

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. GABRIEL, LOUISIANA

For the fiscal year ended June 30, 2019



Prepared by

City of St. Gabriel
Finance Department



CITY OF ST. GABRIEL, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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 28, 2019

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, 2019. 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, 2019, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first document of the financial section of this report.

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

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

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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-1.

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 2020.

General sales and use tax revenues in 2019 for operations of the City were \$700,000 more than the 2018 revenues, representing a 15% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing 48% of available resources in 2019.

During 2019 the City had employed labor of approximately 7,367 with an unemployment rate of 7.1% and a current per capita personal income of \$39,095 and age of 38.

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 2020

The City has various capital outlay projects ongoing with an estimated cost of over \$12.9 million, to include municipal and recreational facility improvements, sewer system expansions and improvements, and road repairs and improvements. The City has budgeted approximately \$12.9 million for these projects in fiscal year 2020. 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 \$12.9 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 road improvements, sewer, transportation and recreational needs.

Road Improvements and Recreation 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 approximately \$1.8 million. Additionally, the City has ongoing recreation projects in various parts of the community. These projects have an estimated cost of approximately \$850,000 collectively. Due to the significant amount of resources required to accomplish these projects, the City has elected to accomplish in phases. Both the highway improvements and recreational projects will be funded by the City's local resources, governmental grants, and public improvement bonds issued by the City.

Sewer Improvements Project

As the City continues to grow in population, the City's sewer utility systems are in need of expanded capacity. In 2019 the City commenced various pump sewer system projects to support its expansion. These projects include waste water treatment plant renovations, sewer lift stations, and other improvements. The budgeted costs for these projects are approximately \$7.2 million dollars. The improvements will be funded by the City's local resources, federal resources, and public improvement bonds issued by the City in 2015.

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 eight years through 2018. 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,

Constance Barbin, City Clerk



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, 2018

Christopher P. Morrill

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.

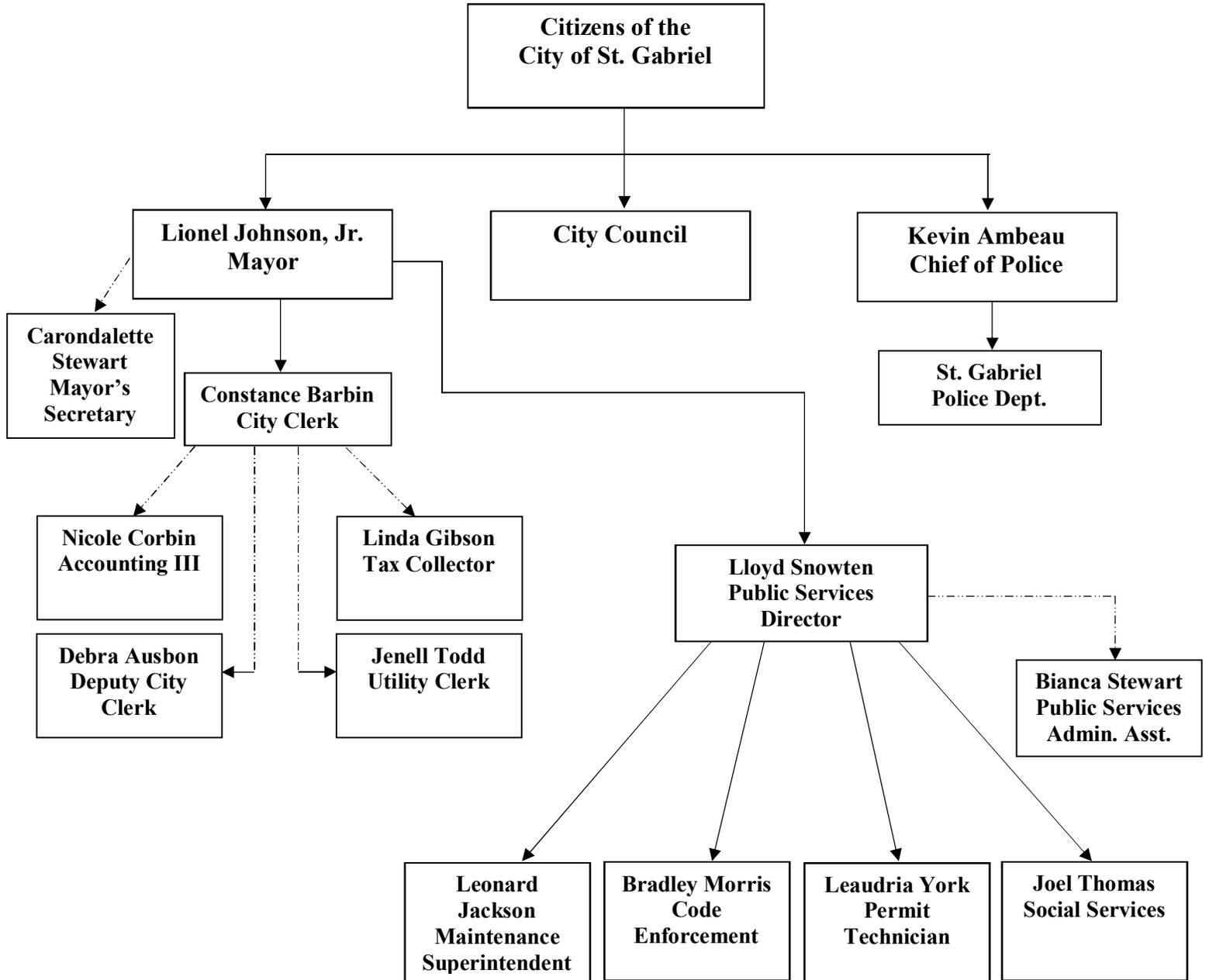
Kelvin M. York, Sr.

