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**CITY OF ST. GABRIEL, LOUISIANA**

**FINANCIAL STATEMENTS**

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 1-26-05

# CITY OF ST. GABRIEL, LOUISIANA

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December 1, 2004

**Independent Auditor's Report**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the

**City of St. Gabriel  
St. Gabriel, Louisiana**

as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of St. Gabriel, Louisiana's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the City of St. Gabriel, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the City of St. Gabriel, Louisiana, has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2004, 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 and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 14, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of St. Gabriel, Louisiana's, basic financial statements. The combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 basic financial statements of City of St. Gabriel, Louisiana. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Yours truly,

*Hawthorn, Waymouth + Cavell, LLP*

## **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, 2004. 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 2004, the City of St. Gabriel experienced a customary year financially as governmental revenues increased slightly relative to prior years, as did the governmental expenditures. Certain funds continued to experience operating deficits that are not sustainable and the priorities of operating and infrastructure needs and obligations are greater than available resources. Accordingly, there must be a logical and thoughtful alignment of the City's resources to community needs.

The major financial highlights for 2004 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$7.8 million (net assets). Of this amount, approximately \$551 thousand (unrestricted net assets) may be used without restrictions to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by approximately \$2.5 million during 2004.

Governmental activities' net assets increased by \$519,000, primarily the result of capital grants received for the construction of capital assets.

Business type total net assets increased by approximately \$1.9 million primarily the result of grant funding of \$2 million for the construction of Phase III of the sewer treatment system and an operating transfer of approximately \$318,000 from governmental activities.

- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$542,000, a decrease of \$208,000 in comparison to the prior year. Approximately 7% of the fund balances are committed to capital projects (\$40,000).

Significant aspects of the City's financial well being, as of and for the year ended June 30, 2004, 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 been 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 Assets and the Statement of Activities (on pages 15 and 16) 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 17. 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.

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

Our analysis of the City as a whole begins on page 15. The Statement of Net Assets 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. Since this is the year of implementation of this new reporting model, comparative financial data has not been presented. In future years, a comparative analysis of government-wide data will be presented.

These two statements report the City's net assets and related changes. You can think of the City's net assets—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 assets are 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 Assets 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, franchise fees, and state and federal grants finance most of these activities.

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

At June 30, 2004, the City's net assets were \$7.8 million, of which \$551,000 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the City's ability to use those net assets for day-to-day operations.

Our analysis below of the primary government focuses on the net assets and change in net assets of the City's governmental activities.

City of St. Gabriel, Louisiana  
Statement of Net Assets  
June 30, 2004

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 1,346,662	\$ 138,545	\$ 1,485,207
Capital assets	<u>6,621,994</u>	<u>8,555,192</u>	<u>15,177,186</u>
Total assets	<u>7,968,656</u>	<u>8,693,737</u>	<u>16,662,393</u>
Current and other liabilities	1,000,560	374,572	1,375,132
Long-term liabilities	<u>4,558,693</u>	<u>2,924,317</u>	<u>7,483,010</u>
Total liabilities	<u>5,559,253</u>	<u>3,298,889</u>	<u>8,858,142</u>
Net assets:			
Invested in capital assets, net of related debt	1,918,801	5,294,626	7,213,427
Restricted	39,838	-	39,838
Unrestricted	<u>450,764</u>	<u>100,222</u>	<u>550,986</u>
Total net assets	<u>\$ 2,409,403</u>	<u>\$ 5,394,848</u>	<u>\$ 7,804,251</u>

Net assets of the City's governmental activities increased by approximately 28% or \$519,000 during 2004. Unrestricted net assets represent the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$451,000 in unrestricted net assets of governmental activities represents the accumulated results of operations. It means that if we had to pay off all of the debt, we would have \$451,000 remaining. The changes in net assets are discussed later in this analysis.

The net assets of the City's business activities rose by approximately \$1.9 million during 2004. The City operates wastewater treatment systems for the City and is currently constructing system additions and improvements. The primary focus of this activity is to operate on a profitable basis. However, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits.

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

Changes in Net Assets  
For the year ended June 30, 2004

	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 190,040	\$ 116,010	\$ 306,050
Operating grants and contributions	23,206	-	23,206
Capital grants and contributions	686,517	2,090,368	2,776,885
<b>General revenues:</b>			
Ad Valorem taxes	1,302,281	-	1,302,281
Sales taxes	823,425	-	823,425
Video poker taxes	514,509	-	514,509
Other general revenues	184,852	478	185,330
<b>Total revenues</b>	<u>3,724,830</u>	<u>2,206,856</u>	<u>5,931,686</u>
<b>Functions/Program Expenses:</b>			
General government	966,677	-	966,677
Public safety	835,103	-	835,103
Streets and sanitation	795,052	-	795,052
Culture and recreation	250,164	-	250,164
Wastewater treatment	-	569,669	569,669
Interest on long-term debt	40,810	-	40,810
<b>Total expenses</b>	<u>2,887,806</u>	<u>569,669</u>	<u>3,457,475</u>
Increase in net assets before transfers	837,024	1,637,187	2,474,211
Transfers	<u>(317,682)</u>	<u>317,682</u>	<u>-</u>
Increase in net assets	519,342	1,954,869	2,474,211
Beginning net assets	<u>1,890,061</u>	<u>3,439,979</u>	<u>5,330,040</u>
Ending net assets	<u>\$ 2,409,403</u>	<u>\$ 5,394,848</u>	<u>\$ 7,804,251</u>

The increase in net assets of \$2.5 million is due mainly to the grant funding through the United States Department of Agriculture received for the construction of the City's Civic Center and Phase III of the sewer projects.

## 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

Our analysis of the City's major funds begins on page 17 with the fund financial statements that provide detailed information about the most significant funds—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 money for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

**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 are reported using an accounting method called modified accrual 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 Assets 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. Finally, combining financial statements of the nonmajor funds can be found in the Combining Nonmajor Fund Statements that follow the basic financial statements.

**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 Assets 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-2.

Certain supplementary financial information can be found in Exhibits C through D-6. These schedules and the statistical information (Pages S-1 through S-6) are included for additional information and analysis and do not constitute a part of the basic financial statements.

Also included in the report are the Office of Management and Budget A-133 Single Audit auditor reports, findings, and schedules, including a report on compliance and internal control in accordance with *Government Auditing Standards*. This information can be found under the Special Independent Auditor Reports section.

### Financial Analysis of the Government's Funds

The general government operations of the City are accounted for in the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project 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 2004 by fund type:

	(in thousands)				
	Totals	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds
Revenues & transfers	\$ 5,077	\$ 2,795	\$ 1,366	\$ 174	\$ 742
Proceeds from debt	3,725	-	-	-	3,725
Total financing sources	8,802	2,795	1,366	174	4,467
Expenditures & transfers	9,010	2,702	1,670	174	4,464
Surplus (deficit)	(208)	93	(304)	-	3
Fund balance, June 30, 2003	750	91	622	-	37
Fund balance, June 30, 2004	<u>\$ 542</u>	<u>\$ 184</u>	<u>\$ 318</u>	<u>\$ -</u>	<u>\$ 40</u>

The City's governmental funds experienced a deficit of \$208,000 during 2004 that primarily related to its special revenue funds. At year end, fund balances were approximately \$542,000. Approximately \$502,000 is unrestricted and available for utilization at the City's discretion. The remainder of the fund balance is set aside to indicate that it is not available for utilization because it has been committed to capital projects continuing into 2005.

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 \$184,000 compared to the fund balance of \$91,000 at 2003. The increase in fund balance resulted from the operating surplus of \$93,000, which exceeded the \$46,000 deficit budgeted by the City. This variation is primarily due to budgeted expenditures exceeding actual expenditures by \$119,000.

The City's other major funds are the Sales and Use and Ad Valorem Tax Funds, and the Civic Center Capital Project Fund. The significant change to the Sales and Use Tax fund was the increase in sales and use tax collections during 2004 of approximately \$60,000 or 12%. However, a deficit was reported in this fund primarily due to the operating transfers to support general government and sewer operations. Additionally, the Ad Valorem Tax fund collections increased over the prior year by approximately \$42,000 or 8%. These revenues were used entirely to support general government operations.

Finally, the Civic Center capital project fund reserves increased by \$700 during 2004 resulting in collective fund balances of \$1,700. The City expects to complete these projects in 2005.

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

<u>Source of Revenue</u>	<u>(in thousands)</u>			
	<u>2004</u>		<u>2003</u>	
	<u>Revenue</u>	<u>Percent</u>	<u>Revenue</u>	<u>Percent</u>
Taxes	\$ 2,295	62%	\$ 2,214	69%
Intergovernmental	1,247	33%	853	26%
Licenses and permits	128	3%	107	3%
Miscellaneous	55	2%	58	2%
Total	<u>\$ 3,725</u>	<u>100%</u>	<u>\$ 3,232</u>	<u>100%</u>

Revenues of the primary government for general governmental fund types for 2004 totaled \$3.7 million, compared with \$3.2 million for the previous year, representing a \$490,000 increase or 15% increase. The increase in revenue of \$490,000 is primarily increases in sales tax collections and grant revenue. As noted above, the City's activities are largely supported by tax revenues, which represent 62% of total governmental resources.

Expenditures of the primary government increased \$3.2 million in 2004. Expenditures for general governmental functions for each major function are summarized in the following table.

<u>Function</u>	<u>(in thousands)</u>			
	<u>2004</u>		<u>2003</u>	
	<u>Expenditure</u>	<u>Percent</u>	<u>Expenditure</u>	<u>Percent</u>
General government	\$ 958	13%	\$ 898	21%
Public safety	793	11%	741	18%
Streets and sanitation	718	10%	779	19%
Social and recreational services	232	3%	312	7%
Debt service	174	2%	25	1%
Capital outlay	<u>4,464</u>	<u>61%</u>	<u>1,424</u>	<u>34%</u>
Total	<u>\$ 7,339</u>	<u>100%</u>	<u>\$ 4,179</u>	<u>100%</u>

The largest decreases in spending occurred in social and recreational services of \$80,000 or 26% and streets and sanitation of \$61,000 or 8%. The largest increase in spending occurred in capital outlay of \$3 million or 211%, primarily related to the construction of the City's Civic Center. Additionally, the City experienced an increase in debt service expenditures of approximately \$150,000 which was anticipated based on the normal maturities associated with this debt issued in 2003.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year the City's General Fund 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 changes during 2004 were as follows:

- To reflect an increase for tax revenue received in 2004 over the amounts originally budgeted at the beginning of the year.
- To reflect a capital grant received in 2004 that was not originally budgeted at the beginning of the year.
- To reduce operating expenditures from the previous year based on management directives during 2004 for certain key areas identified.

With these adjustments, the actual charges to appropriations (expenditures) were \$119,000 less than the related final budget appropriations of \$2.8 million. The most significant positive variance occurred in the City's Social Service and Recreation and Streets and Sanitation departments, where expenditures were collectively \$102,000 less than anticipated expenditures. The primary decreases related to personnel expenditures.

Additionally, the appropriation for public safety was increased from the original budget during 2004 as management of the City placed additional priorities in this area. As a result, additional officers were employed which increased personnel related expenditures. Also, the City appropriated additional funding for capital outlay and maintenance for vehicles and equipment utilized by the Police Department.

The City experienced increased expenditures in all departments relating to insurance and fuel expenditures. In particular, employee health and the City's general liability insurance costs increased. Finally, rising fuel costs have impacted the City relative to the vehicle fuel purchased along with City utility expenditures.

Finally, resources available for appropriation were \$1.8 million with expenditures appropriated at \$2.8 million, with the deficit funded by collections from the City's Ad valorem and sales tax funds. One major change related to anticipated ad valorem tax revenue which was increased from the original budget by \$78,000. Additionally, grant revenue received from Iberville Parish was increased by \$200,000. Finally, the operating surplus in the General Fund for 2004 was \$93,000 and the related fund balance was \$184,000 at year end.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

At the end of 2004, the City had \$15.2 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 a net increase of just over \$7.2 million, or 91 percent, over last year.

	Governmental Activities	Business-type Activities	Totals
Land	\$ 361	\$ 10	\$ 371
Construction in progress	4,518	3,325	7,843
Buildings	56	-	56
Equipment and vehicles	375	-	375
Sewer treatment plants	-	5,220	5,220
Infrastructure	1,312	-	1,312
	<hr/>	<hr/>	<hr/>
Total assets, net of depreciation	<u>\$ 6,622</u>	<u>\$ 8,555</u>	<u>\$ 15,177</u>

The two major capital additions for 2004 were related to the construction of the Civic Center and Phase III of the sewer project. Capital outlay related to these projects during 2004 was \$4.3 million and \$3 million, respectively. These costs are recorded as construction in progress and will not be capitalized and depreciated until the projects are completed, which is expected in 2005.



