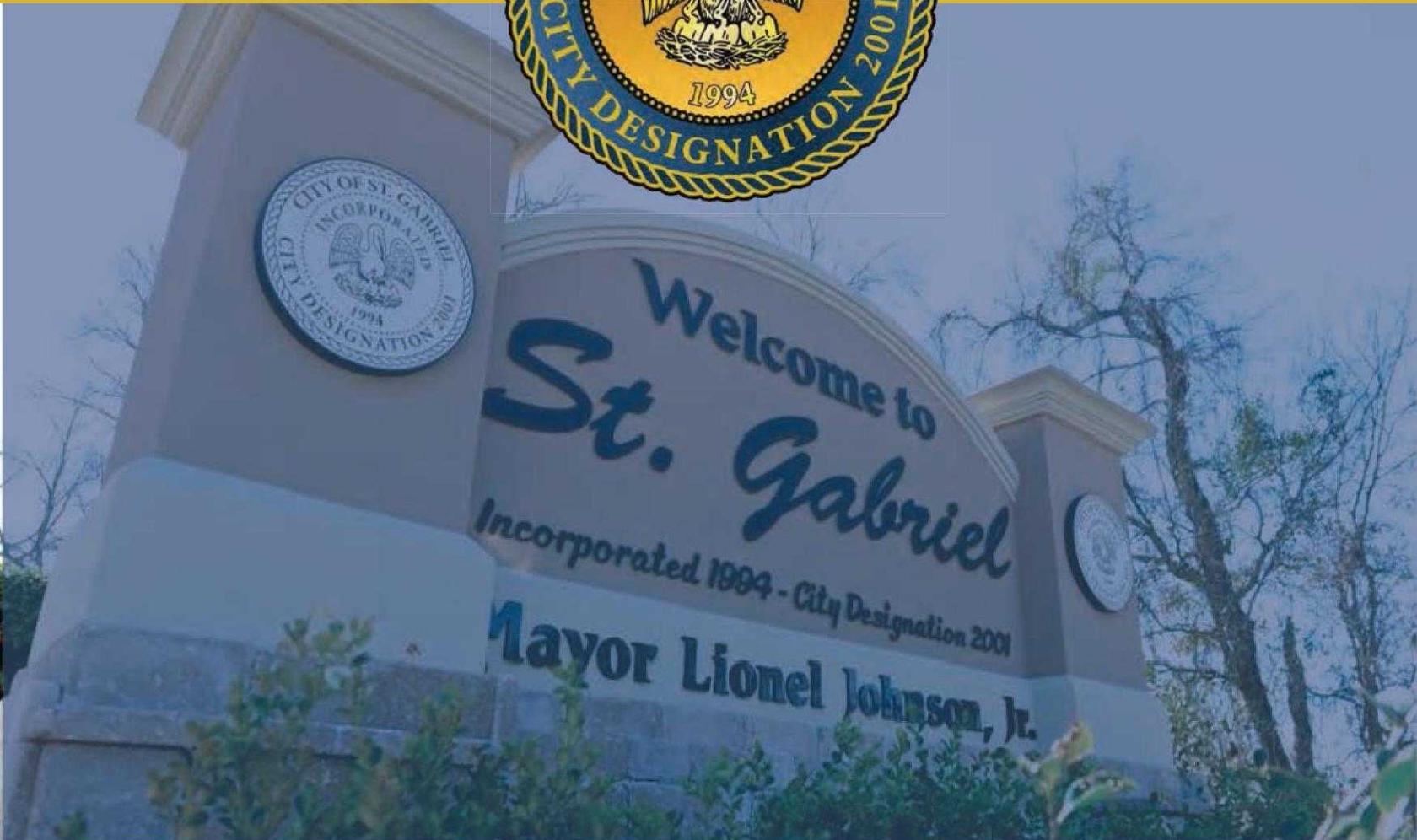


CITY OF
ST. GABRIEL
LOUISIANA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2017



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. GABRIEL, LOUISIANA

For the fiscal year ended June 30, 2017



Prepared by

City of St. Gabriel
Finance Department

CITY OF ST. GABRIEL, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION



Lionel Johnson, Jr.
Mayor



City Council:
Deborah Alexander
Freddie “Carl” Frazier, Sr.
Ronald Grace
Melvin Hasten, Sr.
Kelvin York, Sr.

Police Chief:
Kevin Ambeau, Sr.

CITY OF ST. GABRIEL

“A City of Pride, Progress & Possibilities”

December 31, 2017

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

Dear Citizens, Mayor, and Council Members:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the City of St. Gabriel (the City) for the year ended June 30, 2017. The City Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City.

The City financial statements have been audited by Diez, Dupuy, and Ruiz, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City of St. Gabriel’s financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first document of the financial section of this report.

The City is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, schedule of findings and questioned costs, and the independent auditors’ report on compliance for each major program and on internal control over compliance required by the Uniform Guidance, is presented immediately following the Statistical Section of this report.

*P.O. Box 597 • 5035 Iberville Street • St. Gabriel, LA • Tel: (225) 642-9600 • Fax: (225) 642.9670 • Website:
www.cityofstgabriel.us*

An Equal Opportunity Employer, Provider & Lender

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

Profile of the Government

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

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

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

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

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

Budgetary Control

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

St. Gabriel is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. St. Gabriel is located on the Mississippi River in the southeast region of the state and is a major center for commerce and industry. The largest taxpayers in St. Gabriel are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the City. The taxes paid by local industry are significant to the City's tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the City expects to maintain a stable level of property and sales tax collections through 2018.

General sales and use tax revenues in 2017 for operations of the City were \$1.1 million more than the 2016 revenues, representing a 12% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing 39% of available resources in 2017.

During 2017 the City had employed labor of approximately 7,205 with an unemployment rate of 6.2% and a current per capita personal income of \$36,508 and age of 36.

The City provides some source of housing to the Baton Rouge MSA with 1,184 household units with a median value of \$120,500. Other important industries include government, construction, transportation, real estate and retail trade.

Major Initiatives in 2018

The City has various capital outlay projects ongoing with an estimated cost of over \$15.4 million, to include municipal and recreational facility improvements, sewer system expansions and improvements, road repairs and improvements and drainage improvements. The City has budgeted approximately \$12.6 million for these projects in fiscal year 2018. These projects will be funded by various grants and public improvement bonds that were issued by the City in 2015.

LONG-TERM FINANCIAL PLANNING

As stated above, the City has planned capital initiatives in excess of \$15.4 million which will be funded by Public Improvement Bonds, transfers from special revenue funds, and various grants. These projects address immediate and anticipated needs of the community, including drainage, sewer, transportation and recreational needs.

Road and Drainage Improvements Projects

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

Sewer Improvements Project

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

RELEVANT FINANCIAL POLICIES

The City's fund balance and/or financial position continues to be an important factor in policy decision. The concept notes that the City will strive to maintain a General Fund unassigned fund balance to be used for unanticipated emergencies and future capital outlay spending. These monies will be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing, and assist in maintaining an investment grade rating.

The City of St. Gabriel's legal level of budgetary control is established by the State of Louisiana Budget Law. Amendments to the budgets are required when: a) annual revenue is expected to fall below the annual budget by 5% or more, b) annual expenditures are expected to exceed the budget appropriation by 5% or more, c) actual fund balance within a fund fails to meet estimated beginning fund balance by 5% or more and fund balance is used to fund current year expenditures and d) it appears that a fund will have an accumulated deficit by year end. Such amendments require approval of the City Council as the governing authority.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the City of St. Gabriel for its Comprehensive Annual Financial Report each year for the six years through 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to governmental accounting standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe our current report conforms to the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Tammy Barrie Stewart, Finance Director



Government Finance Officers Association

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

Presented to

**City of St. Gabriel
Louisiana**

*For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended*

June 30, 2016

Executive Director/CEO

**CITY OF ST. GABRIEL
PRINCIPAL OFFICIALS
JULY 1, 2016 – JUNE 30, 2019**

MAYOR

Lionel Johnson, Jr.

COUNCIL MEMBERS

Deborah R. Alexander

Freddie Frazier, Sr.

Melvin Hasten, Sr.

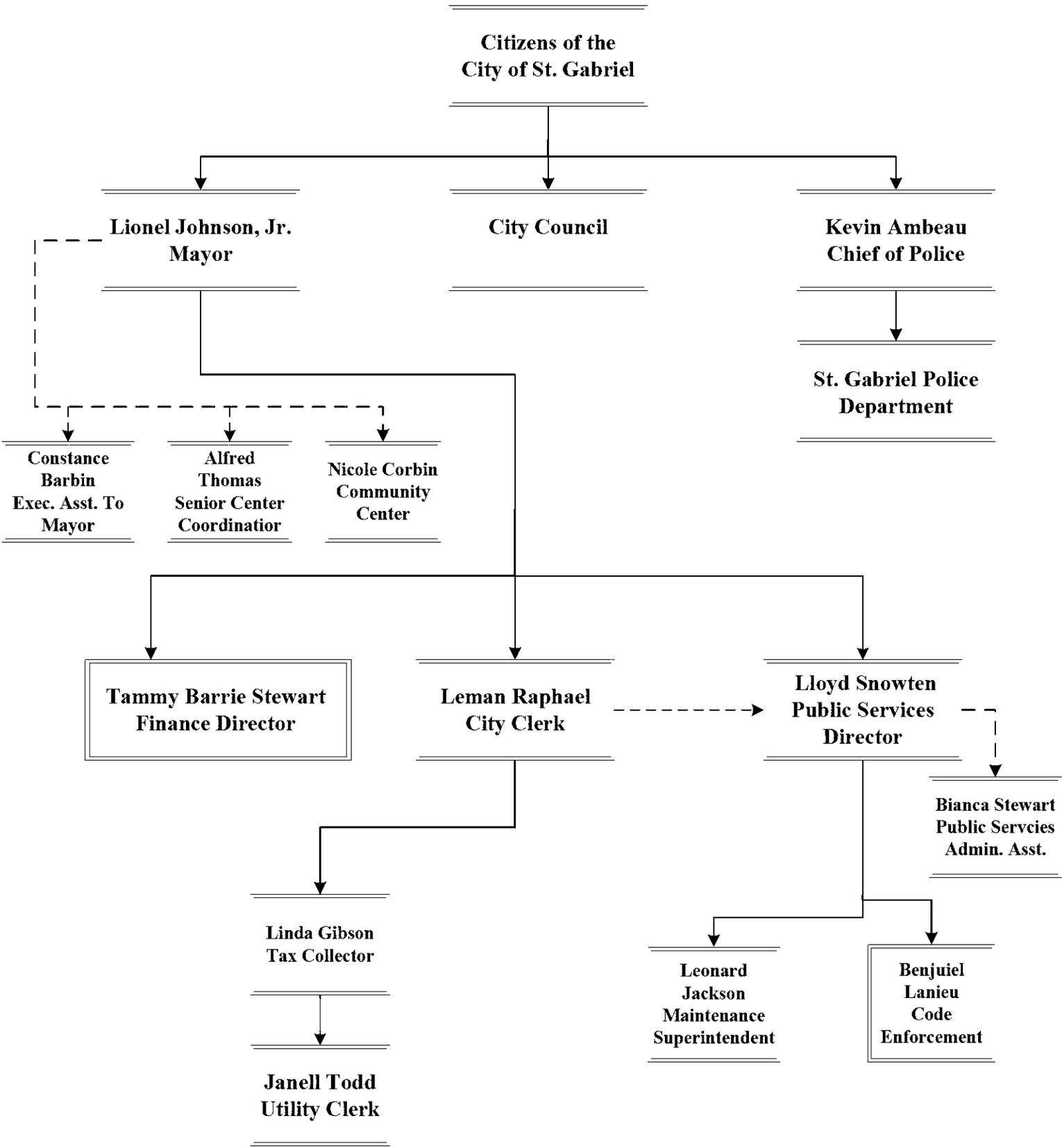
Kelvin M. York, Sr.

Ronald Grace, Sr.

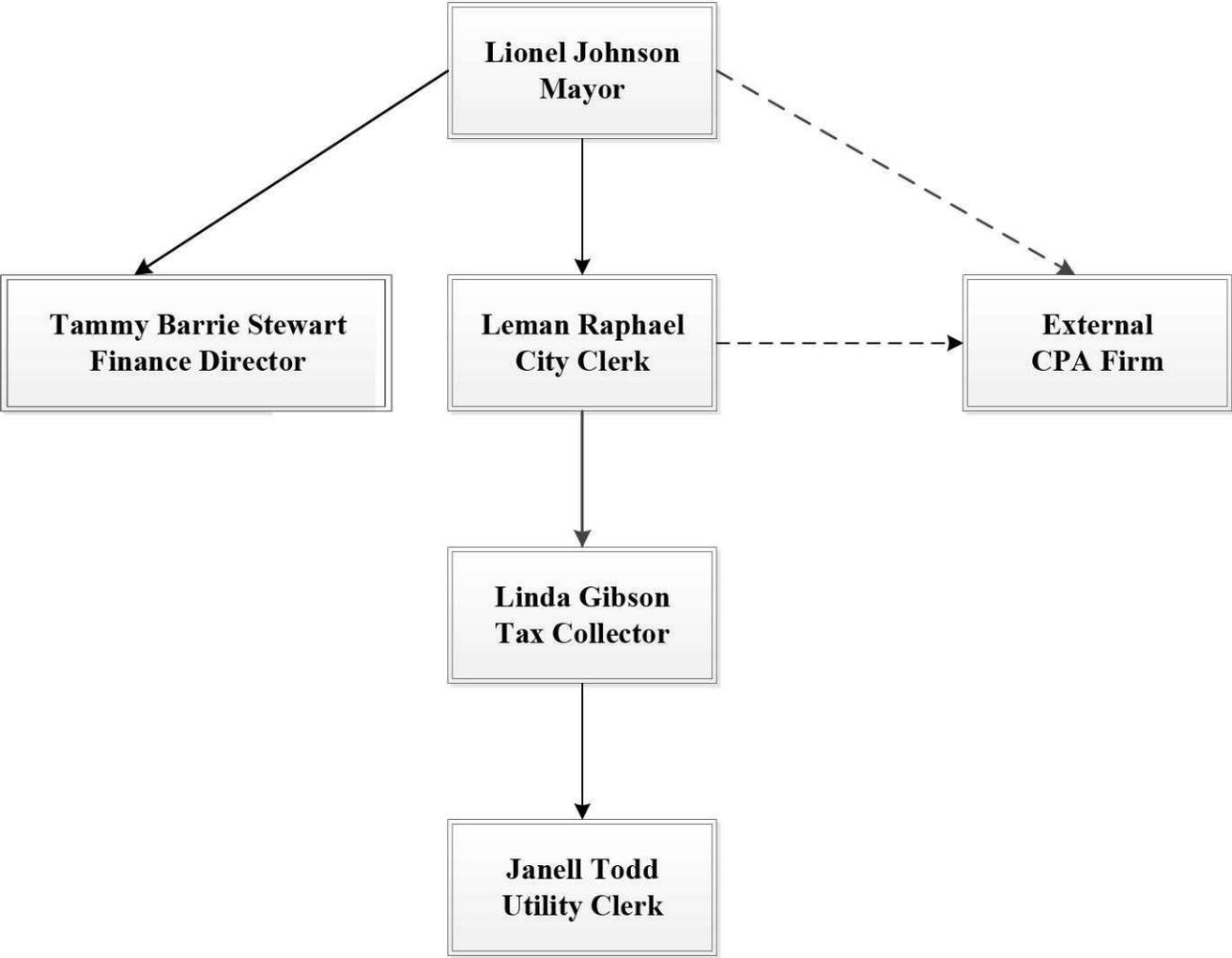
CHIEF OF POLICE

Kevin Ambeau

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



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







FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and schedule of pension contributions on pages 3 through 14 and 59 through 66 be presented to supplement the basic financial statements. Such information; although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary formation in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

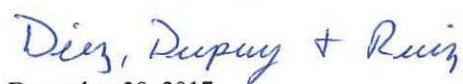
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St Gabriel, Louisiana's basic financial statements. The introductory section, individual fund schedules, schedule of compensation, benefits and other payments to agency head, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The individual fund schedules, schedule of federal awards, and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules, schedule of compensation, benefits and other payments to agency head, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2017, on our consideration of the City of St Gabriel, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St Gabriel, Louisiana's internal control over financial reporting and compliance.


December 30, 2017
Gonzales, Louisiana

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

Our analysis of The City of St. Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the City's financial statements which begin on page 15. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

In 2017, the City of St. Gabriel had general governmental revenues increase relative to prior years by \$1.0 million, which is attributable to increases in sales tax revenue. Governmental expenses remained relatively constant to prior year with a large increase in public safety expenses and decrease in general government expenses. All City funds continue to be maintained with sufficient fund balance that represents adequate net worth. Although community demands have increased with the growing population, the City has been responsible with its available resources.