Ronald Grace, Sr.

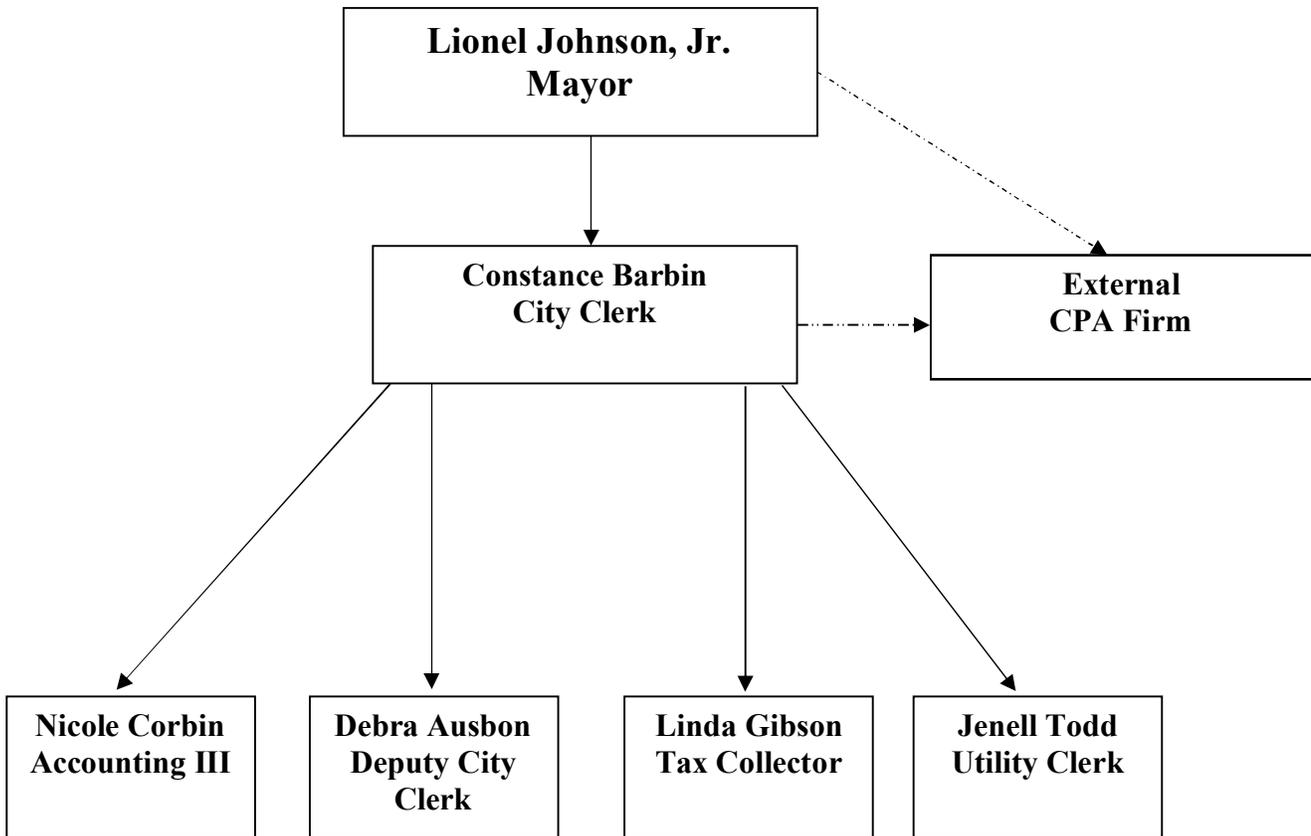
CHIEF OF POLICE

Kevin Ambeau

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



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





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, 2019, 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 from 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, 2019, 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, major fund budgetary comparison schedule, schedule of proportionate share of net pension liability, and schedule of pension contributions on pages 3 through 13 and 61 through 67 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 individual fund schedules 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 and schedule of compensation, and benefits and other payments to agency head 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 31, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Gabriel, Louisiana's 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.



Gonzales, Louisiana
December 31, 2019

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, 2019. 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 2019, the City of St. Gabriel had general governmental revenues increase relative to the prior year by \$1.2 million, which is attributable to increases in sales tax and ad valorem revenue. Governmental expenses increased in comparison to the prior year by approximately \$500,000, which is attributable to increase in general government expenses and decreases in public safety and streets and sanitation 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 2019 are as follows:

- Assets and deferred outflows of resources of the City's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by approximately \$23.5 million (net position). Of this amount, approximately \$3.9 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 \$1.3 million during 2019.
- Governmental activities' net position increased by approximately \$1.3 million.