The City's 2005 capital budget provides for expenditures of \$1.6 million for capital projects, primarily for Phase IV of the sewer project. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

### Debt

At year-end, the City had \$7.7 million in bonds and notes outstanding versus \$3.1 million last year—an increase of \$4.6 million—as shown below:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Public improvement	\$ -	\$ 3,724,959	\$ -	\$ 3,724,959
Certificate of indebtedness	1,100,000	-	127,500	972,500
Revenue bonds	1,946,703	1,064,000	41,834	2,968,869
Accrued vacation leave	14,677	-	8,943	5,734
	<u>\$ 3,061,380</u>	<u>\$ 4,788,959</u>	<u>\$ 178,277</u>	<u>\$ 7,672,062</u>

Additional debt issued during 2004 related entirely to the funding of the construction of the Civic Center and Phase III of the sewer project from commitments secured from the United States Department of Agriculture. The City retired approximately \$178,000 in debt during 2004.

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 \$38 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 7 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 2005 budget and tax rates. One of those factors is the economy. The largest taxpayers in the City are primarily companies involved in oil refining and 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.

An important factor affecting the budget is the City ad valorem and sales tax collections that approximate 63% of budgeted revenue. The City budgeted an increase in total sales tax collections of approximately 4% for 2005. Additionally, the 2005 operating budget expenditures provides for increases in general liability and other insurance, employee health and workman's compensation insurance, retirement system contributions, and approximately an 18% increase in personnel costs. For 2005, revenues are budgeted at \$5.4 million while expenditures are expected to be \$6 million. The City intends on funding the budgeted deficit with approximately \$445,000 of new debt. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2005 by \$168,000, of which \$65,000 relates to scheduled capital project spending.

These indicators were taken into account when adopting the General Fund budget for 2005. Property taxes are expected to increase during 2005 by approximately \$1.1 million, which is due to the passing of a 10 mill ad valorem tax during 2004. The tax is expected to fund operations of the City's Civic Center, including debt service, sewer operations, a housing program and economic development projects. Licensing fees, and other funding sources are expected to decrease by approximately \$40,000, primarily due to the decrease in grant revenue anticipated in the General Fund for 2005. The City will use these revenues to fund programs currently offered

#### **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 the City's Finance Office at (225) 642-9600 or P.O. Box 597, St. Gabriel, Louisiana, 70776.

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

June 30, 2004

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 517,411	\$ 8,452	\$ 525,863
Accounts receivable, net	69,452	9,018	78,470
Due from other governments	679,799	201,075	880,874
Internal balances	80,000	(80,000)	-
Capital assets:			
Non-depreciable	4,879,179	3,334,891	8,214,070
Depreciable, net	1,742,815	5,220,301	6,963,116
<b>Total assets</b>	<b>\$ 7,968,656</b>	<b>\$ 8,693,737</b>	<b>\$ 16,662,393</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 724,218	\$ 291,697	\$ 1,015,915
Accrued payables	131,842	38,323	170,165
Long-term payables			
Due within one year	144,500	44,552	189,052
Due in more than one year	4,558,693	2,924,317	7,483,010
<b>Total liabilities</b>	<b>5,559,253</b>	<b>3,298,889</b>	<b>8,858,142</b>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	1,918,801	5,294,626	7,213,427
Restricted for:			
Capital projects	39,838	-	39,838
Unrestricted	450,764	100,222	550,986
<b>Total net assets</b>	<b>2,409,403</b>	<b>5,394,848</b>	<b>7,804,251</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,968,656</b>	<b>\$ 8,693,737</b>	<b>\$ 16,662,393</b>

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, 2004

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 966,677	\$ 165,563	\$ -	\$ -	\$ (801,114)	\$ -	\$ (801,114)
Public safety	835,103	23,300	23,206	-	(788,597)	-	(788,597)
Streets and sanitation	795,052	-	-	184,974	(610,078)	-	(610,078)
Culture and recreation	250,164	1,177	-	501,543	252,556	-	252,556
Interest on long-term debt	40,810	-	-	-	(40,810)	-	(40,810)
Total governmental activities	<u>2,887,806</u>	<u>190,040</u>	<u>23,206</u>	<u>686,517</u>	<u>(1,988,043)</u>	<u>-</u>	<u>(1,988,044)</u>
Business-type activities:							
Waste water treatment facilities	<u>569,669</u>	<u>116,010</u>	<u>-</u>	<u>2,090,368</u>	<u>-</u>	<u>1,636,709</u>	<u>1,636,709</u>
Total business-type activities	<u>569,669</u>	<u>116,010</u>	<u>-</u>	<u>2,090,368</u>	<u>-</u>	<u>1,636,709</u>	<u>1,636,709</u>
Total primary government	<u>\$3,457,475</u>	<u>\$ 306,050</u>	<u>\$ 23,206</u>	<u>\$ 2,776,885</u>	<u>(1,988,043)</u>	<u>1,636,709</u>	<u>(351,334)</u>
General revenues:							
Taxes:							
Property					1,302,281	-	1,302,281
Sales					823,425	-	823,425
Video Poker					514,509	-	514,509
Franchise					130,423	-	130,423
Other					41,431	-	41,431
Grants and contributions not restricted to specific programs					10,558	25	10,583
Investment earnings					2,440	453	2,893
Transfers (to) from other funds					(317,682)	317,682	-
Total general revenues and transfers					<u>2,507,385</u>	<u>318,160</u>	<u>2,825,545</u>
Change in net assets					519,342	1,954,869	2,474,211
Net assets - beginning of year					<u>1,890,061</u>	<u>3,439,979</u>	<u>5,330,040</u>
Net assets - end of year					<u>\$ 2,409,403</u>	<u>\$ 5,394,848</u>	<u>\$7,804,251</u>

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

## CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2004

	General	Sales and Use Tax Fund	Ad Valorem Tax Fund	Civic Center Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 140,315	\$ 39,170	\$ 79,213	\$ 168,965	\$ 89,748	\$ 517,411
Other receivable	57,561	-	11,892	-	-	69,453
Due from other governments	135,206	56,527	-	349,875	138,191	679,799
Due from other fund	143,000	-	-	-	66,112	209,112
Total assets	<u>\$ 476,082</u>	<u>\$ 95,697</u>	<u>\$ 91,105</u>	<u>\$ 518,840</u>	<u>\$ 294,051</u>	<u>\$ 1,475,775</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 211,648	\$ -	\$ -	\$ 486,074	\$ 26,497	\$ 724,219
Accrued expenses	80,382	-	-	-	-	80,382
Due to other funds	-	-	-	31,112	98,000	129,112
Total liabilities	292,030	-	-	517,186	124,497	933,713
<b>FUND EQUITY</b>						
Fund balance	<u>184,052</u>	<u>95,697</u>	<u>91,105</u>	<u>1,654</u>	<u>169,554</u>	<u>542,062</u>
Total liabilities and fund equity	<u>\$ 476,082</u>	<u>\$ 95,697</u>	<u>\$ 91,105</u>	<u>\$ 518,840</u>	<u>\$ 294,051</u>	<u>\$ 1,475,775</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 ASSETS

June 30, 2004

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

Total fund balances - governmental funds (Exhibit A-2)	\$	542,062
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		6,621,994
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		(51,460)
Bonds and capital lease payable		(4,697,459)
Compensated absences payable		(5,734)
		<u>(4,754,653)</u>
Net assets of governmental activities (Exhibit A)	\$	<u>2,409,403</u>

## CITY OF ST. GABRIEL, LOUISIANA

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the year ended June 30, 2004

	General	Sales and Use Tax Fund	Ad Valorem Tax Fund	Civic Center Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 928,653	\$ 548,183	\$ 542,617	\$ -	\$ 275,242	\$ 2,294,695
Intergovernmental	760,704	-	-	220,352	266,165	1,247,221
Licenses and permits	127,461	-	-	-	-	127,461
Fines	23,061	-	-	-	-	23,061
Other	<u>32,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>32,392</u>
Total revenues	<u>1,872,219</u>	<u>548,183</u>	<u>542,617</u>	<u>220,352</u>	<u>541,459</u>	<u>3,724,830</u>
<b>EXPENDITURES</b>						
General government	958,481	-	-	-	-	958,481
Public safety	793,215	-	-	-	-	793,215
Streets and sanitation	718,019	-	-	-	-	718,019
Social and recreational services	231,631	-	-	-	-	231,631
Debt service	-	-	-	-	174,356	174,356
Capital project	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,979,619</u>	<u>484,628</u>	<u>4,464,247</u>
Total expenditures	<u>2,701,346</u>	<u>-</u>	<u>-</u>	<u>3,979,619</u>	<u>658,984</u>	<u>7,339,949</u>
Excess (deficiency) of revenues over expenditures	<u>(829,127)</u>	<u>548,183</u>	<u>542,617</u>	<u>(3,759,267)</u>	<u>(117,525)</u>	<u>(3,615,119)</u>
<b>OTHER FINANCING SOURCE (USES)</b>						
Operating transfers in	922,020	-	-	35,000	395,158	1,352,178
Proceeds from debt issuance	-	-	-	3,724,959	-	3,724,959
Operating transfers out	<u>-</u>	<u>(650,000)</u>	<u>(538,000)</u>	<u>-</u>	<u>(481,860)</u>	<u>(1,669,860)</u>
Total financing sources (uses)	<u>922,020</u>	<u>(650,000)</u>	<u>(538,000)</u>	<u>3,759,959</u>	<u>(86,702)</u>	<u>3,407,277</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	92,893	(101,817)	4,617	692	(204,227)	(207,842)
<b>FUND BALANCE</b>						
Beginning of year	<u>91,159</u>	<u>197,514</u>	<u>86,488</u>	<u>962</u>	<u>373,781</u>	<u>749,904</u>
End of year	<u>\$ 184,052</u>	<u>\$ 95,697</u>	<u>\$ 91,105</u>	<u>\$ 1,654</u>	<u>\$ 169,554</u>	<u>\$ 542,062</u>

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 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2004

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

Net change in fund balances - total governmental funds (Exhibit A-4)	\$	(207,842)
<p>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.</p>		
Capital outlay	4,534,071	
Depreciation expense	<u>(224,417)</u>	4,309,654
<p>The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.</p>		
		8,943
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.</p>		
Proceeds from issuance of debt	(3,724,959)	
Principal payments on debt	<u>127,500</u>	(3,597,459)
<p>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.</p>		
Accrued interest payable		<u>6,046</u>
Change in net assets of governmental activities (Exhibit A-1)	\$	<u>519,342</u>

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



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

**STATEMENT OF NET ASSETS**

June 30, 2004

**ASSETS**

Current assets:

Cash and cash equivalents	\$	8,452
Accounts receivable, net		9,018
Due from other governments		201,075
Total current assets		218,545

Capital assets:

Non-depreciable		3,334,891
Depreciable, net		5,220,301
Total assets	\$	8,773,737

**LIABILITIES**

Current liabilities:

Accounts payable	\$	291,697
Accrued payables		38,323
Due to other funds		80,000
Current portion of long-term debt		44,552
Total current liabilities		454,572

Long-term debt

		2,924,317
Total liabilities		3,378,889

**NET ASSETS**

Investment in capital assets, net of related debt		5,294,626
Unrestricted		100,222
Total net assets		5,394,848
Total liabilities and net assets	\$	8,773,737

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

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS**

For the year ended June 30, 2004

**REVENUES**

Charges for services	\$ 116,010
Miscellaneous	<u>478</u>
Total operating revenues	<u>116,488</u>

**EXPENSES**

Personnel	129,627
Depreciation	158,440
Interest	89,538
Chemicals	55,252
Other	44,864
Utilities	43,706
Bad debts	29,000
Supplies	13,479
Maintenance	5,224
Equipment rental	<u>539</u>
Total operating expenses	<u>569,669</u>

Operating loss	(453,181)
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**CONTRIBUTIONS AND TRANSFERS**

Contributed capital - grant from governmental sources	2,090,368
Operating transfers from other funds	<u>317,682</u>
Change in net assets	1,954,869

**NET ASSETS**

Beginning of year	<u>3,439,979</u>
End of year	<u>\$ 5,394,848</u>

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

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2004

**CASH FLOW FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 114,932
Payments to suppliers	(110,481)
Payments to employees	<u>(129,146)</u>
Net cash used for operating activities	<u>(124,695)</u>

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

Fixed asset additions	(3,031,974)
Capital grants	1,889,293
Proceeds from issuance of debt	1,064,000
Principal paid on capital debt	(41,834)
Interest paid on capital debt	<u>(89,712)</u>
Net cash used for capital and related financing activities	<u>(210,227)</u>

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

Transfers in from other funds	317,682
Payments on loans from other funds	<u>(53,182)</u>
Net cash provided by noncapital and related financing activities	<u>264,500</u>
Net decrease in cash	(70,422)

**CASH**

Beginning of period	<u>78,874</u>
End of period	<u>\$ 8,452</u>

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

Operating loss	\$ (453,181)
Adjustments of operating loss:	
Depreciation	158,440
Change in operating assets and liabilities:	
Accounts receivable	(1,556)
Accounts payable and accrued liabilities	<u>171,602</u>
Net cash used for operating activities	<u>\$ (124,695)</u>

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

## 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.

In June 1999, the GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
  - 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.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City has elected to implement the general provisions of the statement in the current year.