The major financial highlights for 2017 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$20.2 million (net position). Of this amount, approximately \$2.4 million (unrestricted net position) may be used without restrictions to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$4.1 million during 2017.
- Governmental activities' net position increased by approximately \$4 million.
- Business-type total net position increased by approximately \$109,000
- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$11.9 million, a decrease of \$1.4 million in comparison to the prior year. This decrease was the result of an increase in public safety expenditures of \$760,000, increase in capital outlay expenditures of \$2.2 million, and increases in transfers to proprietary funds of \$320,000. Additionally, the governmental funds experienced increased sales tax revenues of approximately \$982,000 and increase in intergovernmental revenues of \$2.9 million.
- Significant aspects of the City's financial well-being, as of and for the year ended June 30, 2017, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 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.

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

Reporting on the City as a Whole

Our analysis of the City as a whole begins on page 15. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way to determine if the City is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

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

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

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

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

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

City of St. Gabriel, Louisiana
Statement of Net Position
June 30, 2017 and 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 13,803	\$ 14,340	\$ 2,468	\$ 2,613	\$ 16,271	\$ 16,953
Capital assets	24,984	19,876	8,858	8,808	33,842	28,684
Total assets	<u>38,787</u>	<u>34,216</u>	<u>11,326</u>	<u>11,421</u>	<u>50,113</u>	<u>45,637</u>
Deferred outflows	2,308	1,384	129	99	2,437	1,483
Current and other liabilities	2,386	1,541	192	198	2,578	1,739
Long-term liabilities	24,097	23,267	5,040	5,207	29,137	28,474
Total liabilities	<u>26,483</u>	<u>24,808</u>	<u>5,232</u>	<u>5,405</u>	<u>31,715</u>	<u>30,213</u>
Deferred Inflows	649	847	10	12	659	859
Net position:						
Net investment in capital assets	8,361	4,059	4,016	3,855	12,377	7,914
Restricted	3,201	2,100	2,095	2,209	5,296	4,309
Unrestricted	<u>2,401</u>	<u>3,786</u>	<u>102</u>	<u>39</u>	<u>2,503</u>	<u>3,825</u>
Total net position	<u>\$ 13,963</u>	<u>\$ 9,945</u>	<u>\$ 6,213</u>	<u>\$ 6,103</u>	<u>\$ 20,176</u>	<u>\$ 16,048</u>

At June 30, 2017, the City's net position was \$20.2 million, of which \$2.4 million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the City's ability to use that net position for day-to-day operations.

Net position of the City's governmental activities increased by approximately \$4.1 million during 2017. Governmental unrestricted net position, which decreased by \$1.4 million, represents the portion of the City's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. The \$2.4 million in governmental activities unrestricted net position at the completion of the 2017 fiscal year represents the accumulated results of operations. The change in net position is discussed later in this analysis.

The City operates wastewater treatment systems for its constituents. The principal focus of this activity is to operate on a profitable basis. For the current and past several years, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits. The subsidy was increased by approximately \$320,000 to \$1.1 million in 2017. The net position of the City's business activities increased by approximately \$109,000 during 2017.

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

	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 1,355	\$ 1,115	\$ 243	\$ 274	\$ 1,598	\$ 1,389
Capital grants/contributions	3,116	180	126	207	3,242	387
General revenues:						
Ad valorem taxes	3,600	3,598	-	-	3,600	3,598
Sales taxes	5,606	4,624	-	-	5,606	4,624
Video poker taxes	522	446	-	-	522	446
Other general revenues	289	319	50	63	339	382
Total revenues	14,488	10,282	419	544	14,907	10,826
Functions/Program Expenses:						
General government	2,550	1,304	-	-	2,550	1,304
Public safety	2,884	3,361	-	-	2,884	3,361
Streets and sanitation	1,934	1,806	-	-	1,934	1,806
Culture and recreation	1,227	841	-	-	1,227	841
Economic development	21	1,070	-	-	21	1,070
Wastewater treatment	-	-	1,420	1,336	1,420	1,336
Interest on long-term debt	756	759	-	-	756	759
Total expenses	9,372	9,141	1,420	1,336	10,792	10,477
Increase (decrease) in net position before transfers	5,116	1,140	(1,001)	(793)	4,115	349
Transfers, net	(1,110)	(750)	1,110	750	-	-
Change in net position	4,006	390	109	(43)	4,115	349
Beginning net position	9,956	9,566	6,104	6,147	16,060	15,713
Ending net position	\$ 13,962	\$ 9,956	\$ 6,213	\$ 6,104	\$ 20,175	\$ 16,062

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 17 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes other funds to control and manage financial resources for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other assets. The City's two kinds of funds, governmental and proprietary, use different accounting bases.

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

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

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the City's major funds. See Exhibit B through B-7.

Certain supplementary financial information can be found in Exhibits C and C-3. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

Financial Analysis of the Government's Funds

The government operations of the City are accounted for in the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2017 by fund type:

	(in thousands)				
	2017				
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Totals
Revenue & other proceeds	\$11,010	\$ 381	\$ 3,043	\$ -	\$14,434
Expenditures & other financing uses	6,761	951	6,183	859	14,754
Transfers	(4,545)	675	1,900	860	(1,110)
(Deficit) surplus	(296)	105	(1,240)	1	(1,430)
Fund balance, June 30, 2016	<u>5,560</u>	<u>1,886</u>	<u>4,177</u>	<u>1,777</u>	<u>13,400</u>
Fund balance, June 30, 2017	<u>\$ 5,264</u>	<u>\$ 1,991</u>	<u>\$ 2,937</u>	<u>\$ 1,778</u>	<u>\$11,970</u>

	(in thousands)				
	2016				
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Totals
Revenue & other proceeds	\$ 9,638	\$ 340	\$ 305	\$ -	\$10,283
Expenditures & other financing uses	6,233	936	4,556	1,008	12,733
Transfers	(5,672)	675	3,200	1,047	(750)
(Deficit) surplus	(2,267)	79	(1,051)	39	(3,200)
Fund balance, June 30, 2015	<u>7,827</u>	<u>1,807</u>	<u>5,228</u>	<u>1,738</u>	<u>16,600</u>
Fund balance, June 30, 2016	<u>\$ 5,560</u>	<u>\$ 1,886</u>	<u>\$ 4,177</u>	<u>\$ 1,777</u>	<u>\$13,400</u>

The City's governmental funds experienced a deficit of approximately \$1.4 million during 2017. At year end, fund balances were approximately \$11.97 million. Approximately \$1.9 million is unassigned and available for utilization at the City's discretion. The remainder of the fund balance has been restricted, committed, or classified as nonspendable. These restrictions are for debt service, infrastructure and maintenance, public improvements. Commitments of fund balances are for code enforcement and civic center operations purposes.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance of the General Fund was approximately \$5.3 million compared to the fund balance of \$5.6 million at 2016. The decrease in fund balance resulted from the deficit of \$300,000, which is a result of decreased revenues from sales taxes.

The City's other major funds are the Civic Center Operating Fund, the Code Enforcement Grant Fund, the Capital Projects Fund and the Debt Service Fund. The Civic Center Operating Fund realized an operating deficit of approximately \$475,400, before transfers in of \$575,000 from the General Fund. After transfers in, the Civic Center Operating Fund completed the year with a surplus of approximately \$99,600. The Code Enforcement Grant Fund realized an operating deficit of \$95,300, before transfers in of \$100,000 from the General Fund.

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

Source of Revenue	(in thousands)			
	2017		2016	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 9,776	68	\$ 8,715	84
Intergovernmental	3,236	23	395	4
Licenses and permits	311	2	278	3
Fines	935	6	739	7
Miscellaneous	135	1	156	2
Total	<u>\$ 14,393</u>	<u>100</u>	<u>\$ 10,283</u>	<u>100</u>

Revenues of the primary government for general governmental fund types for 2017 totaled \$14.4 million, compared with \$10.3 million for the previous year, representing nearly a \$4.1 million or 40% increase. The increase in revenue is primarily due to intergovernmental activities. As noted above, the City's activities are largely supported by tax revenues, which represent 67% of total governmental resources.

Approximately \$3.6 million of the \$14.4 million of governmental revenues in 2017 were for dedicated purposes. The remaining \$10.8 million, generated in the General Fund, was available to fund a number of City services, such as the streets and sanitation department, public safety, social and recreational services and administrative functions.

The expenditures of the primary government increased by approximately \$1.5 million in 2017. General governmental expenditures for each major function are summarized in the following table.

Function	(in thousands)			
	2017		2016	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 2,230	15	\$ 2,519	19
Public Safety	2,491	17	1,731	15
Streets and sanitation	1,348	9	1,295	11
Social and recreational services	641	4	701	5
Economic development	12	1	1,194	8
Debt service	1,267	9	1,291	11
Capital outlay	6,766	45	4,535	31
Total	<u>\$ 14,755</u>	<u>100</u>	<u>\$ 13,266</u>	<u>100</u>

The largest increase in spending occurred in capital outlay of \$2.2 million and public safety of \$760,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the City's General Fund's budget was amended on several occasions. The amendment of the operating and capital budgets is a customary practice of the City and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant change during 2017 was as follows:

- To increase sales tax revenues of \$610,000, or 14% of the City's original budget.
- To increase revenues from fines by \$150,000, or 21% of the City's original budget.
- To decrease video poker revenue by \$75,000, or 27% of the City's original budget.
- To increase general government expenditures by \$197,000 or 9% of the City's original budget.
- To increase public safety expenditures by \$354,600, or 17% of the City's original budget, which a large portion relating to vehicle fuel and maintenance.

With these adjustments, the actual charges to appropriations (expenditures) were \$272,000 less than the related final budget appropriations of \$7.0 million. The most significant variance occurred in the City's general government and streets and sanitation functions, where expenditures were \$308,000 and \$217,000 respectively, less than appropriations.

The operating deficit in the General Fund for 2017 was \$296,000 and the related fund balance was \$5.2 million at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had approximately \$34.0 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, park facilities, roads, and sewer treatment systems. This amount represents no change in overall capital investment balance from the prior year.

	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 644	\$ 644	\$ 60	\$ 60	\$ 704	\$ 704
Construction in progress	4,989	632	-	-	4,989	632
Buildings	7,780	6,818	-	-	7,780	6,818
Equipment and vehicles	1,191	1,002	-	-	1,191	1,002
Sewer treatment plants	-	-	8,798	8,749	8,798	8,749
Infrastructure	10,380	10,780	-	-	10,380	10,780
Total assets, net of depreciation	<u>\$ 24,984</u>	<u>\$ 19,876</u>	<u>\$ 8,858</u>	<u>\$ 8,809</u>	<u>\$ 33,842</u>	<u>\$ 28,684</u>

More detailed information about the City's capital assets as well as information on the City's capital projects is presented in Note 5 to the financial statements. The City had \$6.7 million in capital additions during 2017. These capital outlays were primarily related to improvements made to roads, recreation facilities and utility system infrastructure. Depreciation expense of the City's assets of \$1.4 million resulted in a net increase in capital assets of \$5.3 million.

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

Debt

At year-end, the City had \$32.0 million in bonds and notes outstanding versus \$29.0 million last year—an increase of \$3.1 million — as shown below:

	(in thousands)			
	June 30, 2016	Additions	Deletions	June 30, 2017
<u>Governmental activities:</u>				
Net pension liability	\$ 4,077	\$ 1,804	\$ 441	\$ 5,440
Capital Projects				
Revenue Bond- 2012	7,835	-	265	7,570
Revenue Bond- 2015	7,890	-	185	7,705
Civic Center				
Revenue Bond	4,495	-	95	4,400
Bond discount	(485)	-	(22)	(463)
<u>Business-type activities:</u>				
Net pension obligation	267	66	25	308
Revenue Bonds	4,997	-	207	4,790
Bond premium	54	-	2	52
	\$ 29,130	\$ 1,870	\$ 1,198	\$ 29,802

The City remained current on all bonds and notes outstanding and retired approximately \$3.8 million in debt during 2017.

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 \$73.0 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget and tax rates. One of those factors is the economy. The largest taxpayers in the City are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the City.

For 2018, revenues and other financing sources are budgeted at \$14.4 million while expenditures are expected to be \$23.0 million, including capital outlay of \$12.6 million. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2018 by \$8.5 million.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 54% of 2018 budgeted operating revenue. The City budgeted an increase of approximately \$4.4 million in federal grants for 2018. Additionally, the 2018 operating budget expenditures provides for increases of \$7.5 million in capital outlay of 40%. General government expenditures are budgeted to decrease by 7% while sewage is expected to decrease \$107,400 or 4%.

These indicators were considered when adopting the General Fund budget for 2018. Property taxes are budgeted to remain flat based to 2017 assessments for 2018. These taxes are expected to fund operations of the City's governmental operations, the code enforcement program, and assist in funding the City's sewer utility operations.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Barrie Stewart with the City's Finance Department at (225) 642-9600 or 5035 Iberville Street, St. Gabriel, Louisiana, 70776. Additional information about the City can be found on the City's website: www.cityofstgabriel.us.



BASIC FINANCIAL STATEMENTS



CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF NET POSITION

June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,847,724	\$ 356,707	\$ 7,204,431
Accounts receivable, net	28,452	16,157	44,609
Due from other governments	2,009,071	-	2,009,071
Prepaid assets	132,116	-	132,116
Restricted cash	4,786,044	2,094,728	6,880,772
Capital assets:			
Non-depreciable	5,632,677	60,000	5,692,677
Depreciable, net	19,351,469	8,798,251	28,149,720
Total assets	<u>38,787,553</u>	<u>11,325,843</u>	<u>50,113,396</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	12,815	17,536	30,351
Pension liability	2,294,643	111,296	2,405,939
Total deferred outflows of resources	<u>2,307,458</u>	<u>128,832</u>	<u>2,436,290</u>
Total assets and deferred outflows of resources	<u>\$ 41,095,011</u>	<u>\$ 11,454,675</u>	<u>\$ 52,549,686</u>
LIABILITIES			
Accounts payable	\$ 1,504,559	\$ 25,201	\$ 1,529,760
Accrued liabilities	275,163	56,657	331,820
Unearned revenues	51,209	-	51,209
Long-term payables:			
Due within one year	555,000	110,000	665,000
Due in more than one year	18,657,297	4,732,200	23,389,497
Pension liability	5,440,040	307,912	5,747,952
Total liabilities	<u>26,483,268</u>	<u>5,231,970</u>	<u>31,715,238</u>
DEFERRED INFLOWS OF RESOURCES			
Pension liability	519,472	9,906	529,378
Deferred revenues	129,656	-	129,656
Total deferred inflows of resources	<u>649,128</u>	<u>9,906</u>	<u>659,034</u>
Total liabilities and deferred inflows of resources	<u>27,132,396</u>	<u>5,241,876</u>	<u>32,374,272</u>
NET POSITION			
Net investment in capital assets	8,360,355	4,016,051	12,376,406
Restricted for:			
Infrastructure and maintenance	3,201,378	-	3,201,378
Debt service	-	2,094,728	2,094,728
Unrestricted	2,400,882	102,020	2,502,902
Total net position	<u>13,962,615</u>	<u>6,212,799</u>	<u>20,175,414</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 41,095,011</u>	<u>\$ 11,454,675</u>	<u>\$ 52,549,686</u>

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, 2017

	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Functions/Programs						
Primary government:						
Governmental activities:						
General government	\$ 2,549,720	\$ 328,544	\$ -	\$ (2,221,176)	\$ -	\$ (2,221,176)
Public safety	2,883,383	971,779	57,983	(1,853,621)	-	(1,853,621)
Streets and sanitation	1,934,247	-	3,058,071	1,123,824	-	1,123,824
Culture and recreation	1,226,874	54,464	-	(1,172,410)	-	(1,172,410)
Economic development	20,673	-	-	(20,673)	-	(20,673)
Interest on long-term debt	755,894	-	-	(755,894)	-	(755,894)
Total governmental activities	<u>9,370,791</u>	<u>1,354,787</u>	<u>3,116,054</u>	<u>(4,899,950)</u>	<u>-</u>	<u>(4,899,950)</u>
Business-type activities:						
Waste water treatment facilities	1,420,361	243,013	126,450	-	(1,050,898)	(1,050,898)
Total business-type activities	<u>1,420,361</u>	<u>243,013</u>	<u>126,450</u>	<u>-</u>	<u>(1,050,898)</u>	<u>(1,050,898)</u>
Total primary government	<u>\$ 10,791,152</u>	<u>\$ 1,597,800</u>	<u>\$ 3,242,504</u>	<u>(4,899,950)</u>	<u>(1,050,898)</u>	<u>(5,950,848)</u>
General revenues:						
Taxes:						
Sales				5,605,564	-	5,605,564
Ad valorem				3,599,631	-	3,599,631
Video poker				522,081	-	522,081
Franchise and other				48,329	-	48,329
Grants and contributions not restricted to specific programs				214,061	-	214,061
Investment earnings				26,703	-	26,703
Recovery of bad debt				211	50,266	50,477
Transfers				(1,110,000)	1,110,000	-
Total general revenues and transfers				<u>8,906,580</u>	<u>1,160,266</u>	<u>10,066,846</u>
Change in net position				4,006,630	109,368	4,115,998
Net position - beginning of year, restated				<u>9,955,985</u>	<u>6,103,431</u>	<u>16,059,416</u>
Net position - end of year				<u>\$ 13,962,615</u>	<u>\$ 6,212,799</u>	<u>\$ 20,175,414</u>