- Business-type total net position increased by approximately \$74,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of approximately \$13.2 million, an increase of \$1 million in comparison to the prior year. This increase was the result of a decrease in capital outlay expenditures of \$1.7 million, and increases in general government, public safety, and recreational services expenditures of \$312,000, \$120,000, and \$78,000, respectively. Additionally, the governmental funds experienced increases in tax revenues of approximately \$874,000 and decrease in intergovernmental revenues of \$1.6 million.
- Significant aspects of the City's financial well-being, as of and for the year ended June 30, 2019, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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, 2019 and 2018
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 13,942	\$ 13,647	\$ 2,837	\$ 2,581	\$ 16,779	\$ 16,228
Capital assets	26,166	26,581	8,215	8,499	34,381	35,080
Total assets	<u>40,108</u>	<u>40,228</u>	<u>11,052</u>	<u>11,080</u>	<u>51,160</u>	<u>51,308</u>
Deferred outflows	1,426	1,635	105	113	1,531	1,748
Current and other liabilities	1,368	2,065	203	190	1,571	2,255
Long-term liabilities	22,146	22,983	4,788	4,907	26,934	27,890
Total liabilities	<u>23,514</u>	<u>25,048</u>	<u>4,991</u>	<u>5,097</u>	<u>28,505</u>	<u>30,145</u>
Deferred Inflows	674	736	16	20	690	756
Net position:						
Net investment in capital assets	7,987	10,756	3,602	3,769	11,589	14,525
Restricted	5,823	3,187	2,148	2,033	7,971	5,220
Unrestricted	<u>3,536</u>	<u>2,136</u>	<u>400</u>	<u>274</u>	<u>3,936</u>	<u>2,410</u>
Total net position	<u>\$ 17,346</u>	<u>\$ 16,079</u>	<u>\$ 6,150</u>	<u>\$ 6,076</u>	<u>\$ 23,496</u>	<u>\$ 22,155</u>

At June 30, 2019, the City's net position was \$23.5 million, of which \$3.9 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 \$1.3 million during 2019. Governmental unrestricted net position, which increased 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 \$3.5 million in governmental activities unrestricted net position at the completion of the 2019 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 \$120,000 to \$920,000 in 2019. The net position of the City's business-type activities increased by approximately \$74,000 during 2019.