##### 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)**

**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.

**Government-wide Financial Statements**

The government-wide financial statements include the statement of net assets 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 nonexchange 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 are 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.

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

**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.

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/expense 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/expense 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 Council 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) that are legally restricted to expenditures for specified purposes. The special revenue funds that are considered major funds are the Sales Tax Fund and the Ad Valorem Fund.

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

**Fund Financial Statements (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 debt service fund is not considered a major fund.

***Capital Projects Funds*** - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The capital projects fund that is considered a major fund is the Civic Center Fund.

***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 nonoperating 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. Property taxes are recognized in the year for which they are levied.

**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.

Nonexchange transactions, in which the City receives value without directly giving value in return, includes sales tax, ad valorem tax, 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. 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.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt which is recognized when due, and (2) claims and judgments and compensated absences are recorded as expenditures in the governmental fund type 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.



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

Cash and cash equivalents for the City 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 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.

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.

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**

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 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 approximately \$54,200 was recorded at June 30, 2004.

**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 Assets. See Notes 10 and 11 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."

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

**Capital Assets**

The accounting treatment of property, plant, and equipment (fixed 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*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed 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 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 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.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. 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	15-30 years
Machinery and Equipment	5-20 years
Utility System	5-50 years
Infrastructure	20-40 years

*Fund Financial Statements*

In the fund financial statements fixed 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	10-40 years
Sewer pump station	20 years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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 assets and in the proprietary fund types' financial statements, long term debt is reported as liabilities. 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, certificates of indebtedness for public improvements and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements. The City is not obligated for any special assessment debt.

**Compensated Absences**

All full time employees of the City are entitled to annual vacation and sick leave with pay. Prior to 2002, vacation leave carried over from one year to another without limitation. Vacation leave unused upon termination or retirement will be paid to the employee. During 2002, the City adopted new leave policies whereby, accumulated unused vacation leave earned subsequent to the policy change would be forfeited at the end of the City's fiscal year end. Additionally, accumulated sick leave may be accumulated up to 60 days. However, such time is forfeited upon retirement or termination and has not been reflected in these financial statements.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

**Reserves and Designations of Equity**

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure. Designated portions of fund balance and/or retained earnings indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. The City has made the following reserves and designations of equity: (a) *Designated for subsequent year's expenditures* is that portion of fund balance which has been budgeted to balance the following years' budgets, and (b) other designations are made for specific indicated purposes included in the title.

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

**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 commencement of the budget year.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service funds, 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. 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.

**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 Town 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.

At year-end, the City's deposits (including demand deposits accounts, certificates of deposit, and restricted cash) totaled \$525,863 and the related bank balances were \$607,322. The bank balances are categorized as follows:

Category 1 - Amount insured by the FDIC	\$ 391,126
Category 2 - Amount collateralized with securities held by pledging financial institution's trust department in the City's name	68,784
Category 3 - Amount uncollateralized	89,366
Investments not subject to categorization: Louisiana Asset Management Pool (LAMP)	58,046
 Total bank balance	 \$ 607,322

Investment by the City in the LAMP pools are considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book form.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2004, consists of the following:

**Governmental Activities:**

Department of Agriculture – Civic Center Construction	\$ 349,875
State of Louisiana – Video Poker and other	135,206
Parish of Iberville, Louisiana – Sales Tax	102,468
Other	92,250

Total Governmental Activities	679,799
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**Business-type Activities:**

Department of Agriculture – Sewer Construction	201,075
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Total Primary Government	\$ 880,874
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**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 (LRS 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, and 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.

The property tax calendar is as follows:

Millage Rates Adopted	November 6, 2003
Levy Date	November 6, 2003
Due Date	December 31, 2003
Lien Date	January 1, 2004
Collection Dates	December 1, 2003 to February 28, 2004

For the year ended June 30, 2004, taxes of 12.0 mills were levied for general government and public purposes on property with assessed valuations totaling \$108,330,365. Total taxes levied were \$1,299,964 and collected were \$1,302,281. 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.

The City collected ad valorem taxes of \$1,046,251 from eight property owners during the year ended June 30, 2004. Tax collections from four of the eight taxpayers amounted to \$873,486.

**NOTE 5 - FIXED ASSETS**

**General Fixed Assets**

A summary of changes in general fixed assets for the year ended June 30, 2004, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 361,396	\$ -	\$ -	\$ 361,396
Construction in progress	252,124	4,265,659	-	4,517,783
Total capital assets, not being depreciated	<u>613,520</u>	<u>4,265,659</u>	<u>-</u>	<u>4,879,179</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	87,784	-	-	87,784
Equipment and vehicles	1,170,888	82,410	-	1,253,298
Infrastructure	1,170,351	219,134	-	1,389,485
Total capital assets being depreciated	<u>2,429,023</u>	<u>301,544</u>	<u>-</u>	<u>2,730,567</u>
Less accumulated depreciation for:				
Buildings and improvements	27,700	3,745	-	31,445
Equipment and vehicles	735,635	142,649	-	878,284
Infrastructure	-	78,023	-	78,023
Total accumulated depreciation	<u>763,335</u>	<u>224,417</u>	<u>-</u>	<u>987,752</u>
Total capital assets, being depreciated, net	<u>1,665,688</u>	<u>77,127</u>	<u>-</u>	<u>1,742,815</u>
Governmental activities capital assets, net	<u>\$ 2,279,208</u>	<u>\$ 4,342,786</u>	<u>\$ -</u>	<u>\$ 6,621,994</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction in process	292,917	3,031,974	-	3,324,891
Total capital assets, not being depreciated	<u>302,917</u>	<u>3,031,974</u>	<u>-</u>	<u>3,334,891</u>
<b>Capital assets being depreciated:</b>				
Sewer treatment plants	5,560,885	-	-	5,560,885
Sewer pump station	122,914	-	-	122,914
Total capital assets being depreciated	<u>5,683,799</u>	<u>-</u>	<u>-</u>	<u>5,683,799</u>
Less accumulated depreciation for:				
Sewer treatment plants	305,058	152,324	-	457,382
Sewer pump station	-	6,116	-	6,116
Total accumulated depreciation	<u>305,058</u>	<u>158,440</u>	<u>-</u>	<u>463,498</u>
Total capital assets being depreciated, net	<u>5,378,741</u>	<u>(158,440)</u>	<u>-</u>	<u>5,220,301</u>
Business-type activities capital assets, net	<u>\$ 5,681,658</u>	<u>\$ 2,873,534</u>	<u>\$ -</u>	<u>\$ 8,555,192</u>

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

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

Governmental activities:

General government	\$ 34,874
Public safety	67,019
Recreation	18,760
Streets and sanitation	<u>103,764</u>

Total depreciation expense - governmental activities \$ 224,417

The amount of interest capitalized as part of construction in progress for governmental activities related to the Public Improvement Bonds for the year ended June 30, 2004 was \$67,438. Additionally, capitalized interest included as construction in progress for business-type activities related to the Revenue Bonds for the year ended June 30, 2004 was \$35,504.

**NOTE 6 - BOND ANTICIPATION NOTES**

**Governmental activities**

The City received a bond anticipation note from the USDA for up to \$4,980,000 towards the cost of constructing the St. Gabriel Civic Center. The City had drawn \$3,724,959 on the note at June 30, 2004. The note accrues interest at 4.5% per year. Accrued interest payable of \$33,131 has been recorded. See Note 7.



**NOTE 7 - LONG-TERM DEBT**

**Debt Outstanding**

The following is a summary of debt transactions of the City for the year ended June 30, 2004:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
Certificate of indebtedness	\$1,100,000	\$ -	\$ 127,500	\$ 972,500	\$ 144,500
Public improvement	-	3,724,959	-	3,724,959	-
Short-term loan	-	500,000	500,000	-	-
Accrued vacation leave	14,677	-	8,943	5,734	-
	<u>\$1,114,677</u>	<u>\$4,224,959</u>	<u>\$ 636,443</u>	<u>\$4,703,193</u>	<u>\$ 144,500</u>
<b>Business-type activities:</b>					
Revenue bonds	<u>\$1,946,703</u>	<u>\$1,064,000</u>	<u>\$ 41,834</u>	<u>\$2,968,869</u>	<u>\$ 44,552</u>

The City issued short-term debt during 2004 to meet cash working capital requirements, which is the result of the timing of property tax receipts. Such debt was issued August 2003 and retired in March 2004.

Included above are bond anticipation notes related to the construction of the City's Civic Center (\$3,724,959) project. Long-term financing is anticipated to be finalized from commitments made with the United States Department of Agriculture.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

Long-term debt obligations for the primary government at June 30, 2004, are comprised of the following:

**Governmental Activities**

\$1,300,000 Certificate of indebtedness - secured by a pledge of general revenues, principal due annually in August and interest due semiannually at 4.5%, maturing on August 1, 2009. \$1,100,000 is dedicated for road improvements and \$200,000 is dedicated for sewer improvements.	\$ 972,500
\$4,980,000 Bond Anticipation Note - See Note 6	3,724,959
Compensated absences payable	<u>5,734</u>
Total long-term debt from governmental activities	<u>\$ 4,703,193</u>

**Enterprise Fund**

Revenue Bonds:

\$200,000 Certificate of indebtedness. See above.	\$ 177,500
\$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 4.50 %.	1,205,920
\$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 4.50 %.	521,449
\$1,064,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, initial annual interest payment of \$47,880 due on December 18, 2004 and 2005, thereafter in monthly installments of \$4,884 through December 18, 2043, interest at 4.50 %.	<u>1,064,000</u>
Total long-term debt from business-type activities	<u>\$ 2,968,869</u>

The total amount of interest charged to expense for governmental and business-type activities for the year ending June 30, 2004 were \$40,810 and \$89,538, respectively.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding (not including bond anticipation notes) at June 30, 2004, are as follows:

Year	Governmental Activities		Business-type Activities					
	Certificate of Indebtedness		Certificate of Indebtedness		Sewer Revenue Bonds		Total Business-type Long-term debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 144,500	\$ 40,736	\$ 25,500	\$ 7,189	\$ 19,052	\$ 126,224	\$ 44,552	\$ 133,413
2006	153,000	34,043	27,000	6,007	25,341	149,239	52,341	155,246
2007	157,250	27,062	27,750	4,776	32,041	122,963	59,791	127,739
2008	165,750	19,794	29,250	3,493	33,513	121,491	62,763	124,984
2009	174,250	12,144	30,750	2,143	35,054	119,950	65,804	122,093
2010-2014	177,750	4,112	37,250	726	200,972	574,048	238,222	574,774
2015-2019	-	-	-	-	251,559	523,461	251,559	523,461
2020-2024	-	-	-	-	314,895	460,125	314,895	460,125
2025-2029	-	-	-	-	384,185	390,835	384,185	390,835
2030-2034	-	-	-	-	493,431	281,589	493,431	281,589
2035-2039	-	-	-	-	617,410	157,610	617,410	157,610
2040-2041	-	-	-	-	383,916	27,529	383,916	27,529
	<u>\$ 972,500</u>	<u>\$ 137,891</u>	<u>\$ 177,500</u>	<u>\$ 24,334</u>	<u>\$ 2,791,369</u>	<u>\$ 3,055,064</u>	<u>\$ 2,968,869</u>	<u>\$ 3,079,398</u>

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.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Bond Restrictions**

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

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, 2001 and 2002, 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 and 2002 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. Monthly principal and interest payments for the Series 2002 debt will begin in January 2006.
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 and \$121. At June 30, 2004, \$7,587 and \$2,642 was held in these reserve accounts, which satisfies the above requirement. Monthly payments associated with the 2002 issue will begin in January 2006.
4. The Sewer Depreciation and Contingency Funds require monthly transfers of \$281 and \$121. 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 Sewer Revenue Bond and Interest Sinking Funds, or Sewer Revenue Bond Reserve Funds. At June 30, 2004, \$7,587 and \$2,642 was held in these reserve accounts. Monthly payments associated with the 2002 issue will begin in January 2006.

The City complied with these restrictions in 2004.

## **NOTE 8 - DEDICATED REVENUES**

### **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 \$542,617 were collected during the year ended June 30, 2004.

### **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 \$548,183 from sales and use tax during the year ended June 30, 2004.

### **Parish Wide Sales Tax**

A one third of one percent parish wide sales tax is dedicated for public infrastructure and maintenance. The City received \$275,242 from parish wide sales tax during the year ended June 30, 2004.

## **NOTE 9 - PENSION AND RETIREMENT PLANS**

### **Municipal Employees' Retirement System of Louisiana**

*Plan Description* – Substantially all employees of the City 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.

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.

**NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)**

**Municipal Employees' Retirement System of Louisiana (Continued)**

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 City is required to contribute at an actuarially determined rate. The current rate is 11.0 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 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 City's contributions to the system under Plan A for the year ended June 30, 2004, was \$109,249.