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

CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

June 30, 2017

	General Fund	Civic Center Operating Fund	Code Enforcement Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,659,691	\$ 961,004	\$ 767,601	\$ 4,113	\$ 455,315	\$ 6,847,724
Accounts receivables, net	28,452	-	-	-	-	28,452
Due from other governments	938,620	56,514	-	1,013,937	-	2,009,071
Prepaid assets	132,116	-	-	-	-	132,116
Restricted cash	91,858	260,695	-	3,111,123	1,322,368	4,786,044
Total assets	<u>\$ 5,850,737</u>	<u>\$ 1,278,213</u>	<u>\$ 767,601</u>	<u>\$ 4,129,173</u>	<u>\$ 1,777,683</u>	<u>\$ 13,803,407</u>
LIABILITIES						
Accounts payable	\$ 326,188	\$ 25,967	\$ 11,175	\$ 1,141,229	\$ -	\$ 1,504,559
Accrued liabilities	130,552	17,984	524	-	-	149,060
Unearned revenues	-	-	-	51,209	-	51,209
Total liabilities	<u>456,740</u>	<u>43,951</u>	<u>11,699</u>	<u>1,192,438</u>	<u>-</u>	<u>1,704,828</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>129,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,656</u>
FUND BALANCE						
Nonspendable	132,116	-	-	-	-	132,116
Restricted for:						
Infrastructure and maintenance	3,201,378	-	-	1,974,546	-	5,175,924
Debt service	-	260,695	-	-	1,777,683	2,038,378
Committed for:						
Infrastructure and maintenance	-	-	-	962,189	-	962,189
Code enforcement	-	-	755,902	-	-	755,902
Civic center operations	-	973,567	-	-	-	973,567
Unassigned	<u>1,930,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,930,847</u>
Total fund balance	<u>5,264,341</u>	<u>1,234,262</u>	<u>755,902</u>	<u>2,936,735</u>	<u>1,777,683</u>	<u>11,968,923</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,850,737</u>	<u>\$ 1,278,213</u>	<u>\$ 767,601</u>	<u>\$ 4,129,173</u>	<u>\$ 1,777,683</u>	<u>\$ 13,803,407</u>

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

CITY OF ST. GABRIEL, LOUISIANA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2017

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

Total fund balances - governmental funds (Exhibit A-2)	\$	11,968,923	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			24,984,146
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.			
Net change in accrued interest payable			(126,103)
Long-term liabilities (e.g. bonds, leases, etc.), are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Deferred outflows related to pension liability	\$	2,294,643	
Deferred outflows related to loss on refunding		12,815	
Bonds payable, net of discounts		(19,212,297)	
Net pension liability		(5,440,040)	
Deferred inflows related to pension liability		<u>(519,472)</u>	<u>(22,864,351)</u>
Net position of governmental activities (Exhibit A)	\$		<u>13,962,615</u>

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



CITY OF ST. GABRIEL, LOUISIANA

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

For the year ended June 30, 2017

	General Fund	Civic Center Operating Fund	Code Enforcement Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES						
Taxes:						
Sales	\$ 5,605,564	\$ -	\$ -	\$ -	\$ -	\$ 5,605,564
Ad valorem	3,599,631	-	-	-	-	3,599,631
Video poker	261,040	261,041	-	-	-	522,081
Franchise and other	49,120	-	-	-	-	49,120
Intergovernmental	194,466	-	-	3,041,706	-	3,236,172
Licenses and permits	221,370	-	89,473	-	-	310,843
Fines	934,579	-	-	-	-	934,579
Other	103,636	30,144	-	1,708	-	135,488
Total revenues	10,969,406	291,185	89,473	3,043,414	-	14,393,478
EXPENDITURES						
Current function:						
General government	2,039,746	1,333	184,801	3,772	-	2,229,652
Public safety	2,491,255	-	-	-	-	2,491,255
Streets and sanitation	1,293,646	-	-	54,022	-	1,347,668
Social and recreational services	148,825	491,795	-	-	-	640,620
Economic development	12,000	-	-	-	-	12,000
Debt service:						
Principal	70,000	95,000	-	-	380,000	545,000
Interest	83,181	160,831	-	-	479,346	723,358
Capital outlay	622,144	17,610	-	6,125,870	-	6,765,624
Total expenditures	6,760,797	766,569	184,801	6,183,664	859,346	14,755,177
Excess (deficiency) of revenues over expenditures	4,208,609	(475,384)	(95,328)	(3,140,250)	(859,346)	(361,699)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	575,000	100,000	1,900,000	860,000	3,435,000
Proceeds from sale of capital assets	40,450	-	-	-	-	40,450
Transfers out	(4,545,000)	-	-	-	-	(4,545,000)
Total other financing sources (uses)	(4,504,550)	575,000	100,000	1,900,000	860,000	(1,069,550)
Net change in fund balance	(295,941)	99,616	4,672	(1,240,250)	654	(1,431,249)
FUND BALANCE						
Beginning of year, restated	5,560,282	1,134,646	751,230	4,176,985	1,777,029	13,400,172
End of year	\$ 5,264,341	\$ 1,234,262	\$ 755,902	\$ 2,936,735	\$ 1,777,683	\$ 11,968,923

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

CITY OF ST. GABRIEL, LOUISIANA

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

For the year ended June 30, 2017

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

Net change in fund balances - total governmental funds (Exhibit A-4)	\$	(1,431,249)
<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	\$	6,765,624
Depreciation expense		(1,343,756)
		5,421,868
<p>The net effect of various transactions involving capital assets, trade-ins, and donations, is to decrease net position.</p>		
		(173,073)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal and the effect of issuance costs and discounts when debt is first issued are expenditures in the governmental funds but reduces the liability in the statement of activities.</p>		
Amortization of bond discount		(22,383)
Amortization of deferred loss on refunding of bonds		(475)
Principal payments on debt		545,000
		522,142
<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, change during 2017		(102,536)
Changes in net pension obligations are reported only in the Statement of Activities		(230,522)
Change in net position of governmental activities (Exhibit A-1)	\$	4,006,630

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

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

STATEMENT OF NET POSITION

June 30, 2017

ASSETS

Current assets:

Cash and cash equivalents	\$	356,707
Accounts receivable, net		16,157
Restricted cash		<u>2,094,728</u>
Total current assets		<u>2,467,592</u>

Noncurrent assets:

Capital assets:		
Non-depreciable		60,000
Depreciable, net		<u>8,798,251</u>
Total noncurrent assets		<u>8,858,251</u>
Total assets		11,325,843

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding		17,536
Pension liability		<u>111,296</u>
Total deferred outflows of resources		<u>128,832</u>

Total assets and deferred inflows of resources	\$	<u>11,454,675</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$	25,201
Accrued liabilities		56,657
Bonds payable		<u>110,000</u>
Total current liabilities		<u>191,858</u>

Noncurrent liabilities:

Bonds payable		4,732,200
Net pension liability		<u>307,912</u>
Total noncurrent liabilities		<u>5,040,112</u>
Total liabilities		5,231,970

DEFERRED INFLOWS OF RESOURCES

Pension liability		<u>9,906</u>
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Total liabilities and deferred inflows of resources		<u>5,241,876</u>
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NET POSITION

Net investment in capital assets		4,016,051
Restricted for debt service		2,094,728
Unrestricted		<u>102,020</u>

Total net position		<u>6,212,799</u>
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Total liabilities, deferred inflows of resources and net position	\$	<u>11,454,675</u>
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Notes on Exhibit A-9 are an integral part of this statement.

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

For the year ended June 30, 2017

OPERATING REVENUES	
Charges for services	\$ 240,181
OPERATING EXPENSES	
Depreciation	391,409
Personnel	130,193
Utilities	200,527
Maintenance	161,981
Supplies	64,495
Professional services	164,680
Insurance	70,823
Chemicals	71,422
Vehicle fuel	514
Other	2,140
Total operating expenses	<u>1,258,184</u>
Operating loss	(1,018,003)
NON-OPERATING	
Recovery of bad debt	50,266
Interest income	2,832
Bond issuance cost	1,832
Interest expense	<u>(164,009)</u>
Loss before capital grants and contributions and transfers	<u>(1,127,082)</u>
Capital grants and contributions	126,450
Transfers in	<u>1,110,000</u>
Total capital grants and contributions and transfers	<u>1,236,450</u>
Net loss	109,368
NET POSITION	
Beginning of year	<u>6,103,431</u>
End of year	<u>\$ 6,212,799</u>

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

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

STATEMENT OF CASH FLOWS

For the year ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 239,565
Payments to suppliers	(727,441)
Payments to employees	<u>(119,943)</u>
Net cash used for operating activities	<u>(607,819)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	126,450
Capital asset additions	(441,099)
Principal paid on capital debt	(208,889)
Bond issuance cost	1,832
Interest paid on capital debt	<u>(179,875)</u>
Net cash used by capital and related financing activities	<u>(701,581)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts from intergovernmental	5,279
Recovery of bad debt	50,266
Transfers in from other funds	<u>1,110,000</u>
Net cash provided by noncapital and related financing activities	<u>1,165,545</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>2,832</u>
Net decrease in cash	(141,023)
CASH	
Beginning of period	<u>2,592,458</u>
End of period	<u>\$ 2,451,435</u>
RECONCILIATION OF CASH	
Cash and cash equivalents	\$ 356,707
Restricted cash	<u>2,094,728</u>
Total cash	<u>\$ 2,451,435</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating loss	\$ (1,018,003)
Adjustments of operating loss:	
Depreciation	391,409
Change in operating assets and liabilities:	
Accounts receivable	(616)
Accounts payable	9,141
Accrued liabilities	292
Net pension liability and related deferred inflows and outflows	<u>9,958</u>
Net cash used for operating activities	<u>\$ (607,819)</u>

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



NOTES TO FINANCIAL STATEMENTS



CITY OF ST. GABRIEL, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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

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

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.

GASB Statement No. 65 introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. It also amends the financial statement element classification of certain items previously reported as assets and liabilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

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

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

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

Basis of Presentation

The City's basic financial statements consist of the government-wide statements of the primary government (the City) and the fund financial statements (individual major funds and combined non-major funds). The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units.

Government-wide Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

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

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

Fund Financial Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled.

The various funds and account groups of the primary government presented in the financial statements are described as follows:

Governmental Fund Types

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

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) such as intergovernmental revenues and charges for services that are legally restricted to expenditures for specified purposes. The special revenue funds that are considered major funds are the Civic Center Operating Fund and the Code Enforcement Grant Fund.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The City considers the 2012 Debt Service Fund a major fund.

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

Proprietary Fund Types

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

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

Basis of Accounting and Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund financial statements (Continued)

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

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

Cash and Cash Equivalents

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue or deferred revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$3,239 was recorded at June 30, 2017.

Interfund Receivables/Payables

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. There were no interfund receivable/payable balances as of June 30, 2017. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Restricted Cash

Restricted cash represents amounts which have been designated for debt service reserves (\$1,947,788) capital projects (\$4,852,881), and contingencies for property repairs and replacements (\$80,103). Restricted cash consisted of \$6,880,772 as of June 30, 2017.

Prepaid Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed, rather than when purchased.

Capital Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their fair value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a concession arrangement are reported at their acquisition value rather than fair value. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The City's capitalization policy stipulates a capitalization threshold of \$1,000.

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Compensated Absences

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

Government-wide and Proprietary Fund Net Position

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

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position —consist of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to reduce restricted net assets followed by unrestricted net assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

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

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance.
- Assigned—Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- Unassigned—All amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (fund balance), the City's policy is to apply the expenditure in the following priority: 1) restricted fund balance, 2) committed fund balance, 3) assigned fund balance, and 4) unassigned fund balance.

Interfund Transfers

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

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The City has two items that qualify for this category; pension liability and bond refunding, which is reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The City has three items that qualify for this category; pension liability, unavailable revenues, and unearned revenues. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting

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

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

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

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.

Subsequent Events

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

NOTE 2 - CASH AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2017, the City's deposits were not exposed to any custodial risk.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost. As of June 30, 2017, the City had a balance of \$1,833,780 invested in LAMP.

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

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

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

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2017, consists of the following:

Primary Government:	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Parish of Iberville, Louisiana - Sales tax	\$ 882,106	\$ -	\$ 882,106
State of Louisiana - Grants	1,070,451	-	1,070,451
State of Louisiana - Video poker	<u>56,514</u>	<u>-</u>	<u>56,514</u>
 Total primary government	 <u>\$ 2,009,071</u>	 <u>\$ -</u>	 <u>\$ 2,009,071</u>

NOTE 4 - AD VALOREM TAXES

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

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

The property tax calendar is as follows:

Millage rates adopted	July 21, 2016
Levy date	July 21, 2016
Due date	December 31, 2016
Lien date	January 1, 2017
Collection dates	December 1, 2016 to January 1, 2017

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

NOTE 4 - AD VALOREM TAXES (CONTINUED)

For the year ended June 30, 2017, taxes of 16.84 mills were levied for general government and public purposes on property with assessed valuations totaling \$213,223,725. Total taxes levied were \$3,590,689. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

The City collected ad valorem taxes of \$2,556,203 from the top ten property owners during the year ended June 30, 2017. Tax collections from five of the ten taxpayers amounted to \$2,088,723.

NOTE 5 - CAPITAL ASSETS

A summary of changes in general capital assets for the year ended June 30, 2017, is as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 644,024	\$ -	\$ -	\$ 644,024
Construction in progress	631,774	6,128,620	(1,771,741)	4,988,653
Total capital assets, not being depreciated	<u>1,275,798</u>	<u>6,128,620</u>	<u>(1,771,741)</u>	<u>5,632,677</u>
Capital assets being depreciated:				
Buildings and improvements	8,572,854	1,248,672	-	9,821,526
Equipment and vehicles	4,822,605	570,150	(356,243)	5,036,512
Infrastructure	13,212,300	416,850	-	13,629,150
Total capital assets being depreciated	<u>26,607,759</u>	<u>2,235,672</u>	<u>(356,243)</u>	<u>28,487,188</u>
Less accumulated depreciation for:				
Buildings and improvements	1,754,183	287,230	-	2,041,413
Equipment and vehicles	3,821,702	379,310	(356,243)	3,844,769
Infrastructure	2,572,321	677,216	-	3,249,537
Total accumulated depreciation	<u>8,148,206</u>	<u>1,343,756</u>	<u>(356,243)</u>	<u>9,135,719</u>
Total capital assets, being depreciated, net	<u>18,599,739</u>	<u>891,916</u>	<u>-</u>	<u>19,351,469</u>
Governmental activities capital assets, net	<u>\$ 19,875,537</u>	<u>\$ 7,020,536</u>	<u>\$ (1,771,741)</u>	<u>\$ 24,984,146</u>

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Government Activities

General government	\$ 508,418
Streets and sanitation	437,463
Public safety	224,415
Recreation	173,460
	<u>1,343,756</u>
Total depreciation expense - governmental activities	<u>\$ 1,343,756</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business Activities:				
Capital assets not being depreciated:				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Total capital assets, not being depreciated	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Capital assets being depreciated:				
Sewer treatment plants	11,942,853	439,185	-	12,382,038
Sewer pump station	401,681	-	-	401,681
Total capital assets being depreciated	<u>12,344,534</u>	<u>439,185</u>	<u>-</u>	<u>12,783,719</u>
Less accumulated depreciation for:				
Sewer treatment plants	3,509,191	381,800	-	3,890,991
Sewer pump station	86,782	7,695	-	94,477
Total accumulated depreciation	<u>3,595,973</u>	<u>389,495</u>	<u>-</u>	<u>3,985,468</u>
Total capital assets being depreciated, net	<u>8,748,561</u>	<u>49,690</u>	<u>-</u>	<u>8,798,251</u>
Business-type activities capital assets, net	<u>\$ 8,808,561</u>	<u>\$ 49,690</u>	<u>\$ -</u>	<u>\$ 8,858,251</u>

NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of debt transactions of the City for the year ended June 30, 2017:

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>	<u>Due Within One Year</u>
Governmental activities:					
Net pension liability	\$ 4,077,065	\$ 1,822,181	\$ 459,206	\$ 5,440,040	\$ -
Capital projects					
Revenue Bond - 2012	7,835,000	-	265,000	7,570,000	270,000
Revenue Bond - 2015	7,890,000	-	185,000	7,705,000	185,000
Civic Center					
Revenue Bond	4,495,000	-	95,000	4,400,000	100,000
Bond discounts	<u>(485,086)</u>	<u>-</u>	<u>(22,383)</u>	<u>(462,703)</u>	<u>(22,383)</u>
Total	<u>\$23,811,979</u>	<u>\$ 1,822,181</u>	<u>\$ 981,823</u>	<u>\$24,652,337</u>	<u>\$ 532,617</u>
Business-type activities:					
Net pension obligation	\$ 267,013	\$ 67,489	\$ 26,590	\$ 307,912	\$ -
Revenue bonds	4,997,057	-	207,057	4,790,000	110,000
Bond premium	<u>54,032</u>	<u>-</u>	<u>1,832</u>	<u>52,200</u>	<u>-</u>
Total	<u>\$ 5,318,102</u>	<u>\$ 67,489</u>	<u>\$ 235,479</u>	<u>\$ 5,150,112</u>	<u>\$ 110,000</u>

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2017, are comprised of the following:

Governmental Activities

\$8,830,000 Certificate of indebtedness - secured by a pledge of general revenues, principal due annually in August and interest due semiannually at 4.5%, maturing on May 1, 2037. \$1,100,000 is dedicated for road improvements and \$200,000 is dedicated for sewer improvements.	\$ 7,570,000
\$8,065,000 Sales Tax Revenue Bonds consisting of \$3,165,000 in serial bonds bearing varying interest rates from 2.0% - 3.75% and maturing on May 1, 2030 and \$4,900,000 in term bonds bearing an interest rate of 4% and maturing on May 1, 2040. Combined annual installments of principal and interest vary from \$283,225 to \$1,008,000.	7,705,000
\$4,590,000 Sales Tax Revenue Bonds consisting of \$1,675,000 in serial bonds bearing varying interest rates from 2.0% - 3.75% and maturing on May 1, 2030 and \$2,915,000 in term bonds bearing an interest rate of 4% and maturing on May 1, 2046. Combined annual installments of principal and interest vary from \$85,000 to \$260,400.	4,400,000
<i>Bond discount, net of accumulated amortization</i>	(462,703)
<i>Net pensin liability</i>	<u>5,440,040</u>
Total long-term debt from governmental activities	<u>\$ 24,652,337</u>

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2017, are comprised of the following:

Business-Type Activities

\$4,900,000 Limited Tax Revenue Refunding Bonds, secured by the sewer system revenues and 2 mills of Ad Valorem tax, consisting of \$1,790,000 in serial bonds bearing varying interest rates from 2.0% - 4.0% and maturing on March 1, 2030 and \$3,110,000 in term bonds bearing interest rates varying from 3.375% - 3.750%, maturing on March 1, 2015. Combined annyal installments of principal and interest vary from \$110,000 to \$265,000.	\$ 4,790,000
<i>Bond premium, net of accumulated amortization</i>	52,200
<i>Net pensin liablility</i>	<u>307,912</u>
Total long-term debt from business type activities	<u>\$ 5,150,112</u>

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at June 30, 2017, are as follows:

Governmental activities:

Year	2015A		Capital Projects		Civic Center		Total	
	Sales Tax Revenue		Revenue		Revenue		Governmental	
	Bond		Bond		Bond		Long-term debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	185,000	276,025	270,000	276,175	100,000	158,931	555,000	711,131
2019	190,000	276,025	280,000	268,075	100,000	156,931	570,000	701,031
2020	190,000	268,525	290,000	259,675	105,000	154,931	585,000	683,131
2021	200,000	264,725	295,000	250,975	105,000	152,831	600,000	668,531
2022	205,000	260,725	305,000	242,125	105,000	150,731	615,000	653,581
2023-2027	1,090,000	1,220,360	1,685,000	1,050,950	580,000	710,144	3,355,000	2,981,454
2028-2032	1,290,000	1,024,412	2,010,000	728,475	675,000	606,388	3,975,000	2,359,275
2033-2037	1,555,000	751,800	2,435,000	299,600	830,000	462,000	4,820,000	1,513,400
2038-2042	2,800,000	226,800	-	-	1,010,000	282,600	3,810,000	509,400
2043-2047	-	-	-	-	790,000	70,800	790,000	70,800
	<u>\$7,705,000</u>	<u>\$4,569,397</u>	<u>\$7,570,000</u>	<u>\$3,376,050</u>	<u>\$4,400,000</u>	<u>\$2,906,287</u>	<u>\$19,675,000</u>	<u>\$10,851,734</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Business-type activities:

Year	Sewer Revenue Bonds	
	Principal	Interest
2018	110,000	160,075
2019	115,000	157,875
2020	115,000	155,575
2021	120,000	153,275
2022	120,000	150,875
2023-2027	650,000	713,025
2028-2032	775,000	591,625
2033-2037	920,000	445,231
2038-2042	1,100,000	268,581
2043-2047	765,000	58,125
	\$ 4,790,000	\$ 2,854,263

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.

Bond Restrictions

Sewer System Project Revenue Bonds

In accordance with the indentures governing Sewer System Project, Series 2017, cash deposits relating to the Sewer System Project are administered by a trustee bank. These bonds are a direct liability of the City to be serviced by 2 mills of ad valorem tax revenues and revenues derived by the City from the operation of the wastewater collection and treatment system (sewer system).

The Sewer System Project Debt Service Reserve fund is a cash account maintained by the trustee bank. This fund is restricted to payment of principal and interest in case of a default. At June 30, 2017, \$272,5867 was held in this account.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Capital Projects Revenue Bonds

In accordance with the indentures governing Capital Projects Revenue Bonds, Series 2012, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the City to be serviced by the proceeds from sales tax revenue. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Capital Projects Revenue Bonds Debt Service Reserve Fund is a cash account maintained by the trustee bank. This fund is restricted to payment of principal and interest in case of default. At June 30, 2017, \$549,800 was held in this account.
2. The Capital Projects Revenue Bonds Debt Service Fund requires monthly transfers of \$45,500. This fund is restricted to payment of principal and interest on an annual and semi-annual basis, respectively. At June 30, 2017, \$114,002 was held in this debt service account.

Civic Center Revenue Bonds

In accordance with the indentures governing Civic Center Revenue Bonds, Series 2017, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Civic Center Special Revenue fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Civic Center Revenue bonds require all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Civic Center Revenue Bond Reserve fund requires monthly transfers ranging from \$1,100 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. This fund is restricted to payment of principal and interest in case of default. At June 30, 2017, \$260,694 was held in this reserve account.

The Civic Center Revenue bonds are secured from a pledge of the City's 1% sales and use tax. During 2017, the City collected \$5,323,299 in sales and use tax proceeds with \$530,000 used to fund current debt service until retirement through 2046. The debt was issued for the purpose of funding the construction of a community center. Excess sales tax revenues over debt service requirements are available for use as stipulated by the tax dedication and determined by the City. See Note 7.

Legal Debt Margin

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

Ad valorem taxes – assessed valuation	<u>\$ 213,223,725</u>
Debt limit: 10% of assessed valuation (for any one purpose)	<u>\$ 21,322,372</u>
Debt limit: 35% of assessed valuation (aggregate, all purposes)	<u>\$ 74,628,304</u>

NOTE 7 - DEFEASED DEBT

During 2015, the City issues refunding bonds of \$4,590,000 to defease its 2012 Civic Center Revenue Bonds. The proceeds were deposited in an escrow account to provide all future debt service on the 2012 revenue bonds until they are called on May 1, 2046. As a results, the 2012 revenue bonds are considered defeased, and the City has removed the liability from its accounts.

As of June 30, 2017, the amount of defeased debt outstanding but removed from the government-wide financial statements related to the 2012 Civic Center Revenue Bonds is \$4,160,348.

NOTE 8 - DEDICATED REVENUES

Ad Valorem Tax

A 10.00 mills ad valorem tax was levied in July 2013. The tax is dedicated for public improvements including, but not limited to, housing, economic development, and funding for a Civic Center. Dedicated ad valorem taxes of \$2,131,450 were recognized during the year ended June 30, 2017.

Sales and Use Tax

A one-third of one percent sales and use tax is dedicated for public purposes, including, but not limited to, wastewater facilities, water and fire protection, streets, sidewalks, bridges and drainage and other capital expenditures, including operating and maintenance costs related thereto. The City recognized \$2,286,773 from sales and use tax during the year ended June 30, 2017.

Parish-wide Sales Tax

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City recognized \$3,318,791 from parish-wide sales tax during the year ended June 30, 2017. The tax is collected on a parish-wide basis in Iberville Parish and shared with certain municipalities in the Parish on a pro-rata basis based on populations.

NOTE 9 - PENSION AND RETIREMENT PLANS

The City of St. Gabriel (the City) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS), the Municipal Police Employees' Retirement System (MPERS) and the Firefighters' Retirement System (FRS). The City participated in FRS through June 30, 2015 and had no employees participants during fiscal year ending June 30, 2017. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

MERS:
7937 Office Park
Boulevard
Baton Rouge, LA
70809
(225) 925-4810
www.mersla.com

MPERS:
7722 Office Park
Boulevard, Suite 200.
Baton Rouge, LA 70809
(225) 929-7411
www.lampers.org

FRS
3100 Brentwood Drive
Baton Rouge, Louisiana 70809
(225) 925-4060
www.lafirefightersret.com

The City implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the City to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. The City of St. Gabriel is a participant in Plan A only.

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

Firefighters' Retirement System (FRS)

The Firefighters' Retirement System (FRS) is a cost-sharing multiple-employer defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability, and survivor benefits to firefighters in Louisiana.

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Funding Policy

The City's net pension liabilities are typically liquidated through the General Fund and Utility Fund. Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2017, for the City and covered employees were as follows:

	<u>City</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan A		
Members hired prior to 01/01/2013	22.75%	9.50%
Members hired after 01/01/2013	22.75%	9.50%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 01/01/2013	31.75%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.75%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.00%	7.50%
Firefighters' Retirement System		
Employees receiving compensation above poverty guidelines of US Department of Health	27.25%	10.00%
Employees receiving compensation below poverty guidelines of US Department of Health	29.25%	8.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

<u>Plan</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Municipal Employees' Retirement System (Plan A)	\$ 287,176	\$ 265,898	\$ 251,971
Municipal Police Employees' Retirement System	239,340	219,824	214,337
Firefighters' Retirement System	-	-	-
	<u>\$ 526,516</u>	<u>\$ 485,722</u>	<u>\$ 466,308</u>

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2015 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2016 along with the change compared to the June 30, 2015 rate. The City's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2017	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 3,079,167	0.75%	0.75%	0.00%
MPERS	2,668,785	0.28%	0.21%	0.07%
FRS	-	0.00%	0.00%	0.00%
Total	<u>\$ 5,747,952</u>			

The following schedule list each pension plan's recognized pension expense of the City for the year ended June 30, 2017:

	Total
Municipal Employees' Retirement Fund	\$ 414,474
Municipal Police Employees' Retirement Fund	470,656
Total	<u>\$ 885,130</u>

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (139,787)
Changes of assumptions	241,847	(161)
Net difference between projected and actual earnings on pension plan investments	1,113,854	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	521,583	(387,710)
Differences between allocated and actual contributions	2,139	(1,720)
Employer contributions subsequent to the measurement date	526,516	-
	\$ 2,405,939	\$ (529,378)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement Fund	\$ 1,112,956	\$ 99,053
Municipal Police Employees' Retirement Fund	1,292,983	288,992
Firefighters' Retirement System	-	141,333
	\$ 2,405,939	\$ 529,378

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

The City reported a total of \$526,516 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2017. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 287,176
Municipal Police Employees' Retirement Fund	239,340
Firefighters' Retirement System	-
	\$ 526,516

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

Year	MERS	MPERS	FRS	Total
2017	\$ 237,401	\$ 232,222	\$ (35,334)	\$ 434,289
2018	152,387	128,495	(35,334)	245,548
2019	227,852	294,283	(35,334)	486,801
2020	109,087	109,652	(35,331)	183,408
	\$ 726,727	\$ 764,651	\$ (141,333)	\$ 1,350,045

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2016 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2016	3 years	7.50%; net of investment expense
MPERS	June 30, 2016	4 years	7.50%; net of investment expense
FRS	June 30, 2016	7 years	7.50% per annum, net of fees

Mortality:

MERS

Mortality rates based on the RP-2000 Sex Distinct Mortality Table.

MPERS

Mortality assumptions were set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2015. The RP-2000 Employee Mortality Table was selected for active members. The RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. The RP- 2000 Disabled Lives Mortality Table was selected for disabled annuitants

FRS

Mortality assumptions were set after reviewing an experience study performed on plan data for the period July 1, 2004 through June 30, 2009. Pre and post mortality life expectancies of participants based on the RP-2000 Healthy Annuitant Mortality Table, set back one year, for healthy annuitants and beneficiaries. RP-2000 Employee Mortality Table, set back one year, for active members. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Salary Increases:

MERS

5.0% (2.875% Inflation, 2.125% Merit).

MPERS

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	9.75%
3-23	4.75%
Over 23	4.25%

FRS

Vary from 15.0% in the first two years of service to 4.75% after 25 years.

Cost of Living Adjustments:

MERS

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

MPERS

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

FRS

Only those previously granted.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

The following methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 7.60% for the year ended June 30, 2016.

MPERS

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 8.25% for the year ended June 30, 2016.

FRS

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term geometric expected rate of return was 8.34% as of June 30, 2016.

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2016:

Asset Class	Target Allocation			Long - Term Expected Real Rate of Return		
	MERS	MPERS	FRS	MERS	MPERS	FRS
Public Equity	50%	-	-	2.60%	-	-
Equity	-	53%	58%	-	3.69%	6.77%
Public Fixed Income	35%	-	-	1.80%	-	-
Fixed Income	-	21%	24%	-	0.49%	1.85%
Alternatives	15%	20%	8%	0.80%	1.11%	6.67%
Other	-	6%	10%	-	0.21%	4.30%
Total	100%	100%	100%	5.20%	5.50%	5.34%
Inflation				2.50%	2.75%	3.00%
Expected Arithmetic Nominal Return				7.60%	8.25%	8.34%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS and FRS was 7.5%, 7.50% and 7.50%, respectively for the year ended June 30, 2016.

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Discount Rates	6.5%	7.5%	8.5%
Shares of Net Pension Liability	\$ 3,914,201	\$ 3,079,173	\$ 2,366,637
MPERS			
Discount Rates	6.5%	7.5%	8.5%
Shares of Net Pension Liability	\$ 3,557,711	\$ 2,668,779	\$ 1,922,439
FRS			
Discount Rates	6.5%	7.5%	8.5%
Shares of Net Pension Liability	\$ -	\$ -	\$ -

NOTE 10 - INTERFUND TRANSACTIONS

Interfund Transfers

Transfers for the year ended June 30, 2017, were as follows:

	Transfer	
	In	Out
Governmental Activities:		
General Fund		
Sewer Fund	\$ -	\$ 1,110,000
Civic Center Operating Fund	-	575,000
Code Enforcement Grant Fund	-	100,000
Capital Projects Fund	-	1,900,000
Debt Service Fund	-	860,000
Total General Fund	-	4,545,000
Debt Service Fund		
General Fund	860,000	-
Civic Center Operating Fund		
General Fund	575,000	-
Capital Projects Fund		
General Fund	1,900,000	-
Code Enforcement Grant Fund		
General Fund	100,000	-
Total governmental activities	3,435,000	4,545,000
Business-type activities:		
Sewer Fund		
General Fund	1,110,000	-
Total primary government	\$ 4,545,000	\$ 4,545,000

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

NOTE 11 - COMPENSATION TO THE GOVERNING BODY

The City's elected officials' terms expire on June 30, 2019. The City compensated the members of the City Council as follows:

Deborah R. Alexander	\$ 17,280
Freddie C. Frazier, Sr.	17,280
Melvin Hasten, Sr.	17,280
Kelvin York, Sr.	17,280
Ronald Grace	<u>17,280</u>
Total	<u>\$ 86,400</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Suits and Claims

Various suits and claims arising in the ordinary course of operations are pending against the City. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the City's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the City.

Risk Management

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

Grants

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

Environment Contingencies

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

Cash and Cash Equivalents

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Contracts

At June 30, 2017, the City had outstanding commitments resulting from the construction contracts in progress of \$2,236,589.

NOTE 13 – TAX REVENUE ABATED

The Louisiana Industrial Ad Valorem Exemption Program (Program) (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on manufacturer’s new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2017, approximately \$1,284,072 in ad valorem tax revenues were abated by the State of Louisiana through the Program.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

The City recorded prior period adjustments to correct the value of infrastructure previously placed into service and restate related depreciation. The effects are as follows:

Net Position, as previously reported	Prior Period Adjustment Net Position	Net Position, as restated
\$ 16,048,049	\$ 11,367	\$ 16,059,416

The effect on prior year’s Statement of Net Position was an understatement of Net Position of \$11,367.