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

City of St. Gabriel						
Changes in Net Position						
For the years ended June 30, 2019 and 2018						
(in thousands)						
	Governmental Activities		Business-type Activities		Total	
	Activities	Activities	Activities	Activities	2019	2018
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$ 1,550	\$ 1,292	\$ 285	\$ 250	\$ 1,835	\$ 1,542
Operating grants/contributions	65	17	-	-	65	17
Capital grants/contributions	-	1,639	-	-	-	1,639
General revenues:						
Ad valorem taxes	3,405	3,271	-	-	3,405	3,271
Sales taxes	5,592	4,878	-	-	5,592	4,878
Video poker taxes	479	449	-	-	479	449
Other general revenues	<u>613</u>	<u>326</u>	<u>33</u>	<u>35</u>	<u>646</u>	<u>361</u>
Total revenues	<u>11,704</u>	<u>11,872</u>	<u>318</u>	<u>285</u>	<u>12,022</u>	<u>12,157</u>
Functions/Program Expenses:						
General government	3,657	2,889	-	-	3,657	2,889
Public safety	2,577	2,657	-	-	2,577	2,657
Streets and sanitation	1,765	1,829	-	-	1,765	1,829
Culture and recreation	917	967	-	-	917	967
Wastewater treatment	-	-	1,164	1,222	1,164	1,222
Interest on long-term debt	<u>601</u>	<u>613</u>	<u>-</u>	<u>-</u>	<u>601</u>	<u>613</u>
Total expenses	<u>9,517</u>	<u>8,955</u>	<u>1,164</u>	<u>1,222</u>	<u>10,681</u>	<u>10,177</u>
Increase (decrease) in net position						
before transfers	2,187	2,917	(846)	(937)	1,341	1,980
Transfers, net	<u>(920)</u>	<u>(800)</u>	<u>920</u>	<u>800</u>	<u>-</u>	<u>-</u>
Change in net position	1,267	2,117	74	(137)	1,341	1,980
Beginning net position	<u>16,079</u>	<u>13,962</u>	<u>6,076</u>	<u>6,213</u>	<u>22,155</u>	<u>20,175</u>
Ending net position	<u>\$ 17,346</u>	<u>\$ 16,079</u>	<u>\$ 6,150</u>	<u>\$ 6,076</u>	<u>\$ 23,496</u>	<u>\$ 22,155</u>

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-4.

Certain supplementary financial information can be found in Exhibits C through C-4. 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, 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 2019 by fund type:

	(in thousands)			
	2019			
	General Fund	Capital Project Fund	Debt Service Fund	Totals
Revenue & other financing sources	\$ 11,647	\$ 15	\$ -	\$ 11,662
Expenditures & other financing uses	7,772	1,110	855	9,737
Transfers	(1,600)	80	600	(920)
(Deficit) surplus	2,275	(1,015)	(255)	1,005
Fund balance, June 30, 2018	8,279	1,945	1,948	12,172
Fund balance, June 30, 2019	<u>\$ 10,554</u>	<u>\$ 930</u>	<u>\$ 1,693</u>	<u>\$ 13,177</u>

	(in thousands)				
	2018				
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Totals
Revenue & other financing sources	\$ 9,885	\$ 370	\$ 1,646	\$ -	\$11,901
Expenditures & other financing uses	6,406	999	2,637	855	10,897
Transfers	(463)	(1,362)	-	1,025	(800)
(Deficit) surplus	3,016	(1,991)	(991)	170	204
Fund balance, June 30, 2017	5,263	1,991	2,936	1,778	11,968
Fund balance, June 30, 2018	<u>\$ 8,279</u>	<u>\$ -</u>	<u>\$ 1,945</u>	<u>\$ 1,948</u>	<u>\$12,172</u>