**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.

**NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)**

**Municipal Police Employees' Retirement System (Continued)**

*Funding Policy.* Under the Plan, members are required by state statute to contribute 7.5 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 15.25 percent of annual covered payroll. The contribution requirements of plan members and the City 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 City's contributions to the system under the Plan for the year ended June 30, 2004, were \$36,823.

**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 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 3.0 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.

*Funding Policy.* Under the Plan, members are required by state statute to contribute 8.0 percent of their annual covered salary and the City 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 City 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 City's contributions to the system under the Plan for the year ended June 30, 2004 were \$5,855.

**NOTE 10 - INTERFUND TRANSFERS**

**Operating Transfers**

Operating transfers for the year ended June 30, 2004, were as follows:

	Transfers	
	In	Out
<b>Governmental Activities:</b>		
General		
Ad valorem tax fund	\$ 315,000	\$ -
Parish wide sales and use tax fund	69,020	-
Sales and use tax	538,000	-
Sales and Use Tax Fund		
General fund	-	315,000
Civic center capital project fund	-	35,000
Sewer fund	-	250,000
Other nonmajor governmental funds	-	50,000
Ad Valorem		
General fund	-	538,000
Civic Center Capital Project Fund		
Sales and use tax fund	35,000	-
Nonmajor governmental funds	395,158	481,860
<b>Business-type Activities:</b>		
Sewer		
	317,682	-
	\$ 1,669,860	\$ 1,669,860

**NOTE 11 - INTERFUND RECEIVABLE AND PAYABLE BALANCES**

Interfund balances at June 30, 2004, were as follows:

	Interfund	
	Receivable	Payable
<b>Governmental Activities:</b>		
General Fund		
Sewer Fund	\$ 80,000	\$ -
Recreational Parks Capital Project Fund	63,000	-
Parish Wide Sales Tax Fund		
Recreational Parks Capital Project Fund	35,000	-
Civic Center Capital Project Fund	15,415	-
Recreational Parks Capital Project Fund		
General Fund	-	63,000
Civic Center Capital Project Fund	15,697	-
Parish Wide Sales Tax Fund	-	35,000
Civic Center Capital Project Fund		
Recreational Parks Capital Project Fund	-	15,697
Parish Wide Sales Tax Fund	-	15,415
Total Governmental Activities	209,112	129,112
<b>Business-type Activities:</b>		
Sewer Fund		
General Fund	-	80,000
Total Primary Government	\$ 209,112	\$ 209,112



## NOTE 12 - COMPENSATION TO GOVERNING BODY

The City's elected officials terms expire on June 30, 2007. The City compensated its Mayor and members of the City Council as follows:

Mayor:	
George Grace	\$ 55,016
City Council:	
Flora Danielfield	9,600
Freddie Frazier	9,600
Lionel Johnson	9,600
Andre Jones	9,600
Nyra Taylor	<u>9,600</u>
	<u>\$ 103,016</u>

## NOTE 13 - 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.

### 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. 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.

### Construction Contracts

At June 30, 2004, the City had outstanding commitments resulting from construction and professional service contracts of approximately \$1,293,203.

### Cash

The City typically maintains cash and temporary investments in local banks that may, at times, exceed the FDIC limits of \$100,000. Amounts in excess of the FDIC limits are required by law to be collateralized by securities pledged by the bank. However, at June 30, 2004, one bank held deposits for the City that exceeded FDIC limits and the required security pledge by approximately \$89,000. Management of the City believes the risk is limited.

**CITY 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, 2004

	Original Budget	Final Budget	Actual	Variance - favorable (unfavorable)
<b>REVENUES</b>				
Taxes	\$ 850,100	\$ 938,300	\$ 928,653	\$ (9,647)
Intergovernmental	598,200	735,000	760,704	25,704
Licenses and permits	120,000	123,000	127,461	4,461
Fines	80,000	23,000	23,061	61
Other	40,500	32,500	32,340	(160)
Total revenues	<u>1,688,800</u>	<u>1,851,800</u>	<u>1,872,219</u>	<u>20,419</u>
<b>EXPENDITURES</b>				
General government	868,500	947,600	958,481	(10,881)
Public safety	714,500	822,400	793,215	29,185
Streets and sanitation	778,300	747,700	718,019	29,681
Social and recreational services	303,300	303,250	231,631	71,619
Total expenditures	<u>2,664,600</u>	<u>2,820,950</u>	<u>2,701,346</u>	<u>119,604</u>
Excess of expenditures over revenues	<u>(975,800)</u>	<u>(969,150)</u>	<u>(829,127)</u>	<u>140,023</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
Sales and use tax fund	265,000	315,000	315,000	-
Ad valorem tax fund #2	250,000	-	-	-
Parish wide sales and use tax fund	-	70,000	69,020	(980)
Ad valorem tax fund	468,000	538,000	538,000	-
Total other financing sources	<u>983,000</u>	<u>923,000</u>	<u>922,020</u>	<u>(980)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	7,200	(46,150)	92,893	<u>\$ 139,043</u>
<b>FUND BALANCE</b>				
Beginning of year	<u>91,159</u>	<u>91,159</u>	<u>91,159</u>	
End of year	<u>\$ 98,359</u>	<u>\$ 45,009</u>	<u>\$ 184,052</u>	

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

**CITY OF ST. GABRIEL, LOUISIANA**  
**SALES TAX FUND**

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

For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance - favorable (unfavorable)
<b>REVENUES</b>				
Taxes				
Sales and use taxes	\$ 400,000	\$ 630,000	\$ 548,183	\$ (81,817)
<b>OTHER FINANCING USES</b>				
Transfers out				
General Fund	265,000	315,000	315,000	-
Road Improvement Project Fund	-	15,000	15,000	-
Sewer Fund	-	350,000	250,000	100,000
Civic Center Project Fund	-	35,000	35,000	-
Recreational Parks Fund	-	35,000	35,000	-
Total other financing uses	265,000	750,000	650,000	100,000
Excess (deficiency) of revenues over other financing uses	135,000	(120,000)	(101,817)	<u>\$ 18,183</u>
<b>FUND BALANCE</b>				
Beginning of year	197,514	197,514	197,514	
End of year	\$ 332,514	\$ 77,514	\$ 95,697	

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

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

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

For the year ended June 30, 2004

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - favorable (unfavorable)</b>
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 487,000	\$ 540,000	\$ 542,617	\$ 2,617
<b>OTHER FINANCING USES</b>				
Transfers out				
General Fund	<u>468,000</u>	<u>538,000</u>	<u>538,000</u>	<u>-</u>
Excess of revenues over other financing uses	19,000	2,000	4,617	<u>\$ 2,617</u>
<b>FUND BALANCE</b>				
Beginning of year	<u>86,488</u>	<u>86,488</u>	<u>86,488</u>	
End of year	<u>\$ 105,488</u>	<u>\$ 88,488</u>	<u>\$ 91,105</u>	

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

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

For the year ended June 30, 2004

**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 commencement of the budget year.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service funds, 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. 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 funds 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, 2004.

**Excess Of Expenditures Over Appropriations**

The City budgeted appropriations for general government expenditures exceeded budgeted appropriations by approximately \$11,000. Such amounts were funded by current resources which exceeded anticipated collections during 2004.

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

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

For the year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 682,600	\$ 758,300	\$ 759,664	\$ 1,364
Franchise	125,000	138,000	130,423	(7,577)
Telephone	32,000	32,000	27,179	(4,821)
Cable TV	7,500	10,000	11,387	1,387
Licenses and permits	120,000	123,000	127,461	4,461
Intergovernmental:				
State of Louisiana	35,000	20,000	22,989	2,989
Iberville parish	-	200,000	200,000	-
Federal	27,000	-	23,206	23,206
Tobacco	3,000	-	-	-
Video draw poker	535,000	515,000	514,509	(491)
Fines	80,000	23,000	23,061	61
Other:				
Interest	7,000	2,500	2,388	(112)
Miscellaneous	34,700	30,000	29,952	(48)
Total revenues	<u>\$ 1,688,800</u>	<u>\$ 1,851,800</u>	<u>\$ 1,872,219</u>	<u>\$ 20,419</u>

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

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

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

For the year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>GENERAL GOVERNMENT</b>				
Salaries	\$ 328,000	\$ 308,000	\$ 301,373	\$ 6,627
Payroll taxes	13,000	11,000	10,268	732
Municipal retirement	18,000	32,000	37,313	(5,313)
Travel	10,000	10,000	11,203	(1,203)
Fixed asset acquisitions	17,000	22,000	23,029	(1,029)
Accounting	90,000	70,000	65,760	4,240
Dues and subscriptions	8,000	5,000	4,428	572
Consultants	30,000	70,000	67,836	2,164
Contract labor	5,000	15,000	19,701	(4,701)
Insurance	70,500	100,000	120,835	(20,835)
Legal	70,000	30,000	32,403	(2,403)
Building maintenance	25,000	15,500	13,128	2,372
Vehicle fuel	2,000	5,000	4,565	435
Office supplies	50,000	55,000	54,844	156
Vehicle maintenance	4,500	4,000	8,821	(4,821)
Publishing	5,500	1,500	3,398	(1,898)
Telephone	35,000	50,000	45,674	4,326
Utilities	36,000	63,500	64,637	(1,137)
Other	51,000	80,100	69,266	10,834
	<u>868,500</u>	<u>947,600</u>	<u>958,481</u>	<u>(10,881)</u>
<b>STREETS AND SANITATION</b>				
Salaries	427,000	385,000	383,746	1,254
Payroll taxes	15,000	12,000	11,639	361
Municipal retirement	34,000	57,000	50,744	6,256
Fixed asset acquisitions	-	35,000	34,819	181
Insurance	119,500	103,800	90,370	13,430
Contract labor	-	4,500	3,317	1,183
Equipment maintenance	45,000	38,000	37,806	194
Street and building maintenance	21,000	37,500	35,150	2,350
Utilities	22,500	2,500	2,571	(71)
Vehicle fuel	22,000	23,000	23,700	(700)
Equipment rental	50,000	34,000	31,435	2,565
Supplies	18,000	14,000	12,966	1,034
Other	4,300	1,400	(244)	1,644
	<u>778,300</u>	<u>747,700</u>	<u>718,019</u>	<u>29,681</u>

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

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

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

For the year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Salaries	\$ 343,000	\$ 402,000	\$ 399,703	\$ 2,297
Payroll taxes	11,600	20,100	19,428	672
Municipal and police retirement	22,000	41,000	39,319	1,681
Insurance	74,400	67,400	56,552	10,849
Fixed asset acquisition	-	30,000	24,562	5,438
Travel	500	800	709	91
Clothing	1,000	13,000	13,325	(325)
Training	3,000	2,800	2,258	542
Office supplies	4,000	13,700	12,123	1,577
Telephone	14,500	13,500	11,907	1,593
Vehicle fuel	20,000	23,000	22,476	524
Vehicle maintenance	12,000	35,000	36,469	(1,469)
Equipment maintenance	500	8,800	8,019	781
Field supplies	500	15,500	11,996	3,504
Printing	-	2,000	1,744	256
Other	2,900	14,500	14,496	4
	<u>509,900</u>	<u>703,100</u>	<u>675,086</u>	<u>28,014</u>
<b>Fire</b>				
Salaries	150,000	91,000	91,569	(569)
Payroll taxes	11,400	3,900	3,707	193
Fire fighters retirement	5,500	6,000	5,855	145
Insurance	18,300	13,500	12,884	616
Fixed asset acquisitions	10,000	-	-	-
Office supplies	-	-	112	(112)
Other	9,400	4,900	4,002	898
	<u>204,600</u>	<u>119,300</u>	<u>118,129</u>	<u>1,171</u>
Total public safety	<u>714,500</u>	<u>822,400</u>	<u>793,215</u>	<u>29,185</u>



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

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

For the year ended June 30, 2004

	<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	\$ 134,000	\$ 91,000	\$ 91,906	\$ (906)
Payroll taxes	5,400	4,000	8,440	(4,440)
Municipal retirement	5,000	8,000	6,095	1,905
Insurance	28,500	21,900	17,561	4,339
Training	500	500	-	500
Vehicle	2,100	5,000	3,865	1,135
Supplies	1,500	4,750	5,050	(300)
Contract labor	500	500	-	500
Fixed asset acquisition	-	60,000	-	60,000
Housing development	-	10,000	10,000	-
Other	800	3,500	2,559	941
	<u>178,300</u>	<u>209,150</u>	<u>145,476</u>	<u>63,674</u>
<b>Senior center</b>				
Salaries	75,000	45,500	52,878	(7,378)
Payroll taxes	3,400	3,600	-	3,600
Municipal retirement	3,200	3,200	2,921	279
Insurance	16,900	15,300	7,536	7,764
Vehicle	6,000	2,600	2,102	498
Supplies	500	500	468	32
Contract labor	1,000	500	-	500
Other	1,000	1,400	1,344	56
	<u>107,000</u>	<u>72,600</u>	<u>67,249</u>	<u>5,351</u>
<b>Youth camp</b>				
Other	18,000	21,500	18,906	2,594
	<u>18,000</u>	<u>21,500</u>	<u>18,906</u>	<u>2,594</u>
Total social and recreational services	<u>303,300</u>	<u>303,250</u>	<u>231,631</u>	<u>71,619</u>
Total expenditures	<u>\$ 2,664,600</u>	<u>\$ 2,820,950</u>	<u>\$ 2,701,346</u>	<u>\$ 119,604</u>