The City recorded prior period adjustments to remove liabilities that have been previously paid and restate the related fund balance for the Capital Projects Fund. The effects are as follows:

Capital Projects Fund Balance, as previously reported	Prior Period Adjustment to Capital Projects Fund Balance	Capital Projects Fund Balance, as restated
\$ 4,025,432	\$ 151,553	\$ 4,176,985

The effect on prior year’s Capital Projects Fund Balance was an understatement of Fund Balance of \$151,553.

The City recorded a prior period adjustment to record debt that was previously removed in the prior fiscal year in the Sewer Fund. This adjustment restated deferred outflows of resources related to loss on refunding, deferred inflows of resources related to gain on refunding, and long-term debt. This adjustment had no impact on prior year Sewer net position.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Taxes:				
Sales	\$ 4,250,000	\$ 4,860,000	\$ 5,605,564	\$ 745,564
Ad valorem	3,560,000	3,585,000	3,599,631	14,631
Video poker	275,000	200,000	261,040	61,040
Franchise and other	42,000	42,000	49,120	7,120
Intergovernmental	24,800	7,700	194,466	186,766
Licenses and permits	254,000	221,800	221,370	(430)
Fines	700,000	850,000	934,579	84,579
Other	66,600	33,900	103,636	69,736
Total revenues	<u>9,172,400</u>	<u>9,800,400</u>	<u>10,969,406</u>	<u>1,169,006</u>
EXPENDITURES				
Current function:				
General government	2,150,780	2,347,830	2,039,746	308,084
Public safety	2,055,835	2,410,400	2,491,255	(80,855)
Streets and sanitation	1,467,000	1,511,000	1,293,646	217,354
Social and recreational services	162,750	158,600	148,825	9,775
Economic development	-	-	12,000	(12,000)
Debt service	155,000	155,000	153,181	1,819
Capital outlay	290,000	450,000	622,144	(172,144)
Total expenditures	<u>6,281,365</u>	<u>7,032,830</u>	<u>6,760,797</u>	<u>272,033</u>
Excess of revenues over expenditures	<u>2,891,035</u>	<u>2,767,570</u>	<u>4,208,609</u>	<u>1,441,039</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	40,450	40,450
Transfers out:				
Civic Center Operating Fund	(575,000)	(575,000)	(575,000)	-
Debt Service Fund	(1,015,000)	(1,015,000)	(860,000)	155,000
Capital Projects Fund	(1,900,000)	(3,100,000)	(1,900,000)	1,200,000
Code Enforcement Grant Fund	(100,000)	(100,000)	(100,000)	-
Sewer Fund	(750,000)	(975,000)	(1,110,000)	(135,000)
Total other financing uses	<u>(4,340,000)</u>	<u>(5,765,000)</u>	<u>(4,504,550)</u>	<u>1,260,450</u>
Net change in fund balance	(1,448,965)	(2,997,430)	(295,941)	<u>\$ 2,701,489</u>
FUND BALANCE				
Beginning of year	<u>5,560,282</u>	<u>5,560,282</u>	<u>5,560,282</u>	
End of year	<u>\$ 4,111,317</u>	<u>\$ 2,562,852</u>	<u>\$ 5,264,341</u>	

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

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

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Taxes	\$ 275,000	\$ 200,000	\$ 261,041	\$ 61,041
Intergovernmental	4,400	-	-	-
Other - user fees	46,000	39,000	30,144	(8,856)
Total revenues	325,400	239,000	291,185	52,185
EXPENDITURES				
Current function:				
General government	1,500	2,500	1,333	1,167
Social and recreational services	609,500	534,000	491,795	42,205
Debt service	256,000	256,000	255,831	169
Capital outlay	-	-	17,610	(17,610)
Total expenditures	867,000	792,500	766,569	25,931
Deficiency of revenues over expenditures	(541,600)	(553,500)	(475,384)	78,116
OTHER FINANCING SOURCES				
Transfers in				
General Fund	575,000	575,000	575,000	-
Net change in fund balance	33,400	21,500	99,616	78,116
FUND BALANCE				
Beginning of year	1,134,646	1,134,646	1,134,646	
End of year	<u>\$ 1,168,046</u>	<u>\$ 1,156,146</u>	<u>\$ 1,234,262</u>	

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

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

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

For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Licenses and permits	\$ 60,000	\$ 60,000	\$ 89,473	\$ 29,473
EXPENDITURES				
Current function:				
General government	189,500	193,600	184,801	8,799
Deficiency of revenues over expenditures	(129,500)	(133,600)	(95,328)	38,272
OTHER FINANCING SOURCES				
Transfers in				
General fund	100,000	100,000	100,000	-
Net change in fund balance	(29,500)	(33,600)	4,672	<u>\$ 38,272</u>
FUND BALANCE				
Beginning of year	751,230	751,230	751,230	
End of year	<u>\$ 721,730</u>	<u>\$ 717,630</u>	<u>\$ 755,902</u>	

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

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2017

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

All of the City's budgets are prepared on the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2017.

(Continued)

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

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

	<u>Revised</u> <u>Budget</u>	<u>Actual</u> <u>(GAAP Basis)</u>	<u>Excess over</u> <u>Budget</u>
Governmental Fund:			
General Fund:			
Public Safety	\$ 2,410,400	\$ 2,491,255	\$ (80,855)
Economic development	-	12,000	(12,000)
Capital outlay	450,000	622,144	(172,144)
Civic Center:			
Capital Outlay	-	17,610	(17,610)

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)

As of the fiscal year ended (2):

	2017		
	MERS (Plan A)	MPERS	FRSL
Employer's Proportion of the Net Pension Liability (Asset)	0.7513%	0.2847%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,079,173	\$ 2,668,785	\$ -
Employer's Covered-Employee Payroll	\$ 1,346,278	\$ 732,804	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	228.7%	364.2%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63%	66%	72%

As of the fiscal year ended (2):

	2016		
	MERS (Plan A)	MPERS	FRSL
Employer's Proportion of the Net Pension Liability (Asset)	0.7475%	0.2136%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,670,181	\$ 1,673,897	\$ -
Employer's Covered-Employee Payroll	\$ 1,275,803	\$ 678,355	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	209.3%	246.8%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66%	71%	72%

As of the fiscal year ended (2):

	2015		
	MERS (Plan A)	MPERS	FRSL
Employer's Proportion of the Net Pension Liability (Asset)	0.7444%	0.2770%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,910,392	\$ 1,732,803	\$ -
Employer's Covered-Employee Payroll	\$ 1,130,528	\$ 662,271	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	168.98%	261.65%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.99%	75.10%	76.02%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of MERS's prior June 30th fiscal year end.

The three Retirement Systems reported in this schedule are as follows:

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

FRSL = Firefighters Retirement System of Louisiana

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)

	2017		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 268,478	\$ 235,535	\$ -
Contributions in Relation to Contractually Required Contribution	<u>287,176</u>	<u>239,340</u>	<u>-</u>
Contribution Deficiency (Excess)	\$ (18,698)	\$ (3,805)	\$ -
Employer's Covered Employee Payroll	1,262,311	749,874	-
Contributions as a % of Covered Employee Payroll	22.75%	31.92%	0%
	2016		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 254,614	\$ 180,040	\$ -
Contributions in Relation to Contractually Required Contribution	<u>265,898</u>	<u>219,824</u>	<u>-</u>
Contribution Deficiency (Excess)	\$ (11,284)	\$ (39,784)	\$ -
Employer's Covered Employee Payroll	1,346,278	732,804	-
Contributions as a % of Covered Employee Payroll	19.75%	30.00%	0%
	2015		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 251,971	\$ 214,337	\$ -
Contributions in Relation to Contractually Required Contribution	<u>251,971</u>	<u>214,337</u>	<u>-</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	1,275,803	678,355	-
Contributions as a % of Covered Employee Payroll	19.75%	31.60%	0%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

The three Retirement Systems reported in this schedule are as follows:

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

FRSL = Firefighters Retirement System of Louisiana

CITY OF ST. GABRIEL, LOUISIANA

**NOTES TO PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULE OF PENSION CONTRIBUTORS**

For the year ended June 30, 2017

NOTE 1 – NET PENSION LIABILITY

Changes of Benefit Terms

Municipal Employees' Retirement System

No Changes.

Municipal Police Employees' Retirement System

No Changes.

Louisiana Firefighters' Retirement System

No Changes.

Changes of Assumptions

Municipal Employees' Retirement System

No Changes.

Municipal Police Employees' Retirement System

No Changes.

Louisiana Firefighters' Retirement System

No Changes.



INDIVIDUAL FUND STATEMENTS



CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales	\$ 4,250,000	\$ 4,860,000	\$ 5,605,564	\$ 745,564
Ad valorem	3,560,000	3,585,000	3,599,631	14,631
Video poker	275,000	200,000	261,040	61,040
Franchise				
Telephone	20,000	20,000	23,264	3,264
Cable TV	22,000	22,000	25,856	3,856
Intergovernmental:				
Federal grants	-	-	81,484	81,484
Local grants	24,800	7,700	112,982	105,282
Licenses and permits	254,000	221,800	221,370	(430)
Fines	700,000	850,000	934,579	84,579
Other:				
Interest	6,000	6,000	24,995	18,995
Miscellaneous	60,600	27,900	78,641	50,741
Total revenues	<u>\$ 9,172,400</u>	<u>\$ 9,800,400</u>	<u>\$ 10,969,406</u>	<u>\$ 1,169,006</u>

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

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance - positive (negative)
GENERAL GOVERNMENT				
Salaries	\$ 562,400	\$ 601,400	\$ 599,703	\$ 1,697
Payroll taxes	20,880	18,930	18,553	377
Municipal retirement	98,000	111,000	106,681	4,319
Travel	43,000	48,000	44,302	3,698
Dues and subscriptions	7,500	7,500	7,348	152
Legal and professional	410,000	490,000	356,699	133,301
Contract labor	25,000	25,000	4,231	20,769
Insurance	470,000	470,000	371,848	98,152
Building maintenance	2,500	2,500	2,320	180
Vehicle fuel	11,000	25,000	18,946	6,054
Office supplies	70,500	95,500	45,232	50,268
Vehicle maintenance	-	1,500	2,019	(519)
Telephone	42,000	42,000	35,689	6,311
Utilities	60,000	60,000	57,455	2,545
Council projects	130,000	130,000	188,551	(58,551)
Other	198,000	219,500	180,169	39,331
	<u>2,150,780</u>	<u>2,347,830</u>	<u>2,039,746</u>	<u>308,084</u>
STREETS AND SANITATION				
Salaries	750,000	750,000	623,730	126,270
Payroll taxes	24,000	18,000	17,494	506
Municipal retirement	120,000	133,000	118,323	14,677
Insurance	115,000	130,000	94,660	35,340
Contract labor	30,000	30,000	28,327	1,673
Equipment maintenance	60,000	90,000	81,993	8,007
Street and building maintenance	65,000	65,000	42,292	22,708
Utilities	10,000	15,000	12,385	2,615
Vehicle fuel	25,000	25,000	24,930	70
Supplies	176,000	176,000	182,275	(6,275)
Training	2,000	2,000	-	2,000
Other	90,000	77,000	67,237	9,763
	<u>1,467,000</u>	<u>1,511,000</u>	<u>1,293,646</u>	<u>217,354</u>

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance - positive (negative)
PUBLIC SAFETY				
Police:				
Salaries	\$ 1,131,500	\$ 1,132,000	\$ 1,105,009	\$ 26,991
Payroll taxes	35,000	40,000	38,624	1,376
Police retirement	257,000	257,000	247,260	9,740
Insurance	310,335	371,400	334,765	36,635
Travel	8,000	20,000	13,969	6,031
Uniforms	10,000	16,000	16,467	(467)
Training	4,000	4,000	2,987	1,013
Office supplies	20,000	40,000	41,152	(1,152)
Telephone	17,500	60,000	50,904	9,096
Vehicle fuel	65,000	65,000	61,492	3,508
Vehicle maintenance	30,000	130,000	124,948	5,052
Equipment maintenance	14,000	49,000	39,835	9,165
Field supplies	7,500	7,500	20,039	(12,539)
Printing	2,000	2,000	297	1,703
Rent and utilities	35,000	32,000	25,548	6,452
Other	109,000	184,500	367,959	(183,459)
	<u>2,055,835</u>	<u>2,410,400</u>	<u>2,491,255</u>	<u>(80,855)</u>
Total public safety				
SOCIAL AND RECREATIONAL SERVICES				
Salaries	\$ 103,500	\$ 120,000	\$ 116,644	\$ 3,356
Payroll taxes	8,500	12,000	9,978	2,022
Municipal retirement	6,000	500	198	302
Insurance	6,500	4,000	1,786	2,214
Vehicle fuel	2,200	2,200	2,360	(160)
Supplies	32,100	14,500	12,847	1,653
Contract labor	400	1,800	1,000	800
Other	3,550	3,600	4,012	(412)
	<u>162,750</u>	<u>158,600</u>	<u>148,825</u>	<u>9,775</u>
Total social and recreational services				
ECONOMIC DEVELOPMENT				
	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>(12,000)</u>
DEBT SERVICE				
	<u>155,000</u>	<u>155,000</u>	<u>153,181</u>	<u>1,819</u>
CAPITAL OUTLAY				
	<u>290,000</u>	<u>450,000</u>	<u>622,144</u>	<u>(172,144)</u>
Total expenditures				
	<u>\$ 6,281,365</u>	<u>\$ 7,032,830</u>	<u>\$ 6,760,797</u>	<u>\$ 272,033</u>

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

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

For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Intergovernmental	\$ 5,870,765	\$ 2,000,000	\$ 3,041,706	\$ 1,041,706
Other - interest income	1,000	200	1,708	1,508
Total revenues	<u>5,871,765</u>	<u>2,000,200</u>	<u>3,043,414</u>	<u>1,043,214</u>
EXPENDITURES				
Current function:				
General government	-	-	3,772	(3,772)
Streets and sanitation	-	-	54,022	(54,022)
Capital outlay	<u>268,400</u>	<u>5,088,800</u>	<u>6,125,870</u>	<u>(1,037,070)</u>
Total expenditures	<u>268,400</u>	<u>5,088,800</u>	<u>6,183,664</u>	<u>(1,094,864)</u>
Deficiency of revenues and other financing sources over expenditures	5,603,365	(3,088,600)	(3,140,250)	2,138,078
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>6,100,000</u>	<u>3,100,000</u>	<u>1,900,000</u>	<u>(1,200,000)</u>
Net change in fund balance	11,703,365	11,400	(1,240,250)	<u>938,078</u>
FUND BALANCE				
Beginning of year	<u>4,176,985</u>	<u>4,176,985</u>	<u>4,176,985</u>	
End of year	<u>\$ 15,880,350</u>	<u>\$ 4,188,385</u>	<u>\$ 2,936,735</u>	

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

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

For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
EXPENDITURES				
Debt service	\$ 1,013,000	\$ 1,013,000	\$ 859,346	\$ 153,654
Deficiency of revenues over expenditures	(1,013,000)	(1,013,000)	(859,346)	153,654
OTHER FINANCING SOURCES (USES)				
Transfers in: General Fund	<u>1,015,000</u>	<u>1,015,000</u>	<u>860,000</u>	<u>(155,000)</u>
Net change in fund balance	2,000	2,000	654	<u>\$ (1,346)</u>
FUND BALANCE				
Beginning of year	<u>1,777,029</u>	<u>1,777,029</u>	<u>1,777,029</u>	
End of year	<u>\$ 1,779,029</u>	<u>\$ 1,779,029</u>	<u>\$ 1,777,683</u>	

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD

For the year ended June 30, 2017

Agency Head: Lionel Johnson, Jr. Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 90,000
Benefits - insurance	14,984
Benefits - retirement	17,775
Clothing allowance	2,500
Travel	<u>1,012</u>
	<u>\$ 126,271</u>



STATISTICAL SECTION



CITY OF ST. GABRIEL, LOUISIANA

STATISTICAL SECTION

June 30, 2017

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

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CITY OF ST. GABRIEL, LOUISIANA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities										
Net investment in capital assets	\$ 8,360	\$ 4,059	\$ 3,052	\$ 5,137	\$ 2,241	\$ 2,850	\$ 2,332	\$ 2,465	\$ 2,365	\$ 2,452
Restricted	3,201	4,148	4,958	3,360	2,583	2,469	1,699	402	315	140
Unrestricted	<u>2,401</u>	<u>1,738</u>	<u>1,544</u>	<u>(2,583)</u>	<u>3,228</u>	<u>705</u>	<u>820</u>	<u>2,480</u>	<u>2,227</u>	<u>1,236</u>
Total governmental activities net position	<u>13,962</u>	<u>9,945</u>	<u>9,554</u>	<u>5,914</u>	<u>8,052</u>	<u>6,024</u>	<u>4,851</u>	<u>5,347</u>	<u>4,907</u>	<u>3,828</u>
Business-type activities										
Net investment in capital assets	4,016	3,855	5,926	5,741	5,844	6,024	5,187	5,355	5,561	5,744
Restricted	2,095	2,209	207	189	153	153	142	144	63	31
Unrestricted	<u>102</u>	<u>39</u>	<u>14</u>	<u>30</u>	<u>56</u>	<u>(261)</u>	<u>(198)</u>	<u>(361)</u>	<u>(204)</u>	<u>(339)</u>
Total business-type activities net position	<u>6,213</u>	<u>6,103</u>	<u>6,147</u>	<u>5,960</u>	<u>6,053</u>	<u>5,916</u>	<u>5,131</u>	<u>5,138</u>	<u>5,420</u>	<u>5,436</u>
Primary government										
Net investment in capital assets	12,376	7,914	8,978	10,878	8,085	8,874	7,519	7,820	7,926	8,196
Restricted	5,296	6,357	5,165	3,549	2,736	2,622	1,841	546	378	171
Unrestricted	<u>2,503</u>	<u>1,777</u>	<u>1,558</u>	<u>(2,553)</u>	<u>3,284</u>	<u>444</u>	<u>622</u>	<u>2,119</u>	<u>2,023</u>	<u>897</u>
Total primary government activities net position	<u>\$ 20,175</u>	<u>\$ 16,048</u>	<u>\$ 15,701</u>	<u>\$ 11,874</u>	<u>\$ 14,105</u>	<u>\$ 11,940</u>	<u>\$ 9,982</u>	<u>\$ 10,485</u>	<u>\$ 10,327</u>	<u>\$ 9,264</u>

(1) Net assets restated due to implementation of GASB 68.

CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET POSITION/ASSETS
LAST TEN FISCAL YEARS(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
General government	\$ 2,550	\$ 1,304	\$ 2,753	\$ 2,771	\$ 2,467	\$ 2,213	\$ 2,570	\$ 1,815	\$ 1,892	\$ 1,889
Public safety	2,883	3,361	1,864	1,709	1,841	1,835	1,933	1,681	1,513	1,257
Streets and sanitation	1,934	1,806	1,889	1,407	1,330	1,358	1,717	2,098	1,265	1,291
Culture and recreation	1,227	841	899	723	642	655	783	890	712	855
Economic development	21	1,070	1,281	872	-	250	-	-	-	-
Interest on long-term debt	756	759	482	497	511	243	203	144	180	220
Total governmental activities	<u>9,371</u>	<u>9,141</u>	<u>9,168</u>	<u>7,979</u>	<u>6,791</u>	<u>6,554</u>	<u>7,206</u>	<u>6,628</u>	<u>5,562</u>	<u>5,512</u>
Business-type activities										
Waste water treatment facilities	1,420	1,337	849	920	891	906	922	1,071	802	976
Total primary government expenses	<u>10,791</u>	<u>10,478</u>	<u>10,017</u>	<u>8,899</u>	<u>7,682</u>	<u>7,460</u>	<u>8,128</u>	<u>7,699</u>	<u>6,364</u>	<u>6,488</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	329	299	392	540	462	413	361	371	254	350
Public safety	972	739	522	684	596	418	485	580	624	610
Streets and sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	54	76	65	55	56	18	13	17	11	13
Operating grants and contributions	-	-	-	-	-	96	73	314	26	463
Capital grants and contributions	3,058	180	507	1,304	1,125	450	90	-	-	-
Total governmental activities program revenues	<u>4,413</u>	<u>1,294</u>	<u>1,486</u>	<u>2,583</u>	<u>2,239</u>	<u>1,395</u>	<u>1,022</u>	<u>1,282</u>	<u>915</u>	<u>1,436</u>
Business-type activities										
Charges for Services										
Waste water treatment facilities	243	274	195	154	128	126	115	128	126	117
Capital grants and contributions	126	207	17	88	-	850	-	-	-	28
Total business-type activities program revenues	<u>369</u>	<u>481</u>	<u>212</u>	<u>242</u>	<u>128</u>	<u>976</u>	<u>115</u>	<u>128</u>	<u>126</u>	<u>145</u>
Total primary government total revenues	<u>4,782</u>	<u>1,775</u>	<u>1,698</u>	<u>2,825</u>	<u>2,367</u>	<u>2,371</u>	<u>1,137</u>	<u>1,410</u>	<u>1,041</u>	<u>1,581</u>

CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(in thousands)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (expense)/revenue:										
Governmental activities	(4,900)	\$ (7,846)	\$ (5,396)	\$ (4,552)	\$ (5,159)	\$ (6,184)	\$ (5,346)	\$ (4,647)	\$ (4,076)	\$ (3,697)
Business-type activities	(1,051)	(856)	(678)	(763)	70	(807)	(943)	(676)	(831)	(761)
Total primary government net revenue (expense)	(5,951)	(8,702)	(6,074)	(5,315)	(5,089)	(6,991)	(6,289)	(5,323)	(4,907)	(4,458)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property	3,600	3,597	4,048	3,045	2,708	2,500	2,388	2,357	2,359	2,058
Sales	5,606	4,624	3,169	3,939	3,704	2,871	2,851	2,480	1,676	1,730
Video poker	522	446	474	533	584	560	593	577	625	640
Franchise and other	48	48	39	39	40	48	40	44	54	45
Unrestricted grants and contributions	214	215	25	72	12	198	223	920	205	172
Investment earnings	26	7	3	2	1	2	1	4	26	49
Donation	-	-	-	-	-	-	350	-	-	-
Proceeds from insurance	-	-	-	5	15	310	-	-	-	-
Gain on sale of capital assets	-	49	34	10	29	-	-	-	100	-
Transfers to other funds	(1,110)	(750)	(800)	(900)	(715)	(800)	(660)	(660)	(725)	(775)
Total governmental activities general revenues	8,906	8,236	6,992	6,745	6,378	5,689	5,786	5,722	4,320	3,919
Business-type activities										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	4	5
Investment earnings	-	-	-	-	-	-	-	-	1	1
Recovery of bad debt	50	63								
Transfers from other funds	1,110	750	800	900	715	800	660	660	725	775
Total business-type activities general revenues	1,160	813	800	900	715	800	660	660	730	781
Total primary government general revenues	10,066	9,049	7,792	7,645	7,093	6,489	6,446	6,382	5,050	4,700
Change in Net Position										
Governmental activities	4,006	390	1,596	2,193	1,219	(495)	440	1,075	244	222
Business-type activities	109	(43)	122	137	785	(7)	(283)	(16)	(101)	20
Total change in net position	4,115	347	1,718	2,330	2,004	(502)	157	1,059	143	242

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

(accrual basis of accounting)
(in thousands)

Fiscal Year	Sales Taxes	Property Taxes	Video poker Taxes	Franchise and other Taxes	Total
2017	\$ 5,605	\$ 3,600	\$ 522	\$ 49	\$ 9,776
2016	4,624	3,598	446	48	8,716
2015	8,083	3,528	433	41	12,085
2014	4,048	3,169	474	40	7,731
2013	3,939	3,045	533	39	7,556
2012	3,704	2,708	585	40	7,037
2011	2,872	2,500	560	48	5,980
2010	2,851	2,388	593	40	5,872
2009	2,480	2,356	577	44	5,457
2008	1,676	2,358	625	54	4,713

CITY OF ST. GABRIEL, LOUISIANA

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

Fiscal Year	GENERAL FUND				ALL OTHER GOVERNMENTAL FUNDS		
	Nonspendable	Restricted	Unassigned	Total	Committed	Restricted	Total all other Governmental Funds
2017	\$ 132	\$ 3,201	\$ 1,931	\$ 5,264	\$ 1,729	\$ 4,007	\$ 5,736
2016	143	4,148	1,269	5,560	1,620	6,069	7,689
2015	142	3,487	4,197	7,826	1,540	7,081	8,621
2014	127	2,011	966	3,104	1,269	4,400	5,669
2013	107	1,513	1,805	3,425	304	7,001	7,305
2012	109	1,618	789	2,516	170	8,777	8,947
2011	85	1,552	588	2,225	172	134	306

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS			
	Reserved	Unreserved	Total	Reserved Debt Service Fund	Unreserved Special Revenue Funds	Unreserved Capital Project Funds	Total All Other Governmental Funds
2010	\$ -	\$ 40	\$ 40	\$ -	\$ 2,813	\$ 41	\$ 2,854
2009	-	129	129	137	2,243	41	2,421
2008	-	90	90	139	1,172	-	1,311

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

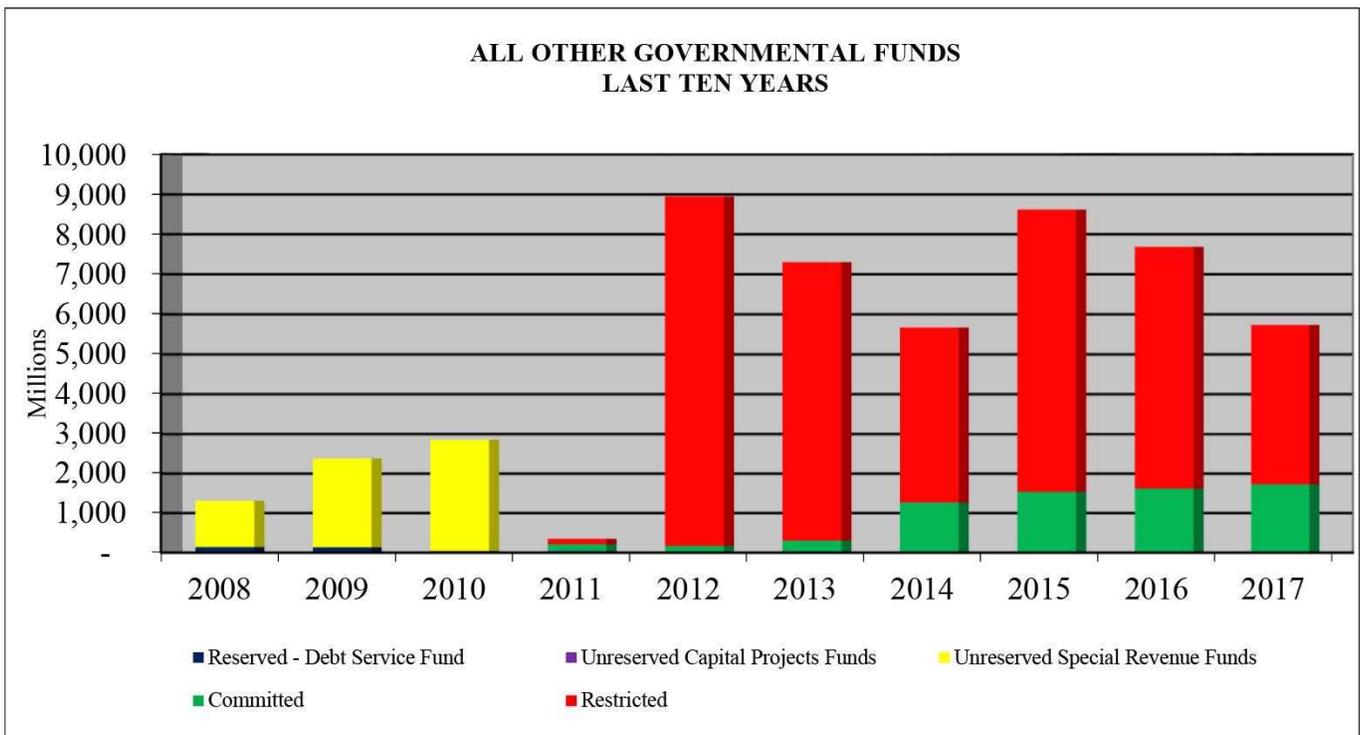
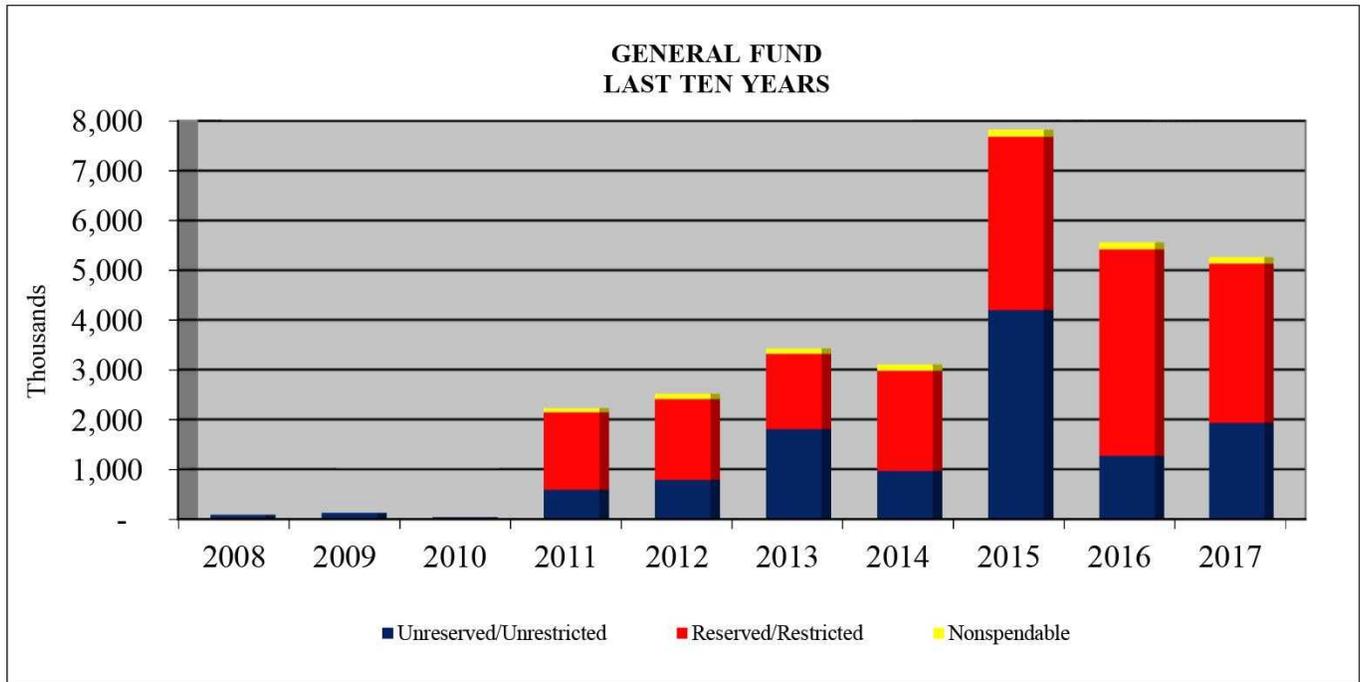
NOTE:

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

CITY OF ST. GABRIEL

**FUND BALANCE BY GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)



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

(modified accrual basis of accounting)

(in thousands)

	FISCAL YEAR			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES				
Taxes	\$ 9,776	\$ 8,715	\$ 11,652	\$ 7,217
Intergovernmental	3,236	395	940	1,840
Licenses and permits	311	278	392	449
Fines	935	739	522	681
Other	135.49	156	73	155
Total revenues	<u>14,393</u>	<u>10,283</u>	<u>13,579</u>	<u>10,342</u>
EXPENDITURES				
Current function:				
General government	2,230	2,394	2,518	2,144
Public safety	2,491	1,887	1,731	1,622
Streets and sanitation	1,348	1,343	1,295	1,485
Culture and recreation	641	658	701	641
Economic development	12	1,050	1,194	713
Debt service:				
Principal retirement	545	530	400	325
Bond issuance cost	-	88	396	-
Interest	723	735	496	499
Capital outlay	<u>6,766</u>	<u>4,047</u>	<u>4,534</u>	<u>4,157</u>
Total expenditures	<u>14,755</u>	<u>12,732</u>	<u>13,265</u>	<u>11,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(362)</u>	<u>(2,449)</u>	<u>314</u>	<u>(1,244)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,435	4,922	1,954	3,303
Proceeds from sale of capital assets	40	-	53	34
Proceeds from issuance of debt	-	-	12,655	-
Proceeds from insurance recoveries	-	-	3	3
Bond discount	-	-	(137)	-
Donation	-	-	-	-
Payment to refund debt escrow agent	-	-	(4,338)	-
Transfers out	<u>(4,545)</u>	<u>(5,672)</u>	<u>(2,779)</u>	<u>(4,103)</u>
Total other financing sources and uses	<u>(1,070)</u>	<u>(750)</u>	<u>7,411</u>	<u>(4,066)</u>
Net change in fund balances	<u>\$ (1,431)</u>	<u>\$ (3,199)</u>	<u>\$ 7,725</u>	<u>\$ (5,310)</u>
Debt service as a percentage of noncapital expenditures	<u>15.9%</u>	<u>14.6%</u>	<u>10.3%</u>	<u>11.1%</u>

