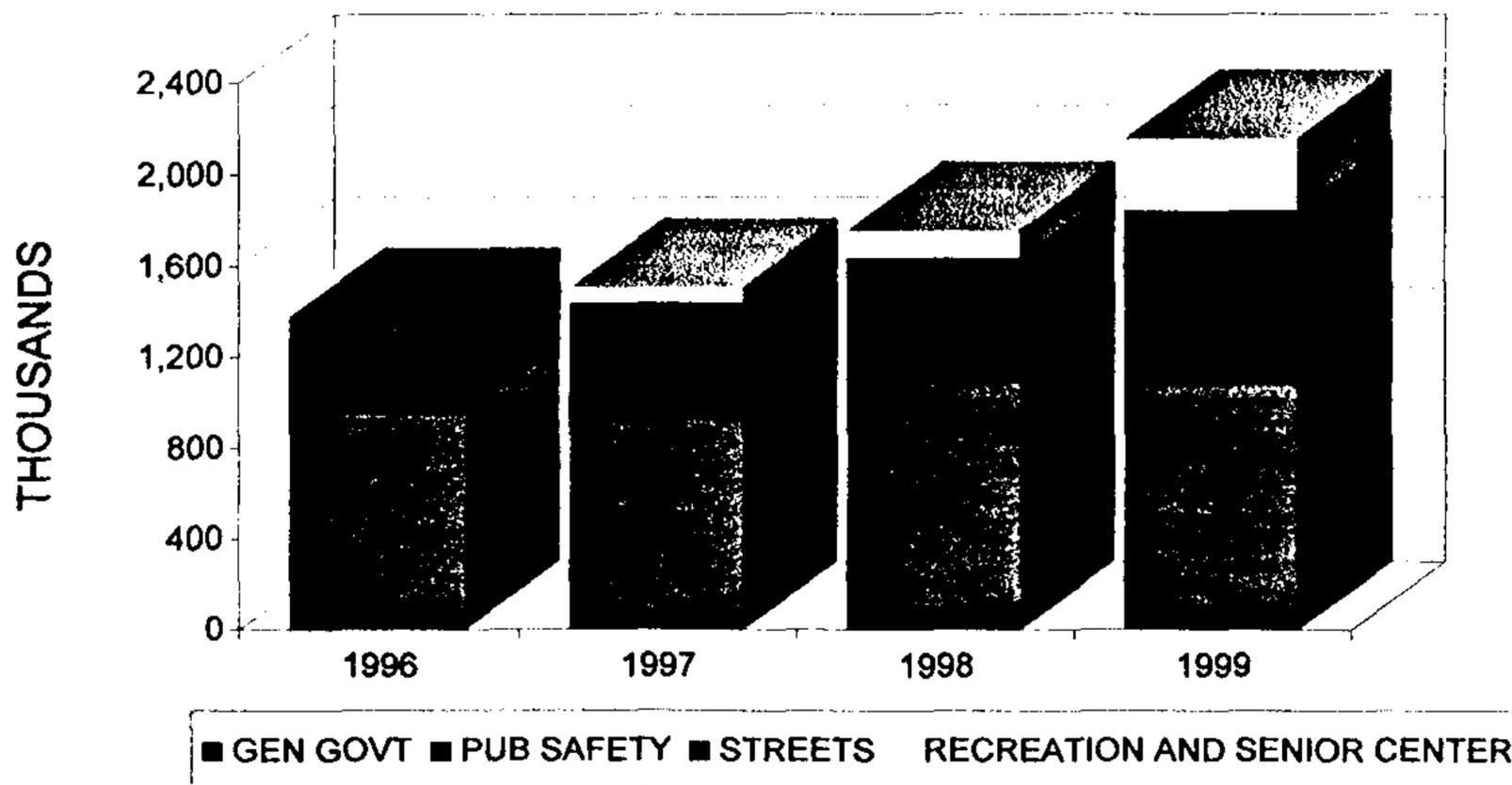
TOTAL REVENUES = \$ 1,796,747

TOTAL REVENUES = \$1,806,834

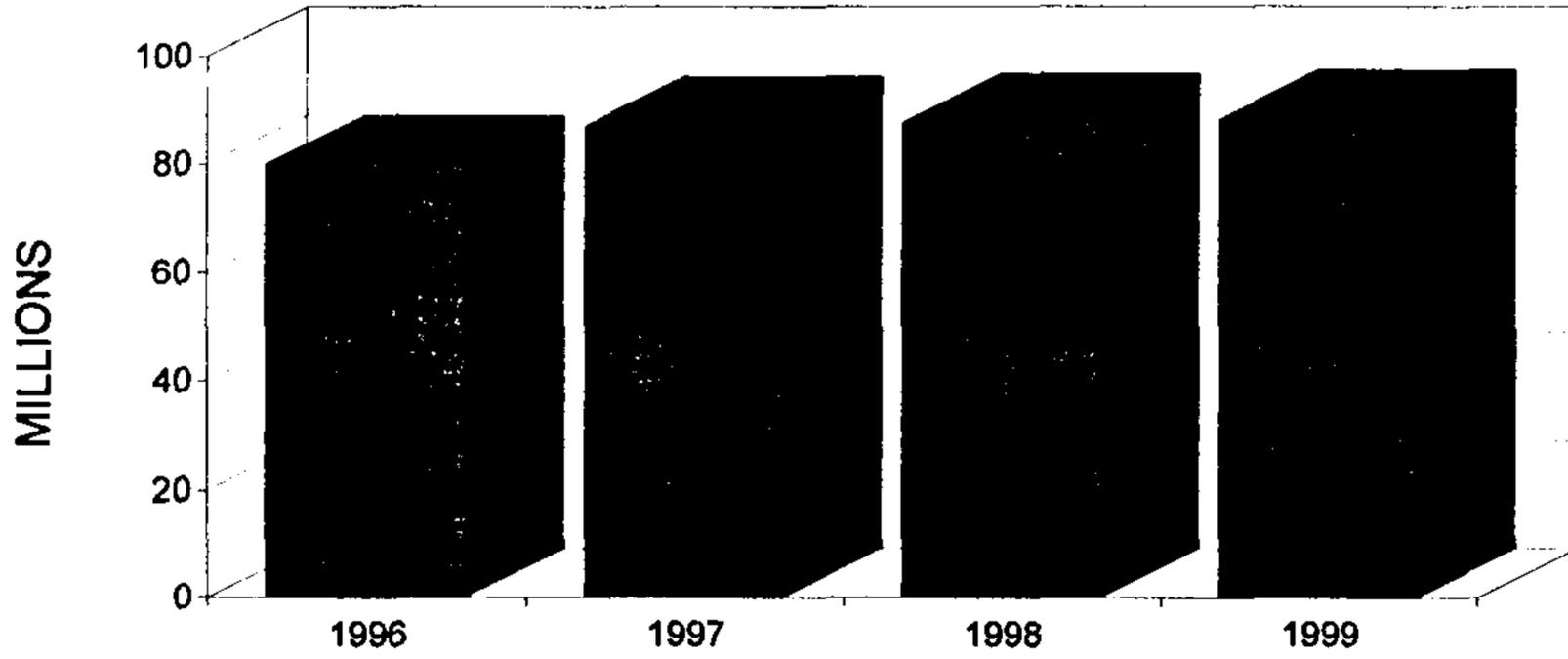
## GENERAL FUND REVENUES TOWN OF ST. GABRIEL, LOUISIANA



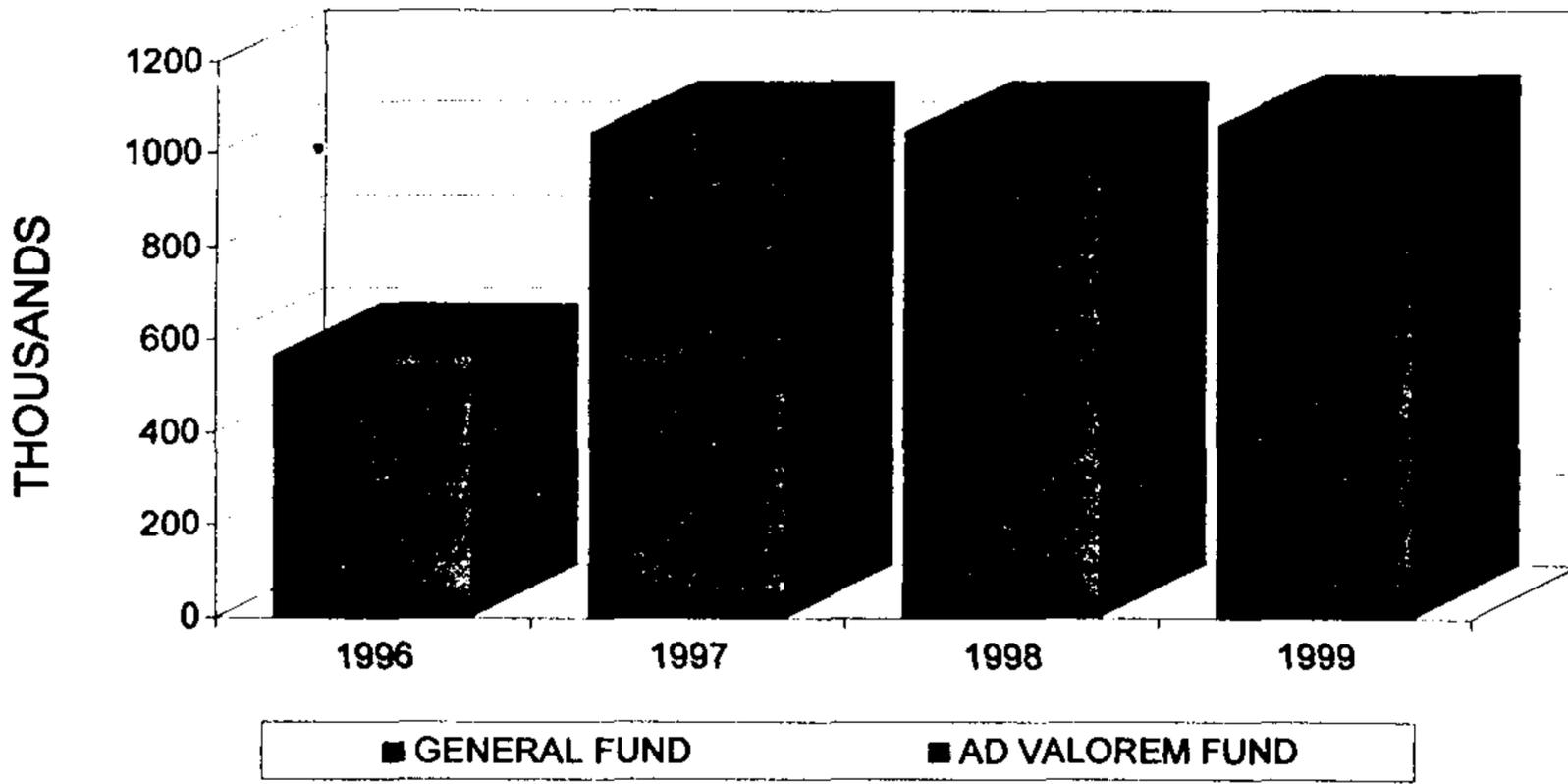
## GENERAL FUND EXPENDITURES TOWN OF ST. GABRIEL, LOUISIANA



## TAXABLE ASSESSED VALUE OF PROPERTY TOWN OF ST. GABRIEL, LOUISIANA



## PROPERTY TAXES - TAXES ASSESSED TOWN OF ST. GABRIEL, LOUISIANA





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

In planning and performing our audit of the financial statements of the Town of St. Gabriel (the Town) for the year ended June 30, 1999, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Town's internal control in our report dated September 13, 1999 (except for Note 12, as to which the date is November 30, 1999). This letter does not affect our report dated September 13, 1999 (except for Note 12, as to which the date is November 30, 1999) on the financial statements of the Town.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized on Attachment A.

This report is intended solely for the information and use of the Town's management, the Louisiana Legislative Auditor, and others within the organization.

*Faulk & Winkler LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
September 13, 1999 (except for Note 12,  
as to which the date is November 30, 1999)

**OPERATIONAL RECOMMENDATIONS**

**PURCHASING/EXPENDITURES: 99-1**

**Observation:** The Town has initiated a purchase order system to monitor purchasing activity and document the approval process of expenditures incurred. From a practical perspective, the system has not operated effectively. Specific concerns are as follows:

- Issued purchase orders do not consistently agree with actual purchases,
- Oral approvals of various purchases are common practice, which complicates the documentation process.