**CITY OF ST. GABRIEL, LOUISIANA  
CIVIC CENTER CAPITAL PROJECT FUND**

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

For the year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 280,000	\$ 220,352	\$ (59,648)
<b>EXPENDITURES</b>			
Capital project			
Capital outlay	<u>5,295,000</u>	<u>3,979,619</u>	<u>1,315,381</u>
Excess of expenditures over revenues	<u>(5,015,000)</u>	<u>(3,759,267)</u>	<u>1,255,734</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance debt	4,980,000	3,724,959	(1,255,041)
Transfers in			
Sales and Use Tax Fund	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing sources	<u>5,015,000</u>	<u>3,759,959</u>	<u>(1,255,041)</u>
Excess of other financing sources over expenditures	-	692	<u>\$ 693</u>
<b>FUND BALANCE</b>			
Beginning of year	<u>962</u>	<u>962</u>	
End of year	<u>\$ 962</u>	<u>\$ 1,654</u>	

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

## CITY OF ST. GABRIEL, LOUISIANA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2004

	Parishwide Sales and Use Tax Fund	Recreational Parks Capital Project Fund	Sidewalks Improvement Capital Project Fund	Road Improvement Capital Project Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 35,014	\$ 35,183	\$ 11,268	\$ 8,283	\$ 89,748
Due from other governments	45,941	73,753	-	18,497	138,191
Due from other fund	50,415	15,697	-	-	66,112
Total assets	<u>\$ 131,370</u>	<u>\$ 124,633</u>	<u>\$ 11,268</u>	<u>\$ 26,780</u>	<u>\$ 294,051</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 8,000	\$ -	\$ 18,497	\$ 26,497
Due to other funds	-	98,000	-	-	98,000
Total liabilities	<u>-</u>	<u>106,000</u>	<u>-</u>	<u>18,497</u>	<u>124,497</u>
<b>FUND BALANCE</b>					
Designated for subsequent year expenditures	-	-	5,000	-	5,000
Undesignated	131,370	18,633	6,268	8,283	164,554
Total fund balance	<u>131,370</u>	<u>18,633</u>	<u>11,268</u>	<u>8,283</u>	<u>169,554</u>
Total liabilities and fund balance	<u>\$ 131,370</u>	<u>\$ 124,633</u>	<u>\$ 11,268</u>	<u>\$ 26,780</u>	<u>\$ 294,051</u>

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

# CITY OF ST. GABRIEL, LOUISIANA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2004

	Parishwide Sales and Use Tax Fund	Recreational Parks Capital Project Fund	Sidewalks Improvement Capital Project Fund	Road Improvement Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 275,242	\$ -	\$ -	\$ -	\$ -	\$ 275,242
Intergovernmental	-	81,191	-	184,974	-	266,165
Other	-	-	-	52	-	52
Total revenues	<u>275,242</u>	<u>81,191</u>	<u>-</u>	<u>185,026</u>	<u>-</u>	<u>541,459</u>
<b>EXPENDITURES</b>						
Debt service	-	-	-	-	174,356	174,356
Capital project	-	233,616	19,302	231,710	-	484,628
Total expenditures	<u>-</u>	<u>233,616</u>	<u>19,302</u>	<u>231,710</u>	<u>174,356</u>	<u>658,984</u>
Excess (deficiency) of revenues over expenditures	<u>275,242</u>	<u>(152,425)</u>	<u>(19,302)</u>	<u>(46,684)</u>	<u>(174,356)</u>	<u>(117,525)</u>
<b>OTHER FINANCING SOURCE (USES)</b>						
Operating transfers in	-	171,000	19,302	30,500	174,356	395,158
Operating transfers out	<u>(481,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(481,860)</u>
Total financing sources (uses)	<u>(481,860)</u>	<u>171,000</u>	<u>19,302</u>	<u>30,500</u>	<u>174,356</u>	<u>(86,702)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(206,618)</u>	<u>18,575</u>	<u>-</u>	<u>(16,184)</u>	<u>-</u>	<u>(204,227)</u>
<b>FUND BALANCE</b>						
Beginning of year	<u>337,988</u>	<u>58</u>	<u>11,268</u>	<u>24,467</u>	<u>-</u>	<u>373,781</u>
End of year	<u>\$ 131,370</u>	<u>\$ 18,633</u>	<u>\$ 11,268</u>	<u>\$ 8,283</u>	<u>\$ -</u>	<u>\$ 169,554</u>

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

**CITY OF ST. GABRIEL, LOUISIANA  
PARISH WIDE SALES TAX FUND**

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

For the year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>REVENUES</b>			
Taxes			
Sales and use taxes	\$ 280,000	\$ 275,242	\$ (4,758)
<b>OTHER FINANCING USES</b>			
Transfers out			
General Fund	(70,000)	(69,020)	980
Recreational Parks Capital Project Fund	(136,000)	(136,000)	-
Sidewalk Project Fund	(20,000)	(19,302)	698
Sewer Fund	(133,000)	(67,682)	65,318
Debt Service Fund	<u>(220,500)</u>	<u>(189,856)</u>	<u>30,644</u>
Total other financing uses	<u>(579,500)</u>	<u>(481,860)</u>	<u>97,640</u>
Excess (deficiency) of revenues over other financing uses	(299,500)	(206,618)	<u>\$ 92,882</u>
<b>FUND BALANCE</b>			
Beginning of year	<u>337,988</u>	<u>337,988</u>	
End of year	<u>\$ 38,488</u>	<u>\$ 131,370</u>	

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

**CITY OF ST. GABRIEL, LOUISIANA  
RECREATIONAL PARKS CAPITAL PROJECT FUND**

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

For the year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>REVENUES</b>			
State grants	\$ -	\$ 81,191	\$ 81,191
<b>EXPENDITURES</b>			
Capital project			
Capital outlay	<u>171,000</u>	<u>233,616</u>	<u>(62,616)</u>
Excess of expenditures over revenues	<u>(171,000)</u>	<u>(152,425)</u>	<u>18,575</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in			
Parish Wide Sales Tax Fund	136,000	136,000	-
Sales and Use Tax Fund	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing sources	<u>171,000</u>	<u>171,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	-	18,575	<u>\$ 18,575</u>
<b>FUND BALANCE</b>			
Beginning of year	<u>58</u>	<u>58</u>	
End of year	<u>\$ 58</u>	<u>\$ 18,633</u>	

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

**CITY OF ST. GABRIEL, LOUISIANA**  
**SIDEWALKS IMPROVEMENT CAPITAL PROJECT FUND**

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

For the year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>EXPENDITURES</b>			
Capital project			
Capital outlay	\$ 25,000	\$ 19,302	\$ 5,698
<b>OTHER FINANCING SOURCES</b>			
Transfers in			
Parish wide sales tax fund	<u>20,000</u>	<u>19,302</u>	<u>(698)</u>
Excess of expense over other financing sources over expenditures	(5,000)	-	<u>\$ 5,000</u>
<b>FUND BALANCE</b>			
Beginning of year	<u>11,268</u>	<u>11,268</u>	
End of year	<u>\$ 6,268</u>	<u>\$ 11,268</u>	

**CITY OF ST. GABRIEL, LOUISIANA  
ROAD IMPROVEMENT CAPITAL PROJECT FUND**

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

For the year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>REVENUES</b>			
State grants	\$ 200,000	\$ 184,974	\$ (15,026)
Interest	<u>100</u>	<u>52</u>	<u>(48)</u>
Total revenues	200,100	185,026	(15,074)
<b>EXPENDITURES</b>			
Capital project			
Capital outlay	<u>255,000</u>	<u>231,710</u>	<u>23,290</u>
Excess of expenditures over revenues	<u>(54,900)</u>	<u>(46,684)</u>	<u>8,216</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in			
Sales and Use Tax Fund	15,000	15,000	
Parishwide Sales and Use Tax Fund	<u>15,500</u>	<u>15,500</u>	<u>-</u>
Total other financing sources	<u>30,500</u>	<u>30,500</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(24,400)	(16,184)	<u>\$ (8,216)</u>
<b>FUND BALANCE</b>			
Beginning of year	<u>24,467</u>	<u>24,467</u>	
End of year	<u>\$ 67</u>	<u>\$ 8,283</u>	



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

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

For the year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	\$ 150,000	\$ 127,500	\$ 22,500
Debt service	<u>55,000</u>	<u>46,856</u>	<u>8,144</u>
Total expenditures	205,000	174,356	30,644
<b>OTHER FINANCING SOURCES</b>			
Transfer in - Parish wide Sales and Use Tax Fund	<u>205,000</u>	<u>174,356</u>	<u>(30,644)</u>
Excess of other financing sources over expenditures	-	-	<u>\$ -</u>
<b>FUND BALANCE</b>			
Beginning of year	<u>-</u>	<u>-</u>	
End of year	<u>\$ -</u>	<u>\$ -</u>	

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

**CITY OF ST. GABRIEL, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2004

Grantor/State Pass-through/ Program name/ <u>Location of Project</u>	CFDA Number	Grant Amount	Balance July 1	Federal Receipts	Federal Expenditures	Balance June 30
<b>United States Department of Agriculture</b> State of Louisiana/Water and Waste Disposal Systems For Rural Communities/Phase III Sewer Project	10.770	\$ 3,700,000	-	\$ 2,953,292	\$ 3,154,367	\$ 201,075
State of Louisiana/ Community Facilities Loans and Grants/ Civic Center Project	10.766	5,480,000	-	3,449,935	3,724,959	275,024
<b>United States Department of Justice</b> Department of Public Safety/Public Safety Partnership and Community Policing Grants/COPS	16.710	177,407	(22,326)	-	23,206	880
<b>United States Department of Housing and Urban Development</b> Louisiana Office of Community Development/ Louisiana Community Development Block Grant/ Road Project	14.228	200,000	-	166,478	184,975	18,497
<b>Total Federal Assistance</b>			\$ (22,326)	\$ 6,569,705	\$ 7,087,507	\$ 495,476

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

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

For the year ended June 30, 2004

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

**General**

The City of St. Gabriel, Louisiana's (City) Schedule of Expenditures of Federal Awards presents the activity of the federal financial assistance programs of the City. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed-through other government agencies are included on the schedule.

**Basis of Accounting**

The City's Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to City's financial statements for the year ended June 30, 2004.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.  
LOUIS C. MCKNIGHT, III, C.P.A.  
ANTHONY J. CRISTINA, III, C.P.A.  
CHARLES R. PEVEY, JR., C.P.A.  
DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200  
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December 1, 2004

**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the

**City of St. Gabriel  
St. Gabriel, Louisiana**

as of and for the year ended June 30, 2004, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements and have issued our report thereon dated December 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of St. Gabriel Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 judgement, could adversely affect the City of St. Gabriel, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2004-1 through 2004-5.

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, we believe none of the reportable conditions described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of St. Gabriel's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2004-6.

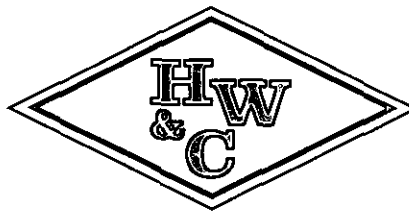
This report is intended solely for the information and use of the City and management, the Louisiana State Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,

*Hawthorn, Weymouth + Carroll, LLP*

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

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December 1, 2004

**Report on Compliance with Requirements Applicable to  
Each Major Program and Internal Control Over  
Compliance in Accordance with OMB Circular A-133**

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

Compliance

We have audited the compliance of the City of St. Gabriel, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The City of St. Gabriel, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of St. Gabriel, Louisiana's management. Our responsibility is to express an opinion on the City of St. Gabriel, Louisiana's compliance based on our audit.

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 the 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. Our audit does not provide a legal determination on the City of St. Gabriel, Louisiana's compliance with those requirements.

In our opinion, the City of St. Gabriel, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

#### Internal Control Over Compliance

The management of the City of St. Gabriel, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of St. Gabriel, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,

*Hawthorn, Wymouth & Carroll, LLP*

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the year ended June 30, 2004

**REPORTABLE CONDITIONS:**

**2004-1 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 City that is served by a limited accounting system. These limitations allow no opportunity for meaningful segregation of duties. This is a prior year finding.

**Recommendation:** The City has hired an independent CPA firm to assist their accounting department. We recommend that duties be assigned between the CPA firm and City personnel so that internal controls will be enhanced.