The City’s governmental funds experienced a surplus of approximately \$1 million in 2019. At year end, fund balances were approximately \$13.2 million. Approximately \$7.3 million is unassigned and available for utilization at the City’s discretion. The remainder of the fund balance has been restricted 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 \$10.6 million compared to the fund balance of \$8.3 million at 2018. The \$2.3 million increase in fund balance is a result of decreased capital outlay expenditures and increases in sales tax and ad valorem revenues.

The City’s other major funds are the Capital Projects Fund and the Debt Service Fund. The Capital Projects Fund and Debt Service Fund realized an operating deficit of approximately \$1.1 million and \$855,000 respectively, before transfers in from the General Fund. The City’s Capital Projects Fund expenditures were related to ongoing road and pump station improvements and additions to the City’s recreational facilities. The Capital Project Fund experienced a decrease in revenues and other procedures of \$1.6 million compared to 2018 as a result of a decrease in projects qualifying for state and local funding.

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

Source of Revenue	(in thousands)			
	2019		2018	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 9,513	83	\$ 8,639	74
Intergovernmental	76	1	1,690	14
Licenses and permits	535	5	350	3
Fines	933	8	855	7
Miscellaneous	314	3	205	2
Total	<u>\$ 11,371</u>	<u>100</u>	<u>\$ 11,739</u>	<u>100</u>

Revenues of the primary government for general governmental fund types for 2019 totaled \$11.4 million, compared with \$11.7 million for the previous year, representing nearly a \$400,000 or 3% decrease. The decrease in revenue is primarily due to intergovernmental revenues that were received in 2018 for ongoing drainage and capital projects. As noted above, the City’s activities are largely supported by tax revenues, which represent 83% of total governmental resources.

Approximately \$600,000 of the \$11.4 million of governmental revenues in 2019 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 decreased by approximately \$1.3 million in 2019. General governmental expenditures for each major function are summarized in the following table.

Function	(in thousands)			
	2019		2018	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 2,680	27	\$ 2,368	22
Public Safety	2,213	23	2,093	19
Streets and sanitation	1,459	15	1,402	13
Social and recreational services	740	8	662	6
Debt service	1,293	13	1,295	12
Capital outlay	1,352	14	3,077	28
Total	\$ 9,737	100	\$ 10,897	100

The largest decrease in spending occurred in capital outlay of \$1.8 million. Additionally, general government expenses experienced an increase of approximately \$300,000.

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 2019 was as follows:

- To increase sales and use tax revenues of \$140,000, or 3% of the City's original budget.
- To increase intergovernmental revenues from grants by \$127,000, or 18% of the City's original budget.
- To decrease capital outlay expenditures by \$80,000, or 26% of the City's original budget.
- To increase general government expenditures by \$286,500 or 11% of the City's original budget.

With these adjustments, the actual charges to appropriations (expenditures) were \$358,000 less than the related final budget appropriations of \$8.1 million. The most significant variance occurred in the City's public safety and streets and sanitation functions, where expenditures were \$266,000 and \$185,000 respectively, less than appropriations.

The operating surplus in the General Fund for 2019 was \$2.3 million and the related fund balance was \$10.6 million at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City had approximately \$34 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 859	\$ 837	\$ 60	\$ 60	\$ 919	\$ 897
Construction in progress	1,258	508	-	-	1,258	508
Buildings	7,300	7,656	-	-	7,300	7,656
Equipment and vehicles	1,367	1,375	-	-	1,367	1,375
Sewer treatment plants	-	-	8,155	8,439	8,155	8,439
Infrastructure	15,382	16,205	-	-	15,382	16,205
Total assets, net of depreciation	<u>\$ 26,166</u>	<u>\$ 26,581</u>	<u>\$ 8,215</u>	<u>\$ 8,499</u>	<u>\$ 34,381</u>	<u>\$ 35,080</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 \$1.3 million in capital additions during 2019. These capital outlays were primarily related to improvements made to roads, recreation facilities and utility system infrastructure. In 2019 the City Depreciation expense of the City's assets of \$2.2 million resulted in a net decrease in capital assets of approximately \$700,000.