CITY OF ST. GABRIEL, LOUISIANA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)
(in thousands)

	FISCAL YEAR					
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	7,023	\$ 6,453	\$ 5,413	\$ 5,279	\$ 4,880	\$ 4,088
	1,729	1,130	655	1,067	1,411	1,262
	406	327	265	287	180	208
	596	418	485	580	624	610
	125	160	385	166	205	212
	<u>9,879</u>	<u>8,488</u>	<u>7,203</u>	<u>7,379</u>	<u>7,300</u>	<u>6,380</u>
	2,102	1,978	2,309	1,983	1,757	1,957
	1,747	1,717	1,842	1,657	1,555	1,380
	1,163	1,263	1,676	1,881	1,043	1,238
	640	522	652	753	530	687
	-	250	-	-	-	-
	310	65	78	213	246	168
	-	(165)	-	-	-	-
	504	199	195	238	207	220
	<u>3,360</u>	<u>1,049</u>	<u>474</u>	<u>-</u>	<u>153</u>	<u>6</u>
	<u>9,826</u>	<u>6,878</u>	<u>7,226</u>	<u>6,725</u>	<u>5,491</u>	<u>5,656</u>
	53	1,610	(23)	654	1,809	724
	1,334	1,377	719	2,995	2,411	2,311
	-	-	-	-	-	300
	-	8,830	151	-	-	-
	5	15	310	-	-	-
	-	(432)	-	-	-	-
	-	-	-	350	-	-
	-	-	-	-	-	-
	<u>(2,233)</u>	<u>(2,092)</u>	<u>(1,519)</u>	<u>(3,655)</u>	<u>(3,071)</u>	<u>(3,036)</u>
	<u>(2,228)</u>	<u>6,321</u>	<u>(1,058)</u>	<u>(3,305)</u>	<u>(3,071)</u>	<u>(2,736)</u>
\$	<u>(2,067)</u>	<u>7,931</u>	<u>(1,081)</u>	<u>(2,651)</u>	<u>(1,262)</u>	<u>(2,012)</u>
	<u>12.6%</u>	<u>4.5%</u>	<u>4.0%</u>	<u>6.7%</u>	<u>8.5%</u>	<u>6.9%</u>

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

(modified accrual basis of accounting)
(in thousands)

Fiscal Year	Sales Taxes	Property Taxes	Video Poker Taxes	Franchise and Other Taxes	Total
2017	\$ 5,605	\$ 3,600	\$ 522	\$ 49	\$ 9,776
2016	4,624	3,598	446	48	8,716
2015	8,083	3,528	433	41	12,085
2014	4,048	3,169	474	40	7,731
2013	3,939	3,045	533	39	7,556
2012	3,704	2,708	585	40	7,037
2011	2,872	2,500	560	48	5,980
2010	2,851	2,388	593	40	5,872
2009	2,480	2,356	577	44	5,457
2008	1,676	2,358	625	54	4,713

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

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate - Millages	Estimated Actual Value	Ratio of Total Taxable Assessed Value to Total Estimated Actual Value*
2017	23,861,582	127,909,623	61,452,520	213,223,725	16.84	213,223,725	100%
2016	23,938,145	128,320,034	61,649,697	213,907,875	16.84	213,907,875	100%
2015	23,415,498	125,518,396	60,303,686	209,237,580	16.84	209,237,580	100%
2014	21,068,799	112,938,951	54,260,055	188,267,805	16.84	188,267,805	100%
2013	20,271,444	108,664,744	52,206,568	181,142,755	16.84	181,142,755	100%
2012	17,662,310	94,678,525	45,487,070	157,827,905	16.84	157,827,905	100%
2011	17,330,640	91,579,460	39,893,520	148,803,620	16.84	148,803,620	100%
2010	17,032,126	93,676,690	38,695,794	149,404,610	15.88	149,404,610	100%
2009	16,895,260	92,958,025	38,314,350	148,167,635	15.88	148,167,635	100%
2008	12,086,572	88,689,660	37,402,420	138,178,652	16.84	138,178,652	100%

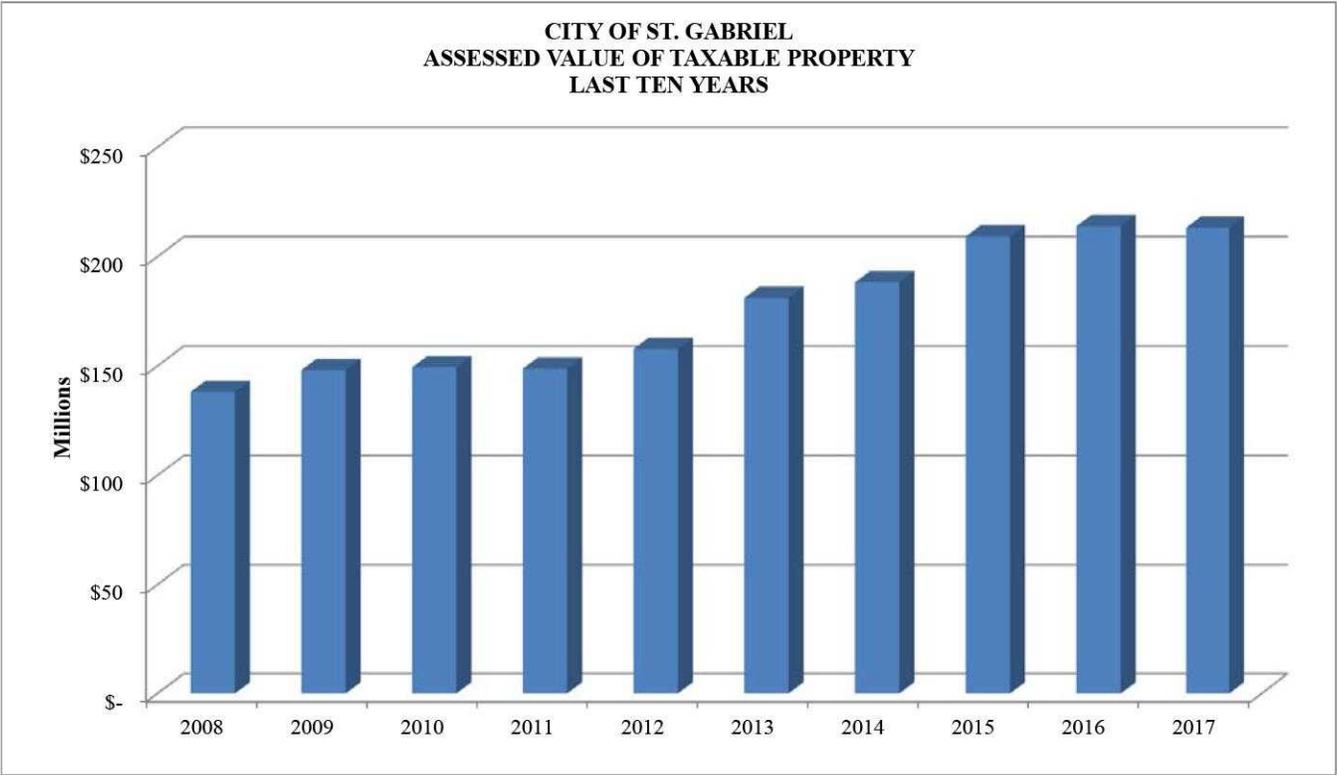
Source: City of St. Gabriel

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

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

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

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



CITY OF ST. GABRIEL, LOUISIANA

PROPERTY TAX RATES AND TAX LEVIES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN CALENDAR YEARS

Fiscal Year	City of St. Gabriel			Overlapping Rates				Total Direct and Overlapping Rates
	Operating	Public Improvements	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
2017	6.84	10.00	22.00	57.83	22.68	2.06	3.52	124.93
2016	6.84	10.00	22.00	57.83	22.56	2.06	4.04	125.33
2015	6.84	10.00	22.00	57.83	22.56	2.06	3.47	124.76
2014	6.84	10.00	21.00	56.66	22.56	2.06	3.47	122.59
2013	6.84	10.00	22.00	56.66	22.56	2.06	3.47	123.59
2012	6.84	10.00	22.00	56.66	19.68	2.06	3.52	120.76
2011	6.84	10.00	22.00	56.66	21.18	2.06	3.67	122.41
2010	6.45	9.43	22.00	56.66	19.84	2.06	3.67	120.11
2009	6.45	9.43	22.00	56.66	19.84	2.06	3.67	120.11
2008	6.84	10.00	22.00	39.27	22.68	2.06	3.74	106.59

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

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

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

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

Taxpayer	2017		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Entergy	\$ 40,176,560	1	18.84%
Syngenta	31,242,890	2	14.65%
CosMar Company	24,268,950	3	11.38%
Carville Energy LLC	18,146,760	4	8.51%
Mexichem Fluor Inc	8,919,250	5	4.18%
Total Petrochemicals	8,369,060	6	3.93%
Taminco Inc	7,980,460	7	3.74%
PCS Nitrogen	4,389,210	8	2.06%
Pioneer Americas	4,226,730	9	1.98%
ExxonMobil	4,073,780	10	1.91%
Total	20,670,180		9.69%
Others	192,553,545		26.42%
	<u>\$ 213,223,725</u>		<u>100.00%</u>

Source: Iberville Parish Assessor's Office. Data presented is for Iberville Parish. Information for 2008 is not available.

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

Year	Total Tax Levy	Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Collections to Tax Levy
2017	\$ 3,590,689	\$ 3,595,202	100.13%	\$ 4,429	\$ 3,599,631	100.25%
2016	3,602,106	3,583,283	99.48%	14,946	3,598,229	99.89%
2015	3,523,561	3,521,355	99.94%	-	3,521,355	99.94%
2014	3,170,430	3,157,630	99.60%	1,664	3,159,294	99.65%
2013	3,050,445	3,021,229	99.04%	2,731	3,023,960	99.13%
2012	2,657,822	2,615,673	98.41%	2,368	2,618,041	98.50%
2011	2,507,413	2,476,747	98.78%	22,838	2,499,585	99.69%
2010	2,387,528	2,381,105	99.73%	6,423	2,387,528	100.00%
2009	2,352,906	2,336,374	99.30%	16,532	2,352,906	100.00%
2008	2,326,928	2,321,256	99.76%	5,672	2,326,928	100.00%
2007	2,107,242	2,058,494	97.69%	39,444	2,097,938	99.56%

Source: City of St. Gabriel Finance Department

CITY OF ST. GABRIEL, LOUISIANA

SALES TAX REVENUES LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Fiscal Year	1% City Public	2% Public Infrastructure and Maintenance	Total
2017	\$ 2,286,773	\$ 3,318,791	\$ 5,605,564
2016	1,869,362	2,754,140	4,623,502
2015	5,323,300	2,759,654	8,082,954
2014	1,620,760	2,427,677	4,048,437
2013	1,634,502	2,304,808	3,939,310
2012	1,521,233	2,183,040	3,704,273
2011	1,059,487	1,812,069	2,871,556
2010	1,027,086	1,824,387	2,851,473
2009	814,745	1,665,155	2,479,900
2008	510,362	1,165,513	1,675,875

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2017:

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

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

Source: Iberville Parish Sales Tax Department

CITY OF ST. GABRIEL, LOUISIANA
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST NINE FISCAL YEARS (1)

(modified accrual basis of accounting)

Industry	FISCAL YEAR				
	2016(1)	2015	2014	2013	2012
Manufacturer of chemicals	\$ 376,030,176	\$ 533,317,289	\$ 303,071,627	\$ 538,882,468	\$ 398,210,177
Industrial equipment sales	61,344,412	101,849,278	44,995,868	69,003,478	77,657,168
Grocery stores	20,642,349	41,348,422	20,631,183	38,401,257	37,586,350
Department stores & dry goods	21,677,465	38,817,913	18,893,416	36,620,897	37,594,616
Lumber, building materials stores	26,319,060	26,928,165	16,151,901	17,776,697	15,943,033
Miscellaneous - others	<u>239,067,217</u>	<u>342,596,431</u>	<u>182,206,513</u>	<u>331,731,806</u>	<u>298,440,711</u>
	<u>\$ 745,080,679</u>	<u>\$ 1,084,857,498</u>	<u>\$ 585,950,508</u>	<u>\$ 1,032,416,603</u>	<u>\$ 865,432,055</u>

Industry	2011	2010	2009	2008
Manufacturer of chemicals	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513
Industrial equipment sales	51,834,793	57,494,719	44,812,120	38,473,171
Grocery stores	37,089,615	37,314,861	36,151,634	33,179,640
Department stores & dry goods	37,965,471	37,657,428	39,397,302	35,155,751
Lumber, building materials stores	21,085,725	21,878,034	28,460,909	23,271,228
Miscellaneous - others	<u>238,549,832</u>	<u>137,580,139</u>	<u>148,775,859</u>	<u>149,200,394</u>
	<u>\$ 794,020,366</u>	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>	<u>\$ 343,176,697</u>

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

(1) Data not available for 2017

CITY OF ST. GABRIEL, LOUISIANA

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

Fiscal Year	Governmental Activities Debt			Business- type Debt Revenue Bonds	(1) Total Primary Government	(2) Percentage of Personal Income	(2) Debt Per Capita
	Certificate of Indebtedness	Public Improvement Bonds	Capital Leases & Other				
2017	\$ -	\$ 19,212	\$ -	\$ 4,842	24,054	1.98%	3.34
2016	-	19,735	-	4,900	24,635	2.04%	3.47
2015	-	20,243	-	2,795	23,038	1.92%	3.29
2014	-	12,326	102	2,846	15,274	1.30%	2.22
2013	-	12,628	107	2,896	15,631	1.35%	2.31
2012	-	12,914	-	2,944	15,858	1.37%	2.41
2011	-	4,581	-	2,990	7,571	0.66%	1.13
2010	-	4,501	8	3,041	7,550	0.73%	1.13
2009	183	4,556	61	3,126	7,926	0.77%	1.43
2008	357	4,628	109	3,177	8,271	#REF!	1.48
2007	773	4,679	173	3,250	8,875	1.24%	#REF!
2006	675	4,737	263	3,315	8,990	1.26%	1.60

(1) City of St. Gabriel

(2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2017.
2017 is projected based of historical trends and is subject to change.