**Management's Response:** The city has hired an additional finance staff person to administer various financial functions and to provide oversight to other staff involved with the City's finance department. The City intends to assign tasks to staff members to mitigate the risks associated with a lack of proper segregation of duties. However, due to the limited number of positions, achieving a segregation of duties is not cost feasible.

Additionally, the independent CPA firm is utilized primarily for assisting with interim financial statement preparation and other tasks as directed by the Mayor.

**2004-2 Increase Usage of Purchase Order System**

**Observation:** While the City maintains a purchase order system, City employees with purchasing responsibilities do not adhere to the established policy. This is a prior year finding.

**Recommendation:** The City should establish a uniform written policy for the use of a purchase order system. All employees having purchasing responsibilities should be educated on the new policy and required to adhere to the policy.

**Management's Response:** For the year ending June 30, 2005, the City's departmental heads were assigned responsibility for purchasing, to include execution of purchase orders. However, the City relies heavily on the approval process used when disbursements are made. In particular, the Mayor approves all expenditures prior to the disbursement being made, which the City believes operates effectively.



On the other hand, the City plans to initiate improvements to the purchase order system, during 2005, by assigning purchasing responsibility to department manager with the City finance director serving in a supervisory role.

Finally, the new accounting software purchased by the City during 2004 includes a purchase order module that the City anticipates utilizing to streamline and improve this process. Each department head will have access to the program module and will complete their respective departments purchase orders. All purchase orders will be coordinated and monitored by the City Clerk.

### **2004-3 Improve Collections of Receivables**

**Observation:** During our audit work, we found that sewer fees have not been adequately collected. This is a prior year finding.

**Recommendation:** We recommend the following: (1) Continuance of legal action against customers that have delinquent accounts; (2) Pursue negotiation with Iberville Parish to allow for the disconnection of water service for delinquent accounts.

**Management's Response:** The Mayor of the City has been diligent with efforts associated with collecting fees for providing sewer services. The internal efforts of the City have not produced the results desired, which is the ultimate collection of receivables outstanding. In any event, the city has initiated the following steps:

1. Delinquent sewer users have been assigned to the City attorney who is pursuing this matter for the City. At this point, liens have been placed on the customer's property for delinquent bills. On the other hand, the City's goal is the collection of the sewer fee which has not been forthcoming. The City intends to vigorously pursue this matter until an adequate resolution is achieved.
2. The City has requested assistance from the Parish of Iberville's Water District serving the east side of the parish. At this point, such negotiations have not produced any results that would enhance receivable collections. However, the City is continuing to pursue this avenue for potential improvements to collections of receivables.

In any event, City officials are disappointed with the current status of this finding, but are working vigorously to resolve the matter.

### **2004-4 Traffic Ticket Receipts**

**Observation:** The Police Department collects some monies in the form of Cashier's Checks or Money Orders made payable to the Iberville Parish Sheriff's Office. A police department employee accumulates checks and calls an employee of the Sheriff's Office to pick them up. The police department has a system which requires the Sheriff's department employee to sign for the checks. This is a prior year finding.

**Recommendation:** The system the Police Department is using is appropriate in form but the function of collecting the monies should be a function of the finance department of the City. We suggest the collection system currently in place in the Police Department be transferred to the Finance Department of the City.

**Management's Response:** The City is satisfied with the current system. However, the City will explore this recommendation with the Police Chief and consider moving this function to the finance department to consolidate collection efforts by the City.

#### **2004-5 Deposits with One Financial Institution**

**Observation:** The City's deposits with one financial institution exceeded the FDIC and pledged securities by approximately \$89,000 on June 30, 2004. Louisiana Revised Statutes require all deposits to be fully secured.

**Recommendation:** We recommend the City monitor its deposits with financial institutions on a monthly basis to ensure that they do not exceed the FDIC and pledged securities amount.

**Management's Response:** The matter is a result of oversight by City management. This bank account was opened during 2003 to account for the Civic Center capital project. Normally, the bank account cash passes through this account as construction of the Civic Center occurs. However, the City did not request the bank to secure the account.

The City intends to continue to monitor cash activity and related collateralization to comply with state law. This matter is considered an isolated incident.

Finally, the construction is being completed and the account will soon be closed. As a result, the matter will soon be resolved.

#### **2004-6 Public Bid Law**

**Observation:** According to the Louisiana Public Bid Law, the City is required to obtain and document at least three telephone or facsimile quotes for purchases in excess of \$10,000. The City purchased two assets greater than \$10,000 for which no quotes were obtained.

**Recommendation:** The City should comply with the Louisiana Public Bid Law concerning purchases for more than \$10,000.

**Management's Response:** The City considers these to be isolated incidents. The City will enhance its purchasing procedures to identify items being purchased in excess of \$10,000 so that a public bid determination can be made. Personnel with purchasing authority will be notified of these two instances so that future occurrences, such as these, can be avoided.

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

**SUMMARY OF PRIOR YEAR FINDINGS**  
For the year ended June 30, 2004

**2003-1 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 City that is served by a limited accounting system. These limitations allow no opportunity for meaningful segregation of duties.

This finding repeats as current year finding 2004-1.

**2003-2 Fixed Asset Management**

**Observation:** According to L.R.S. 39:324, the City is required to complete a physical inventory of its property annually. During the year ended June 30, 2003, the City did not complete a physical inventory.

A complete physical inventory was taken in 2004.

**2003-3 Increase Usage of Purchase Order System**

**Observation:** While the City maintains a purchase order system, City employees with purchasing responsibilities do not adhere to the established policy.

This finding repeats as current year finding 2004-2.

**2003-4 Improve Collections of Receivables**

**Observation:** During our audit work, we found that sewer fees have not been adequately collected.

This finding repeats as current year finding 2004-3.

**2003-5 Control of Cellular Phone Usage**

**Observation:** The City lacks sufficient controls over cell phone usage that creates a susceptibility to theft or misuse by employees. A number of cell phones have been distributed to City employees. In addition, the City does not maintain a policy to account for the personal use of cell phones paid by the City.

This was resolved in 2004.

### **2003-6 Licenses and Fees**

**Observation:** There is apparently no reconciliation between the amount of licenses and fees deposited to the original documents which are issued.

This was corrected in 2004.

### **2003-7 Accounts Payable Invoice Documentation and Procedures**

**Observation:** There is no system in place that requires the accountant handling accounts payable invoices to mark the invoices to indicate that they have been mathematically verified and entered into the City's accounts payable computer system nor is there a system that requires paid bills to be marked as paid. Additionally, after accounts payable checks are signed by the mayor they are returned to the employee who prepared the checks for mailing.

This was corrected in 2004.

### **2003-8 Computer Backup Tapes**

**Observation:** The nightly computer backup tapes are being stored on top of the City's computer server and only an end of the month backup tape is taken off-site.

This was corrected in 2004.

### **2003-9 Walk-Up Window Collections of Sewer Fees**

**Observation:** No listing was being prepared of Sewer Fees collected at the City's walk-up window. The sewer bill stubs were merely being marked paid and put in a bank bag with the money and a deposit was later prepared.

This was corrected in 2004.

### **2003-10 Computer System Billing Adjustments**

**Observation:** All employees who post payments to the City's CSDC computer system used for Sewer and Advalorem Tax collections have the ability to make billing adjustments to the system without having to obtain an approval from a supervisor.

This was corrected in 2004.

### **2003-11 Traffic Ticket Receipts**

**Observation:** The Police Department collects some monies in the form of Cashier's Checks or Money Orders made payable to the Iberville Parish Sheriff's Office. A police department employee accumulates checks and calls an employee of the Sheriff's Office to pick them up. The police department has a system which requires the Sheriff's department employee to sign for the checks.

This finding repeats as current year finding 2004-4.

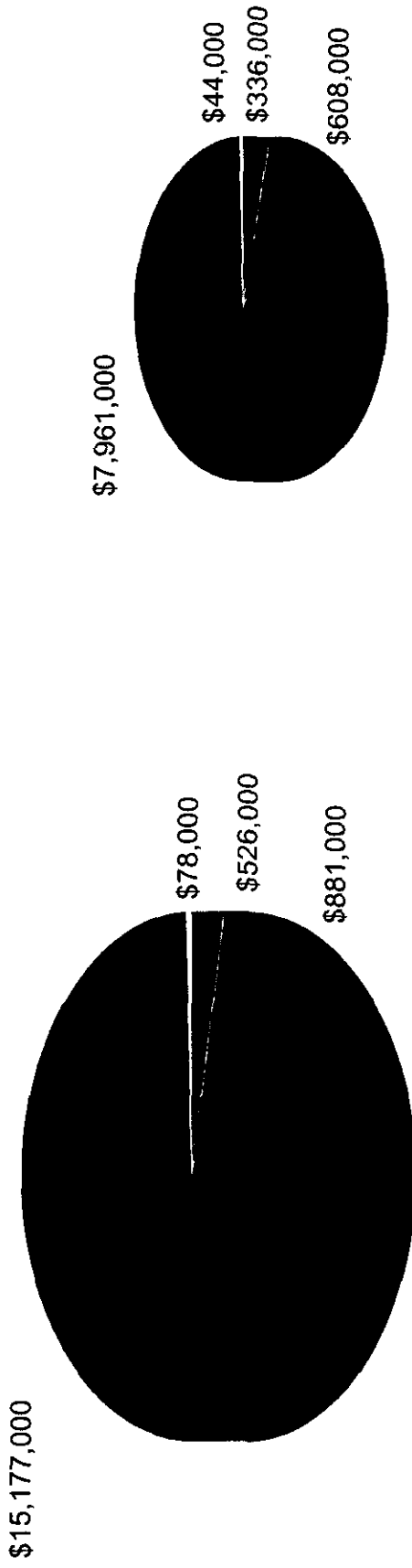
### 2003-12 Advances of Funds to Employees

**Observation:** During the year ended June 30, 2003, the City loaned funds to an employee by advancing sick pay. According to Louisiana Constitution, Article 7, Section 14, funds of the City shall not be loaned to any individual person.

This was resolved in 2004.