**Recommendation:** We recommend that the Town review purchasing procedures so that purchase orders are an effective control tool in the expenditure cycle.

**Management's corrective action plan:** Management agrees with the comment and is committed to having the recommendation implemented as soon as possible.

**RECORD RETENTION: 99-2**

**Observation:** During our audit, we requested several supportive invoices for 1999 expenditures. Our observation was that such vendor invoices were difficult to obtain. In certain instances, the Town's staff had to obtain the invoices from the vendor. In other cases, the invoices were found at the Town's complex.

Furthermore, the Town's bank reconciliation and financial statements for May and June 1999 were not filed properly. These items were subsequently obtained from system back-up files maintained by the Town.

**Recommendation:** We recommend that the Town maintain vendor files in a more appropriate manner as expenditure substantiation is critical to a public entity.

**Management's corrective action plan:** Management agrees with the recommendation and intends to maintain vendor records in a more appropriate manner. A review of vendor records in 2000 is to be conducted so current files are inclusive.

### CASH MANAGEMENT: 99-3

**Observation:** During our review of cash management procedures of the Town, we discovered the following items for consideration:

- The Town does not consistently deposit cash on a daily basis. Town personnel contended that it was not practicable to deposit cash on a daily basis and such funds were secured overnight in the Town's safe.
- The cash receipt to deposit preparation includes numerous personnel, at times. This results in a lack of adequate documentation distribution to Town billing clerks for accounting purposes.
- A Town bank account was not included in the Town's internally prepared financial statements. The account was opened for the Senior Center during 1999 and has maintained an account balance of approximately \$250.
- The accounts receivable balance for sewer services provided by the Town had a balance of approximately \$11,000 at June 30, 1999. An allowance for uncollectible accounts of \$8,200 was recorded at June 30, 1999. Several of these balances are from customers more than one year in arrears on their account.

**Recommendation:** We recommend the following corrective action:

- The Town begin depositing cash on a daily basis to alleviate the risk of misappropriation of the Town's funds and to maintain an adequate accounting of its cash position.
- That personnel involved with cash handling be reduced. Based on the current staff level of the Town, one employee be assigned to the recording of the initial receipt of collected funds and one employee assigned to prepare deposits. The essential information needed to carry out the remainder of the accounting process should be forwarded to others presently within the finance department of the Town.
- All bank accounts opened or closed by the Town be approved by the Town Council and documented in the official minute records. In addition, the Town should account for the Senior Center bank account in the Town records.
- The Town review the status of the Town's sewer system accounts receivable. In addition, a collection policy be established to define procedures for administering unpaid accounts.

**Management's corrective action plan:** The Town intends to begin depositing cash on a daily basis immediately. The Town has initiated steps to properly assign personnel to cash receipt duties and ensures implementation of the recommended action by the fourth quarter of 1999. The Town has recorded the Senior Center account on its financial records for the year ending June 30, 2000. In addition, bank account openings and closings will be reported to the Town Council prior to initiation in the future. In any event, the Town intends to initiate a collection policy by entering into a cooperative endeavor agreement with the Iberville Waterworks District No. 2 to administer sewer services offered by the Town during year ending June 30, 2000.

## LICENSE ACCOUNTING: 99-4

**Observation:** During 1999, accounting duties related to license and permit issuance was reassigned to another employee. In previous years, the Town maintained subsidiary listing of licensees that corresponded to license and permit revenue recorded. Our observation was that the current year listing was incomplete and excluded some licensees. In addition, the Town maintains its supportive listing manually.

**Recommendation:** We recommend that the Town consider automating the accounting process for license issuance and accounting, including cash receipt, through the use of a database program. Our experience is that automation of an accounting process typically results in a more effective and efficient means to processing transactions. However, the Town should periodically review the subsidiary listing to recorded amounts in the general ledger for a proper reconciliation.

**Management's corrective action plan:** Management contends that this was an isolated incident resulting from the reassignment of duties to another Town employee. Management intends to review viable alternatives to automating this accounting process to provide an efficient and effective outcome. In addition, the Town will periodically reconcile the subsidiary listing to recorded amounts in the general ledger.