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

Debt

At year-end, the City had \$27.7 million in bonds and long-term liabilities outstanding versus \$28.6 million last year—a decrease of \$1.2 million — as shown below:

	(in thousands)			
	June 30, 2018	Additions	Deletions	June 30, 2019
<u>Governmental activities:</u>				
Net pension liability	\$ 4,827	\$ 262	\$ 514	\$ 4,575
Capital Projects				
Revenue Bond- 2012	7,300	-	280	7,020
Revenue Bond- 2015	7,520	-	190	7,330
Civic Center				
Revenue Bond	4,300	-	100	4,200
Capital lease obligation	69	-	22	47
Bond discount	(440)	-	(22)	(418)
<u>Business-type activities:</u>				
Net pension liability	291	27	29	290
Revenue Bonds	4,680	-	115	4,565
Bond premium	50	-	2	48
	\$ 28,597	\$ 290	\$ 1,230	\$ 27,657

The City remained current on all bonds and notes outstanding and retired approximately \$1 million in debt during 2019.

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 \$71 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 2020 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 2020, revenues and other financing sources are budgeted at \$19 million while expenditures are expected to be \$23.9 million, including capital outlay of \$12.9 million. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2020 by \$4.9 million.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 50% of 2020 budgeted operating revenue. The City budgeted an increase of approximately \$4.8 million in state grants for 2020. Additionally, the 2020 operating budget expenditures provides for increases of \$10.3 million or 401% in capital outlay. General government expenditures are budgeted to remain consistent while sewage is expected to decrease \$76,000 or 4%.

These indicators were considered when adopting the General Fund budget for 2020. Property taxes are budgeted to remain flat based to 2019 assessments for 2020. 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 Constance Barbin 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.



CITY OF ST. GABRIEL, LOUISIANA

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,963,425	\$ 670,098	\$ 8,633,523
Accounts receivable, net	67,389	19,090	86,479
Due from other governments	1,241,342	-	1,241,342
Prepaid assets	93,020	-	93,020
Restricted cash	4,576,458	2,148,743	6,725,201
Capital assets:			
Non-depreciable	2,117,514	60,000	2,177,514
Depreciable, net	24,048,536	8,155,603	32,204,139
Total assets	40,107,684	11,053,534	51,161,218
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	11,865	17,536	29,401
Pension liability	1,414,290	87,311	1,501,601
Total deferred outflows of resources	1,426,155	104,847	1,531,002
Total assets and deferred outflows of resources	\$ 41,533,839	\$ 11,158,381	\$ 52,692,220
LIABILITIES			
Accounts payable	\$ 372,292	\$ 28,152	\$ 400,444
Accrued liabilities	325,755	59,934	385,689
Unearned revenues	61,893	-	61,893
Long-term payables:			
Due within one year	608,066	115,000	723,066
Due in more than one year	17,571,052	4,498,536	22,069,588
Pension liability due in more than one year	4,574,749	289,782	4,864,531
Total liabilities	23,513,807	4,991,404	28,505,211
DEFERRED INFLOWS OF RESOURCES			
Pension liability	555,402	16,211	571,613
Deferred revenues	118,972	-	118,972
Total deferred inflows of resources	674,374	16,211	690,585
Total liabilities and deferred inflows of resources	24,188,181	5,007,615	29,195,796
NET POSITION			
Net investment in capital assets	7,986,932	3,602,067	11,588,999
Restricted for:			
Infrastructure and maintenance	3,200,137	-	3,200,137
Capital projects	929,965	1,788,946	2,718,911
Debt service	1,692,746	359,797	2,052,543
Unrestricted	3,535,878	399,956	3,935,834
Total net position	17,345,658	6,150,766	23,496,424
Total liabilities, deferred inflows of resources, and net position	\$ 41,533,839	\$ 11,158,381	\$ 52,692,220