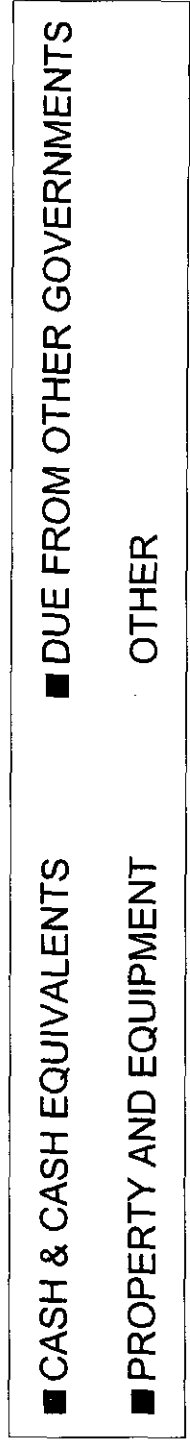
# CITY OF ST. GABRIEL, LOUISIANA

## ASSETS - GOVERNMENT-WIDE



JUNE 30, 2004

JUNE 30, 2003

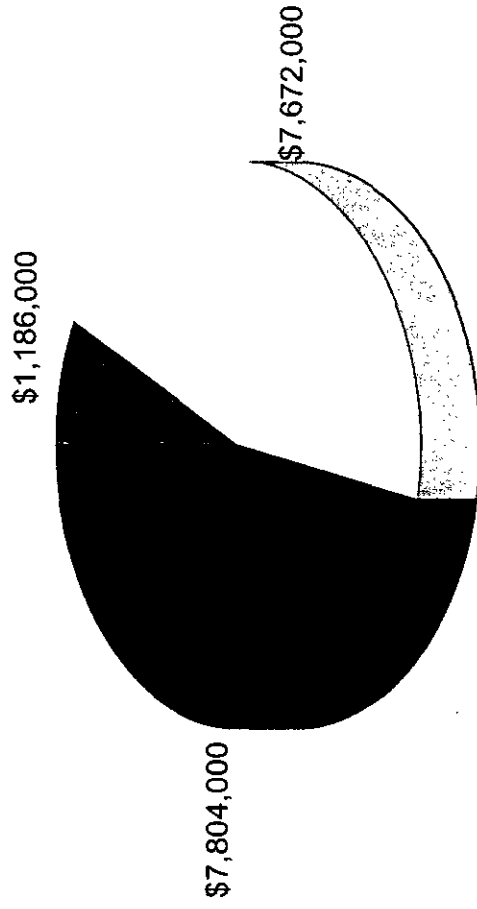


ASSETS = \$ 16,662,000

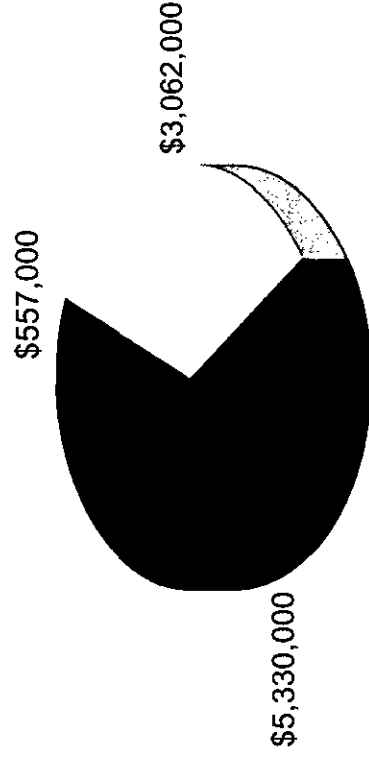
ASSETS = \$ 8,949,000

# CITY OF ST. GABRIEL, LOUISIANA

## LIABILITIES & NET ASSETS - GOVERNMENT-WIDE



JUNE 30, 2004



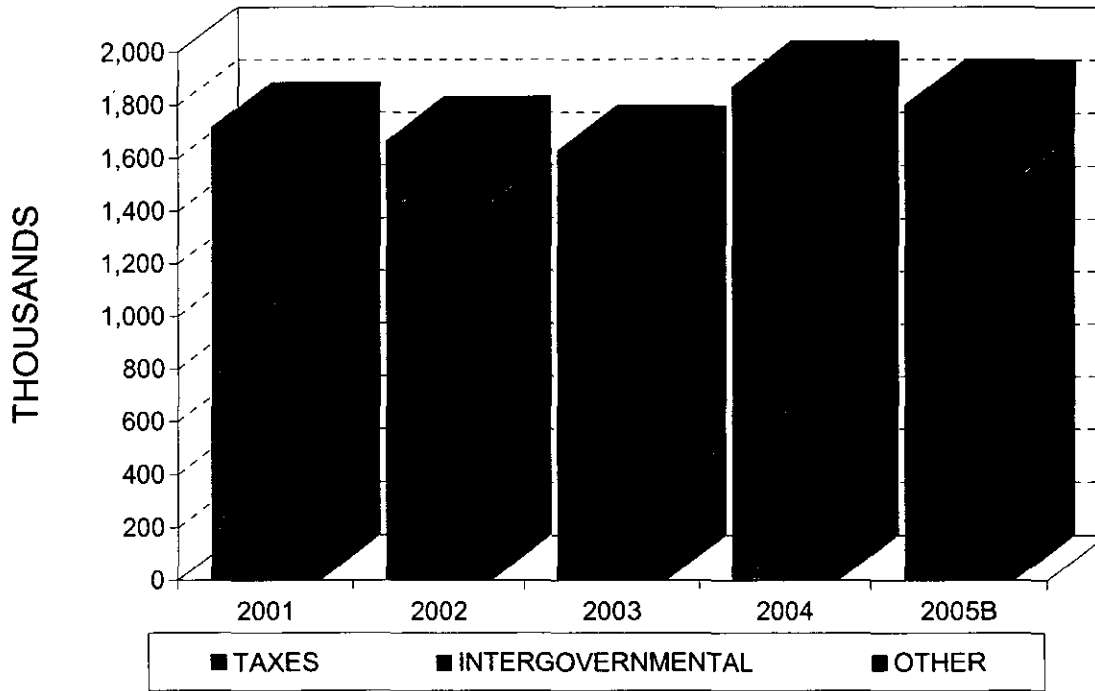
JUNE 30, 2003

■ LIABILITIES	DEBT	■ NET ASSETS
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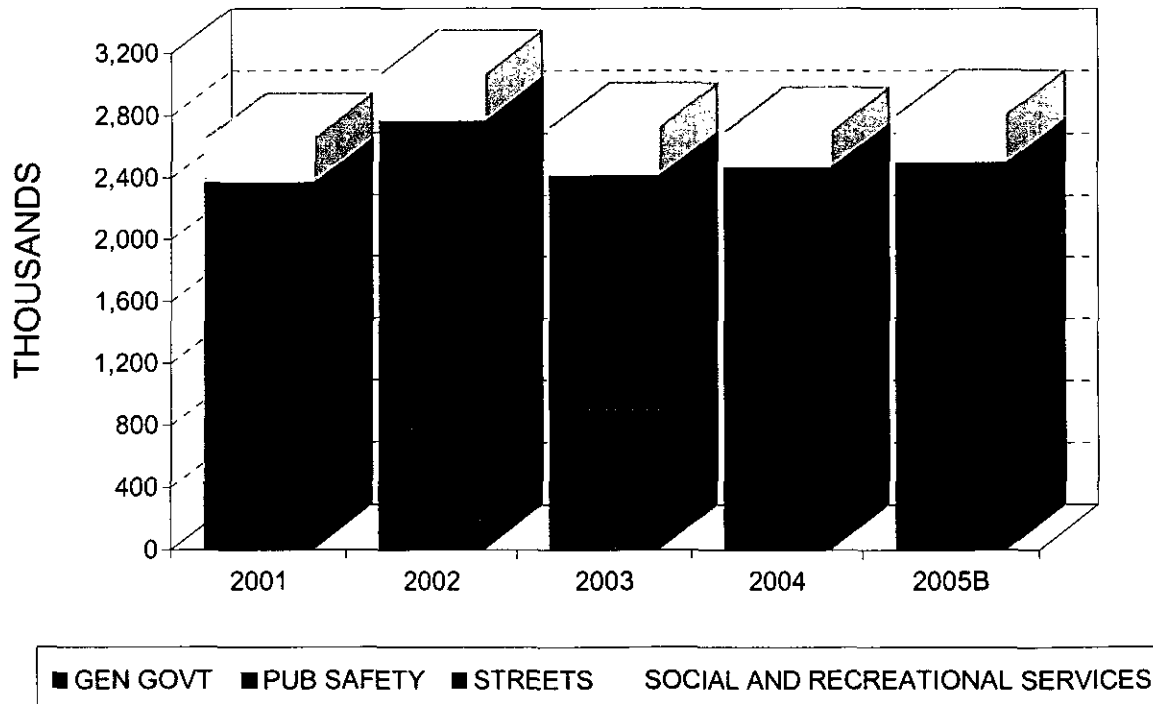
LIABILITIES = \$ 8,858,000  
 NET ASSETS = \$ 7,804,000