CITY OF ST. GABRIEL, LOUISIANA

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2017
(in thousands)

Jurisdiction	Debt Outstanding	(2) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City direct debt	\$ 24,054	100%	\$ 24,054
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 43,303	33%	\$ 14,469
Iberville Parish Government (4)	<u>20,374</u>	33%	<u>6,808</u>
Total other government agencies	<u>\$ 63,677</u>		<u>\$ 21,277</u>
Total direct and overlapping			<u>\$ 45,331</u>
2015 population estimate			<u>6,993</u>
Per capita			<u>\$ 6.48</u>

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

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

(3) Source: 2016 Basic Financial Statements

(4) Source: 2016 Comprehensive Annual Financial Report

CITY OF ST. GABRIEL, LOUISIANA

LEGAL DEBT MARGIN CALCULATION
LAST TEN FISCAL YEARS

Year	Assessed Value	Any One Purpose	Aggregate All Purposes (1)	Debt Outstanding (2)	Legal Debt Margin	Legal Debt Margin to Aggregate Debt Limit
2017	\$ 213,223,725	21,322,373	74,628,304	\$ -	74,628,304	0.00%
2016	213,907,875	21,390,788	74,867,756	-	74,867,756	0.00%
2015	209,237,580	20,923,758	73,233,153	-	73,233,153	0.00%
2014	188,267,805	18,826,781	65,893,732	-	65,893,732	0.00%
2013	181,142,755	18,114,276	63,399,964	-	63,399,964	0.00%
2012	157,827,905	15,782,791	55,239,767	-	55,239,767	0.00%
2011	148,896,250	14,889,625	52,113,688	-	52,113,688	0.00%
2010	149,404,610	14,940,461	52,291,614	-	52,291,614	0.00%
2009	148,167,635	14,816,764	51,858,672	-	51,858,672	0.00%
2008	138,178,652	13,817,865	48,362,528	-	48,362,528	0.00%
2007	125,150,972	12,515,097	43,802,840	-	43,802,840	0.00%

Source: City of St. Gabriel

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

CITY OF ST. GABRIEL, LOUISIANA

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(full accrual basis of accounting)

SCHEDULE A - REVENUE BONDS - SALES TAX - DEBT SERVICE AND CIVIC CENTER OPERATING FUNDS

Year	(1)			Debt Service Requirements			Coverage
	Gross Revenue	Expenses	Available for Debt Service	Principal	Interest	Total	
	2017	\$ 2,286,773	\$ -	\$ 2,286,773	\$ 545,000	\$ 723,356	
2016	1,869,361	-	1,869,361	540,000	735,241	1,275,241	1.47
2015	5,323,299	153,106	5,170,193	299,065	491,953	791,018	6.54
2014	1,620,760	-	1,620,760	315,971	494,848	810,819	2.00
2013	1,634,502	-	1,634,502	307,938	505,655	813,593	2.01
2012	1,521,233	183,138	1,338,095	65,035	199,194	264,229	5.06
2011	1,059,487	-	1,059,487	70,699	202,445	273,144	3.88
2010	978,468	-	978,468	55,406	208,738	264,144	3.70
2009	814,745	-	814,745	53,039	211,105	264,144	3.08
2008	510,362	230	510,132	50,772	213,372	264,144	1.93

SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2)			Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses	Available for Debt Service	Principal	Interest	Total	
	2017	\$ 1,341,631	\$ 886,775	\$ 454,856	\$ 110,000	\$ 160,075	
2016	1,730,116	809,955	920,161	110,000	178,052	288,052	3.19
2015	1,019,560	440,208	579,352	52,038	126,727	178,765	3.24
2014	954,543	498,650	455,893	49,442	126,332	175,774	2.59
2013	1,028,094	471,459	556,635	49,758	131,252	181,010	3.08
2012	975,842	494,989	480,853	45,492	132,376	177,868	2.70
2011	915,004	510,690	404,314	43,498	135,258	178,756	2.26
2010	788,437	655,286	133,151	73,842	135,392	209,234	0.64
2009	786,266	414,091	372,175	70,520	138,388	208,908	1.78
2008	846,364	571,902	274,462	72,277	136,018	208,295	1.32

(1) City of St. Gabriel 1% sales and use tax

(2) Sewer revenues and transfers from other funds

(3) Total expenses less payments toward debt service and depreciation

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

Year	(1) Iberville Parish Population	(1) City of St. Gabriel Population	(2) Personal Income (In Thousands)	(2) Per Capita Personal Income	(3) Unemployment Rate	(4) Labor Market Area Unemployment Rate
2017	\$ 33,327	7,205	1,216,693	\$ 36,508	6.2	5.9
2016	32,290	7,095	1,208,348	37,422	7.2	6.4
2015	33,229	6,993	1,201,678	36,164	6.9	7.1
2014	33,367	6,869	1,175,035	36,443	7.8	8.0
2013	33,228	6,755	1,153,893	35,685	9.4	7.0
2012	33,230	6,570	1,156,335	35,364	10.7	8.7
2011	33,362	6,700	1,143,920	33,042	11.6	8.4
2010	33,505	6,677	1,035,320	31,851	10.4	8.5
2009	32,545	5,546	1,028,138	31,251	9.8	7.4
2008	32,467	5,583	940,666	28,579	7.8	4.8

Source:

- (1) U.S. Department of Commerce, Bureau of the Census.
- (2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2011 and 2016 not available. 2017 is projected based of historical trends and is subject to change.
- (3) Louisiana Workforce Commission, Research and Statistics Division, information is for Parish of Iberville.
- (4) U.S. Department of Labor, Bureau of Labor Statistics

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

Employer		2016 (1)	
		Number of Employees	Percent of Total
The Dow Chemical Co.	1	2,200	38.13%
LA Dept. of Public Safety and Corrections	2	1,200	20.80%
Syngenta Crop Protection, Inc.	3	700	12.13%
Axiall, LLC	4	300	5.20%
Maintenance Enterprise II, Inc.	5	300	5.20%
Crown Enterprises, Inc.	6	250	4.33%
Louisiana State University System	7	205	3.55%
Diamond Plastics Corporation	8	250	4.33%
Louisiana State University System	9	205	3.55%
Olin Chlor Alkali Products	10	160	2.77%
		<u>5,770</u>	<u>100.00%</u>

Source: Baton Rouge Area Chamber (BRAC.org)
(1) Data for 2017, or 10 years ago was not available.

CITY OF ST. GABRIEL, LOUISIANA
FULL-TIME EQUIVALENT CITY EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	<u>Full-time Equivalent Employees Allotted in Annual Budget</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government	9	16	15	13	7
Police Department	22	26	22	22	19
Fire Department	-	-	-	4	4
Street Maintenance	12	19	20	14	14
Building	-	6	6	3	3
Social Services	2	2	2	2	2
Sewer	2	2	3	2	4
Civic Center	5	6	6	5	3
Code Enforcement	1	1	1	3	4
	<u>53</u>	<u>78</u>	<u>75</u>	<u>68</u>	<u>60</u>
Total employees					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government	12	12	13	12	12
Police Department	25	22	22	21	21
Fire Department	7	8	7	10	7
Street Maintenance	26	19	11	15	9
Building	6	3	3	4	6
Social Services	3	3	3	3	7
Sewer	4	7	7	9	9
Civic Center	4	6	8	8	5
Code Enforcement	4	7	4	4	2
	<u>91</u>	<u>87</u>	<u>78</u>	<u>86</u>	<u>78</u>
Total employees					

Source: City of St. Gabriel

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

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function:										
Public Safety:										
Police:										
Physical arrests	87	101	107	67	52	77	156	148	113	135
Traffic violations	6,605	5,073	3,232	4,327	4,458	2,253	4,144	3,867	4,160	4,067
Public Works:										
Building Permits:										
Residential (new)	48	35	25	57	61	161	50	34	17	26
Commercial	4	6	7	7	10	22	4	5	7	31
Transportation:										
Parish street maintenance program:										
Number of miles maintained	17	17	17	17	17	17	17	17	17	17
Number of bridges	5	5	5	5	5	5	4	4	4	4
Sanitation:										
Wastewater:										
Commercial	50	48	45	38	28	25	23	21	16	17
Residential	989	985	952	934	817	767	766	730	670	645
Monthly flat fee:										
Residential	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15
Commercial (1)	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300
Drainage:										
Miles of drainage ditches maintained	35	35	35	35	35	35	35	35	35	35
Culture-Recreation:										
Parks:										
Number of parks maintained	4	4	4	4	4	4	4	4	4	4

Source: City of St. Gabriel Government

Permit information not available for 2006

(1) Commercial rates vary based on consumption

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

Major Programs	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:										
Number of general government building:	3	3	3	3	3	3	3	3	3	3
Number of vehicles	14	18	12	13	13	13	12	12	11	11
Public Safety:										
Police:										
Number of vehicles	35	34	33	32	29	28	25	21	19	15
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	0	0	0	0	0	3	3	3	3	3
Number of vehicles	0	0	0	0	0	3	3	3	3	3
Streets and Sanitation:										
Number of vehicles	20	18	17	19	19	22	22	22	22	22
Miles of streets	17	17	17	17	17	17	17	17	17	17
Number of bridges	4	4	4	4	4	4	4	4	4	4
Sewer:										
Number of sanitary sewer systems	3	3	3	3	3	3	3	3	3	3
Culture and Recreation										
Number of parks	5	4	4	4	4	4	4	4	4	4
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of vehicles	3	3	3	3	3	10	8	8	8	8

Source: City of St. Gabriel

CITY OF ST. GABRIEL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF ST. GABRIEL
CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Homeland Security and Emergency Preparedness</u>			
Passed-through the State of Louisiana Governor's Office of the Homeland Security and Emergency Preparedness:			
Federally declared disaster area	97.036	PA-06-LA-4277-PW-00163	\$ 81,484
Drainage Improvements - FEMA-1786-DR-LA	97.039	HMGP #1786-047-0002	<u>3,041,705</u>
Total United States Department of Homeland Security and Emergency Preparedness			<u>3,123,189</u>
Total Federal Assistance Expended			<u>\$ 3,123,189</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF ST. GABRIEL

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity for the City under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Basis of Accounting

The City's Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2017. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Indirect Cost Rate

The City has not elected to use the 10 percent de minimis indirect cost as allowed under the Uniform Guidance.

Subrecipients

There were no awards passed through to subrecipients.





SPECIAL INDEPENDENT AUDITORS' REPORTS





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements, and have issued our report thereon dated December 30, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other matters

As part of obtaining reasonable assurance about whether the City of St. Gabriel, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2017-001.

Additional matters were communicated to management in a separate letter dated December 30, 2017.

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

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

Purpose of this Report

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

Deiz, Dupuy & Ruiz

Gonzales, Louisiana

December 30, 2017



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

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

Report on Compliance for Each Major Federal Program

We have audited City of St. Gabriel's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of St. Gabriel's major federal programs for the year ended June 30, 2017. City of St. Gabriel's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, City of St. Gabriel complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Diez, Dupuy & Ruiz

Gonzales, Louisiana
December 30, 2017

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditors’ Result

Financial Statements

1. The auditors’ report expresses an unmodified opinion on whether the financial statements of City of St. Gabriel were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported.
3. One instance of noncompliance material to the financial statements of City of St. Gabriel, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

Federal Awards

4. No significant deficiencies relating to the audit over the major federal award programs were reported.
5. The auditors’ report on compliance for the major federal award programs for City of St. Gabriel expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) in this schedule.
7. The following program was tested as a major program:

CFDA Numbers
97.039

Name of Federal Program or Cluster
Drainage Improvements – FEMA-1786-DR-LA

8. The threshold used for distinguishing between types A & B was \$750,000.
9. City of St. Gabriel did not qualify as a low-risk auditee.

SECTION II – FINDINGS – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

2017-001 Public Bid Law

Criteria: For purchases of materials and supplies with a value of more than \$30,000, local governmental entities must advertise and let for contract with the lowest responsible bidder.

Condition: The City purchased a vehicle during the year without properly advertising for the vehicle in its official journal.

Context: Asset additions were tested to determine whether assets were properly capitalized and acquired in compliance with public bid laws. The sample used was deemed to be statistically valid and noted that one vehicle purchased was not in compliance with public bid law.

Effect: The City is non-compliant with the public bid law.

Cause: The City did not follow public bid laws prior to purchasing the vehicle.

Recommendation: The City should comply with public bid laws for all purchases.

Views of responsible officials and planned corrective action: Management understand the context of this reportable item and is the laws and regulations effective to comply with the Louisiana Public Bid Law and will ensure compliance with the Public Bid Law is followed in future periods.

SECTION IV – FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

None noted.

CITY OF ST. GABRIEL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS – NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

2016-001 Budget Law

Condition: Actual revenues in the Civic Center Operating Fund had an unfavorable variance of 5.43% of the final budgeted amounts.

Current status: No similar finding reported in current year.

SPECIAL ACKNOWLEDGEMENTS

Leman Raphael
City Clerk

Tammy Barrie Stewart
Finance Director

Linda Gibson
Tax Collector

Kalayn Brown
Police Department Manager





December 30, 2017

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

In planning and performing our audit of the financial statements of the City of St. Gabriel as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City of St. Gabriel's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Gabriel's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of St. Gabriel's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2017, on the financial statements of the City of St. Gabriel.

MLP – 2017-001 Off-Duty Work Policy

Condition: The City of St. Gabriel does not have policy in place to provide guidance for the City's Police Department in off-duty work opportunities requested by citizens and businesses located within the City limits.

Recommendation: Management of the City of St. Gabriel Police Department should develop and implement an Off-Duty Work Policy.

We will review the status of these comments during our next audit engagement. We have already discussed this comment and suggestion with Mayor Lionel Johnson, Jr. and Chief of Police, Kevin Ambeau, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Honorable Mayor and City Council Members, and others within the City of St. Gabriel, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

Diez, Dupuy + Ruiz



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Lionel Johnson, Jr., City of St. Gabriel, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City of St. Gabriel (the "City") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

The city does not have a budget policy.

Management's response: The City will adopt a policy.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list.

Management's response: The City intends to amend the purchasing policy to address how vendors are added to the vendor list.

c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits.

The City's policy addresses the above functions.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The City does not have a specific written policy on payroll.

Management's response: The City will prepare a payroll policy.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The City does not have a contracting policy. However, types of services requiring contracts and approval is addressed in purchasing policy. The City does not have a policy that addresses standard terms, legal review and monitoring.

Management's response: The City will amend its policies to include standard terms, legal review and monitoring.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Written policies and procedures were obtained and address the functions noted above with the exception of allowable uses.

Management's response: The City will add allowable uses to its policy.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The City policy is that it follows the State of Louisiana's Louisiana Travel Guide. The City had a copy of the policy in its policy file.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The City's policy is that it follows the Louisiana Code of Governmental Ethics. The City had a copy of the policy in its policy file. There was not any written acknowledgement that the policy was read.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The City has a policy on debt service payments. It does not have a policy on debt issuance approval, EMMA reporting requirements and debt reserve requirements.

Management's response: The City will amend its policy to include the above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The City's minutes reflected the board met monthly with a quorum.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
The minutes do not reference monthly budget to actual financial statement.
Management's response: The City will reference the review of financial statements in the future.
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
There was not a formal written plan to address operating deficits.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
The minutes reference non-budgetary information such as approval of contracts.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
Obtained listing of client bank accounts from management and management's representation that listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
- a) Bank reconciliations have been prepared;
Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
The bank reconciliations do not reflect a member of management has reviewed them.

Management's response: The City contracts with a CPA firm to prepare our bank reconciliations. The CPA firm cannot prepare disbursements or deposits and does not record transactions. We feel like this is adequate segregation of duties with the limited amount of staff we have.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

The bank reconciliations reviewed included reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period and management did not have documentation reflecting that it has researched reconciling items.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Collections are performed by ten employees of the City at three locations. Two of the ten employees responsible for collecting cash are not bonded. The ten employees responsible for collecting cash are not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. Employees at two of the three locations share the same cash drawer.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The entity does not have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections in the cash collection location selected.

Management's response: There are ten employees that are responsible for cash collections at the City's four cash collection sites. Efforts will be made to develop a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers to the extent possible with the limited number of employees involved at each location.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

One of the three collection sites made deposits within one day. Two of the three cash collection sites were not made within one day of collection. The number of days from receipt to deposit for each location is as follows:

<i>Location</i>	<i>Revenue Source</i>	<i>Number of Receipts</i>	<i>Number of Days from Collection to Deposit</i>
<i>City Hall</i>	<i>Taxes, Fees, Permits</i>	<i>228</i>	<i>2-9 days</i>
<i>Community Center</i>	<i>User Fees</i>	<i>73</i>	<i>2-20 days</i>

Management's response: We will make our deposits timelier.

Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Sequentially numbered receipts and/or other related collection documentation supported the cash collection.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The entity does not have a formal process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Management's response: Efforts will be made to develop a formal process to determine completeness of all cash collections, including transfer, for each revenue source to the extent possible with the limited number of employees involved.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained listing of disbursements and management's representation that listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's response: The City is aware of the lack of segregation of duties. Management reviews supporting documentation prior to signing checks for purchases/disbursements, reviews bank statements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. Management feels that this is the most cost-efficient process for the City with the limited number of resources available in the accounting department.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

There are two people with signatory authority. The Mayor has signatory authority and makes the final authorization for disbursements. The Mayor also has authority to initiate purchases. The Finance Director is an authorized signor for the entity and is responsible for initiating and recording purchases.

Management's response: Due to the limited number of resources available, the City is unable to adequately segregate these duties. The Mayor or Finance Director reviews supporting documentation prior to signing checks for purchases/disbursements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. Management feels that this is the most cost-efficient process for the City.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is maintained in a locked location. The Finance Director who has signatory authority and system access to print checks has access to the supply of unused checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The City does not use signature stamps.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained listing of credit cards and management's representation that listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Three credit cards were selected.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

There is evidence the statement and supporting documentation was reviewed by someone other than the card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Two of the three cards had finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

One card was missing two receipts for \$19 and \$11.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of travel and related expense reimbursements and management's representation that listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No amounts listed exceeded GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance with written policy.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted for two of the three employees tested. One employee's mileage documentation was missing in one of the four reimbursements tested.

Management's response: Appropriate mileage is determined at time of reimbursement. We will make sure reimbursements are not made without required documentation.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of contracts in effect and management's representation that listing was complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Formal/written contracts were obtained that supports the services arrangements. No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

The city complied with the legal requirements.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts selected were not amended during the current fiscal period.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Payments made on each contract complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

The contracts that required approval were approved by the board.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that listing was complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

The employees had documented time sheets. Supervisors who are paid a salary are not required to prepare attendance records.

Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Eight of the twenty-five employees time sheets did not have documentation of approval. Two of the four employees tested who had leave requests in the sample did not have documentation that the leave was approved.

Management's response: The City will reinforce these policies and procedures to employees.

- b) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

City maintained written documentation of leave records for selected employees/officials.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

The city does not make termination payments.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms were submitted to the applicable agencies by the required deadlines for the fiscal period.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The City maintained documentation that the five employees obtained the required ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The City made the required debt service payments and maintained the required debt reserves.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management asserted that the City did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The City has posted on its premises and website the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Deery, Deery & Deery

Gonzales, Louisiana
December 30, 2017