LIABILITIES = \$ 3,619,000  
 NET ASSETS = \$ 5,330,000

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

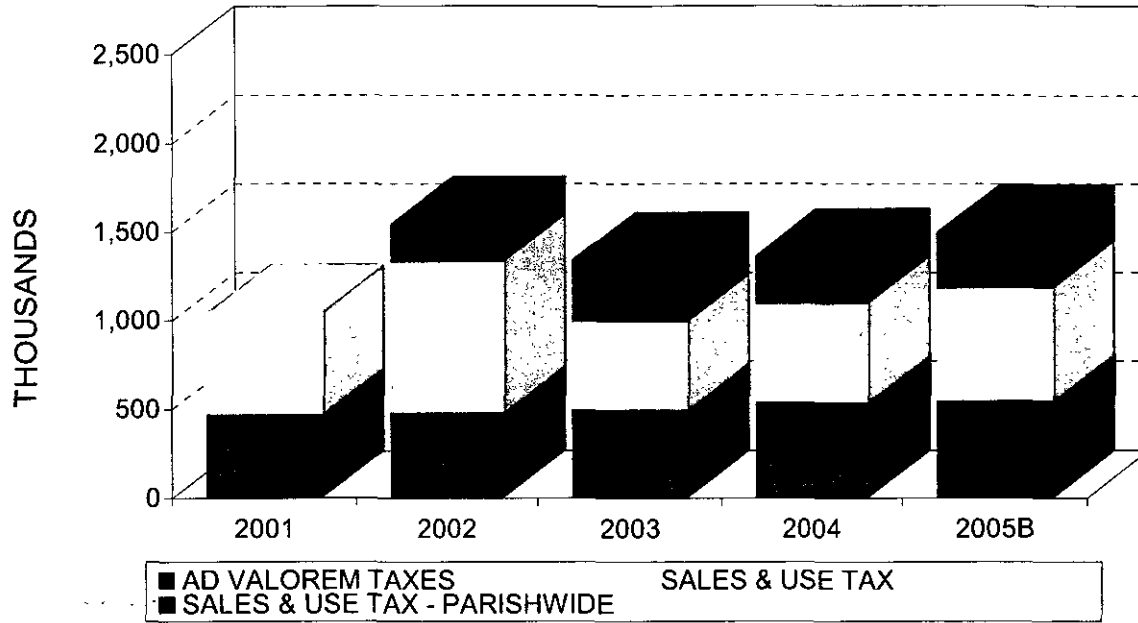


## GENERAL FUND EXPENDITURES CITY OF ST. GABRIEL, LOUISIANA

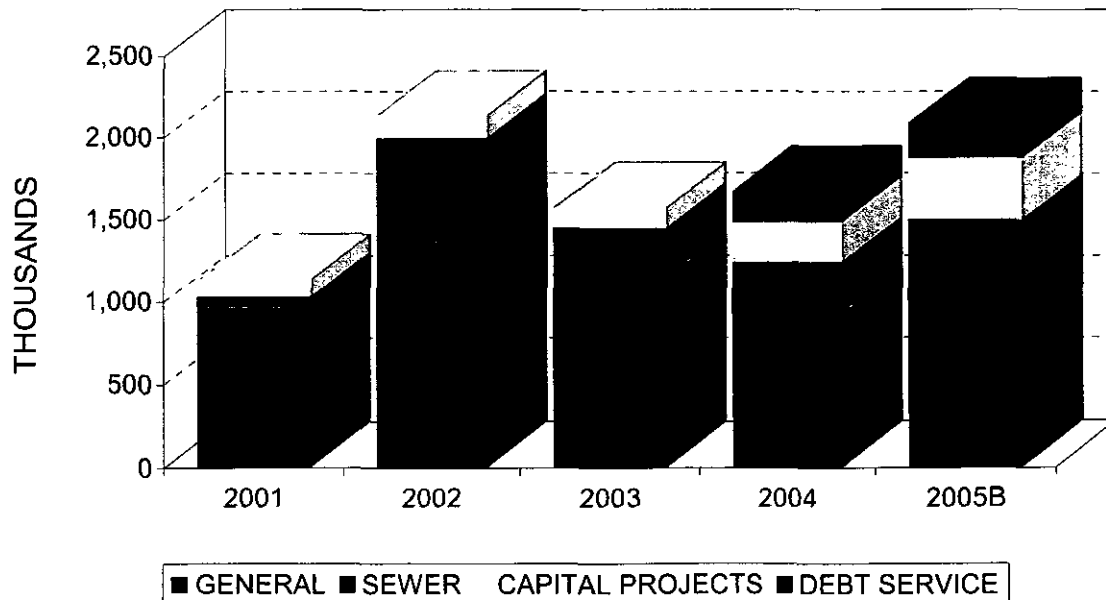




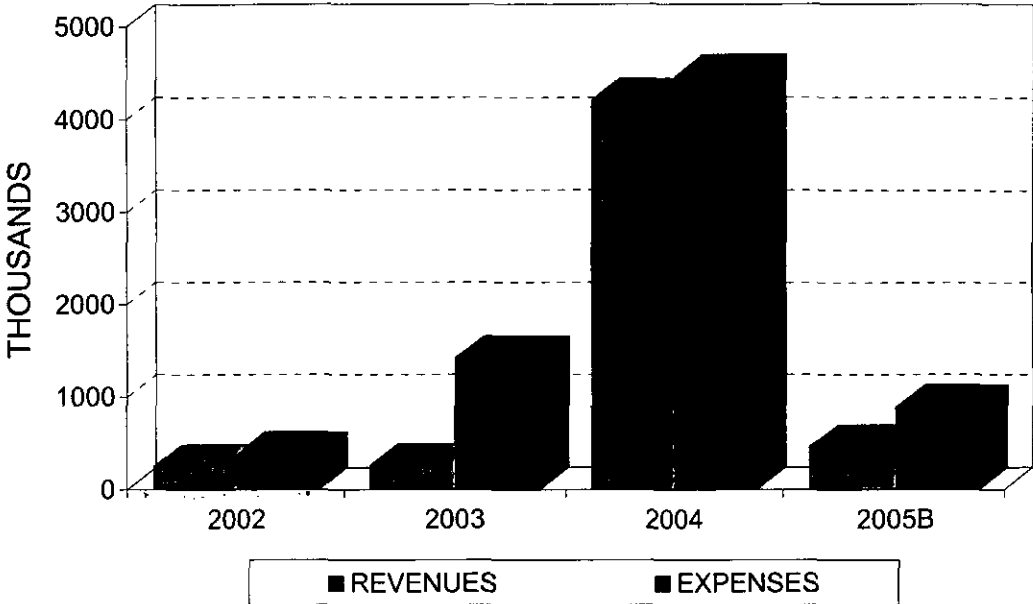
## SPECIAL REVENUE FUND REVENUES CITY OF ST. GABRIEL, LOUISIANA



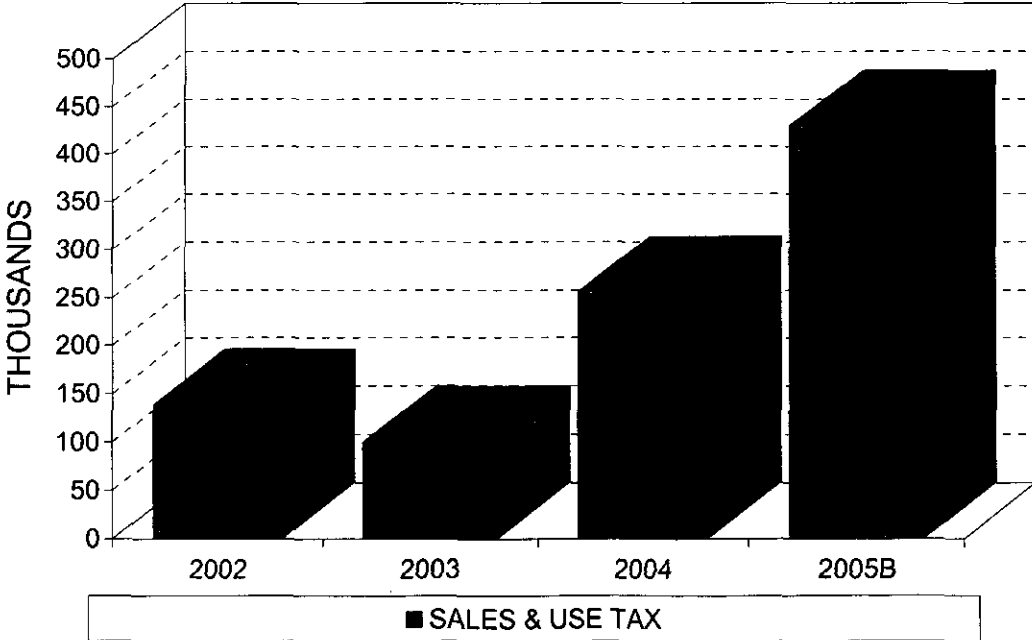
## SPECIAL REVENUE FUND TRANSFERS CITY OF ST. GABRIEL, LOUISIANA



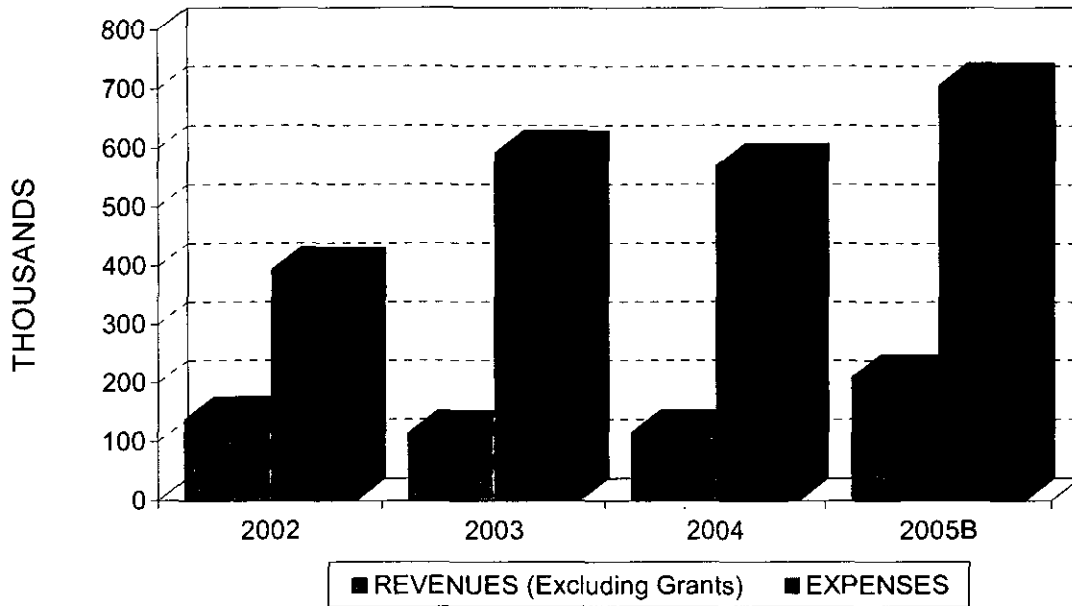
**CAPITAL PROJECTS FUND REVENUES AND EXPENSES  
(EXCLUDING SEWER CAPITAL PROJECTS)  
CITY OF ST. GABRIEL, LOUISIANA**



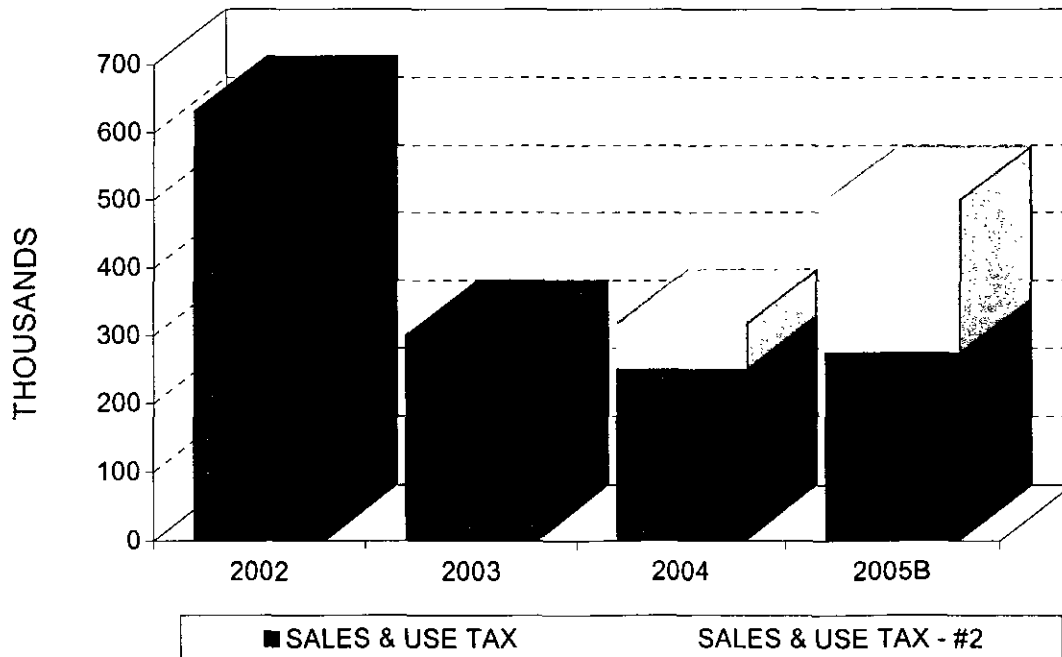
**CAPITAL PROJECTS FUND TRANSFERS IN  
CITY OF ST. GABRIEL, LOUISIANA**



## SEWER FUND REVENUES AND EXPENSES CITY OF ST. GABRIEL, LOUISIANA



## SEWER FUND TRANSFERS IN CITY OF ST. GABRIEL, LOUISIANA



**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF SUPPLEMENTARY INFORMATION**  
**SEWERAGE CUSTOMERS**

June 30, 2004  
(Without Audit)

Records maintained by the City of St. Gabriel indicated the number of residential and commercial users for the sewer systems at June 30, 2004 were as follows:

	<u>Sewer</u>
Residential	369
Commercial	<u>30</u>
	<u>399</u>

**CITY OF ST. GABRIEL, LOUISIANA**

**SCHEDULE OF SUPPLEMENTARY INFORMATION  
INSURANCE IN FORCE**

June 30, 2004  
(Without Audit)

COMPANY	TYPE	COVERAGE	EXPIRATION DATES
<u>Guarantee Trust Life Insurance Co.</u>	Sports		4/20/05
	Accident Medical Amount	\$ 25,000	
<u>Louisiana Workers Compensation Corp.</u>	Each accident	\$1,000,000	4/19/05
	Each employee	1,000,000	
	Disease -- Policy Limit	1,000,000	
<u>United National Insurance Company</u>	<b>Public Officials Professional Liability</b>		<b>4/19/05</b>
	Public Officials Wrongful Act	\$1,000,000	
	Employment Practices Wrongful Act	1,000,000	
	Annual Aggregate	1,000,000	
	<b>Police Professional Liability</b>		
	Each Person	\$1,000,000	
	Occurrence	1,000,000	
	Aggregate	1,000,000	

**CITY OF ST. GABRIEL, LOUISIANA**

**SCHEDULE OF SUPPLEMENTARY INFORMATION  
INSURANCE IN FORCE**

June 30, 2004  
(Without Audit)

COMPANY	TYPE	COVERAGE	EXPIRATION DATES
<u>The St. Paul Fire &amp; Marine Ins. Co.</u>	<b>Public Entity General Liability</b>		<b>4/19/05</b>
	General Total Limit	\$2,000,000	
	Products & Completed Work Total Limit	2,000,000	
	Personal Injury Each Person Limit	1,000,000	
	Advertising Injury Each Person Limit	1,000,000	
	Each Event Limit	1,000,000	
	Premises Damage	500,000	
	Sexual Abuse w General Total Sublimit	250,000/500,000	
	<b>Employee Benefit Plans Administration Liability</b>		<b>4/19/05</b>
	Total Limit	3,000,000	
	Each Wrongful Act Limit	1,000,000	
	<b>Automobile Liability Protection</b>		<b>4/19/05</b>
	Liability (Any Auto)	1,000,000	
	<b>Automobile Physical Damage</b>		<b>4/19/05</b>
	Specified Autos – 32 units	Actual Cash Value	

**CITY OF ST. GABRIEL, LOUISIANA**

**SCHEDULE OF SUPPLEMENTARY INFORMATION  
INSURANCE IN FORCE**

June 30, 2004  
(Without Audit)

COMPANY	TYPE	COVERAGE	EXPIRATION DATES
<u>The St. Paul Fire &amp; Marine Ins. Co. (Continued)</u>			
	<b>Inland Marine Coverage</b>		<b>4/19/05</b>
	Contractors Equipment	\$ 349,000	
	160,000 Misc Tools	160,000	
	200,000 EDP (Computer Equipment)	200,000	
	<b>Package Policy</b>		<b>4/19/05</b>
	Property Special		
	Specified Location Basis	\$2,651,427	
	(All buildings, sewer, pump station, & Community Center)		
	Equip Breakdown		
	Expediting Expense	250,000	
	Pollution Clean-up	250,000	
	Spoilage	250,000	
	Accounts Receivable	100,000	
	Arson Reward	7,500	
	Building Ordinance/Law Inc Cost of Construction	100,000	
	Business Income/Extra Expense	100,000	
	Commandeered Property	100,000	
	Communication Equipment	50,000	
	Computer	50,000	
	Crime Reward	5,000	
	Fairs, Exhibits, or Displays	50,000	
	Fine Arts	50,000	
	Fire Department Service Charge	25,000	

**CITY OF ST. GABRIEL, LOUISIANA**

**SCHEDULE OF SUPPLEMENTARY INFORMATION  
INSURANCE IN FORCE**

June 30, 2004  
(Without Audit)

<b>COMPANY</b>	<b>TYPE</b>	<b>COVERAGE</b>	<b>EXPIRATION DATES</b>
<b><u>The St. Paul Fire &amp; Marine Ins. Co. (Continued)</u></b>			
	Freestanding Signs	25,000	
	Grounds Maintenance Equipment	25,000	
	Inventory & Appraisals	10,000	
	Money & Securities (Inside/Outside)	10,000/5,000	
	Newly Acquired Property - Building for 180 days	1,000,000	
	Personal Property for 180 days	500,000	
	Off-Premises Utility Failure-Direct Damage	50,000	
	Other People's Property	25,000	
	Outdoor Property – Max 1,000 any one item	50,000	
	Pairs & Sets	25,000	
	Personal Belongings	50,000	
	Pollution Clean-up	25,000	
	Property in Transit	50,000	
	Spoilage	10,000	
	Temporary Location	50,000	
	Valuable Records Research	100,000	
	Water Damage	50,000	



**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF SUPPLEMENTARY INFORMATION**  
**MAYOR AND TOWN COUNCIL**

June 30, 2004  
(Without Audit)

The City's Mayor and Town Council at June 30, 2004 are as follows:

Mayor George Grace  
1625 Besson Lane  
St. Gabriel, LA 70776  
(225) 642-7792

Town Council:

Andre' Jones, Mayor Pro-Tempore'  
P.O. Box 164  
Carville, LA 70721

Flora Danielfield  
4795 Maryland Street  
St. Gabriel, LA 70776

Freddie Frazier  
P.O. Box 42  
St. Gabriel, LA 70776

Lionel Johnson, Jr.  
500 Bayou Paul Lane  
St. Gabriel, LA 70776

Nyra D. Taylor  
P.O. Box 210  
St. Gabriel, LA 70776