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, 2019

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 3,657,517	\$ 563,745	\$ -	\$ (3,093,772)	\$ -	\$ (3,093,772)
Public safety	2,576,867	933,453	-	(1,643,414)	-	(1,643,414)
Streets and sanitation	1,764,681	-	-	(1,764,681)	-	(1,764,681)
Culture and recreation	917,616	52,335	65,469	(799,812)	-	(799,812)
Interest on long-term debt	600,573	-	-	(600,573)	-	(600,573)
Total governmental activities	<u>9,517,254</u>	<u>1,549,533</u>	<u>65,469</u>	<u>(7,902,252)</u>	<u>-</u>	<u>(7,902,252)</u>
Business-type activities:						
Waste water treatment facilities	<u>1,164,117</u>	<u>285,176</u>	<u>-</u>	<u>-</u>	<u>(878,941)</u>	<u>(878,941)</u>
Total business-type activities	<u>1,164,117</u>	<u>285,176</u>	<u>-</u>	<u>-</u>	<u>(878,941)</u>	<u>(878,941)</u>
Total primary government	<u>\$ 10,681,371</u>	<u>\$ 1,834,709</u>	<u>\$ 65,469</u>	<u>(7,902,252)</u>	<u>(878,941)</u>	<u>(8,781,193)</u>
General revenues:						
Taxes:						
Sales				5,591,955	-	5,591,955
Ad valorem				3,405,072	-	3,405,072
Video poker				478,991	-	478,991
Franchise and other				37,250	-	37,250
Grants and contributions not restricted to specific programs				223,174	-	223,174
Investment earnings				139,800	-	139,800
Recovery of bad debt				-	27,853	27,853
Miscellaneous				212,500	5,537	218,037
Transfers				(920,000)	920,000	-
Total general revenues and transfers				<u>9,168,742</u>	<u>953,390</u>	<u>10,122,132</u>
Change in net position				1,266,490	74,449	1,340,939
Net position - beginning of year				<u>16,079,168</u>	<u>6,076,317</u>	<u>22,155,485</u>
Net position - end of year				<u>\$ 17,345,658</u>	<u>\$ 6,150,766</u>	<u>\$ 23,496,424</u>

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

CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,733,968	\$ 157,613	\$ 71,844	\$ 7,963,425
Accounts receivables, net	57,664	9,725	-	67,389
Due from other governments	1,094,319	147,023	-	1,241,342
Due from other funds	2,130,000	-	-	2,130,000
Prepaid assets	93,020	-	-	93,020
Restricted cash	<u>95,159</u>	<u>2,860,397</u>	<u>1,620,902</u>	<u>4,576,458</u>
 Total assets	 <u>\$ 11,204,130</u>	 <u>\$ 3,174,758</u>	 <u>\$ 1,692,746</u>	 <u>\$ 16,071,634</u>
LIABILITIES				
Accounts payable	\$ 308,708	\$ 63,584	\$ -	\$ 372,292
Accrued liabilities	211,266	-	-	211,266
Due to other funds	-	2,130,000	-	2,130,000
Unearned revenues	<u>10,684</u>	<u>51,209</u>	<u>-</u>	<u>61,893</u>
 Total liabilities	 <u>530,658</u>	 <u>2,244,793</u>	 <u>-</u>	 <u>2,775,451</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>118,972</u>	<u>-</u>	<u>-</u>	<u>118,972</u>
FUND BALANCE				
Nonspendable	93,020	-	-	93,020
Restricted for:				
Infrastructure and maintenance	3,200,137	-	-	3,200,137
Capital projects	-	929,965	-	929,965
Debt service	-	-	1,692,746	1,692,746
Unassigned	<u>7,261,343</u>	<u>-</u>	<u>-</u>	<u>7,261,343</u>
 Total fund balance	 <u>10,554,500</u>	 <u>929,965</u>	 <u>1,692,746</u>	 <u>13,177,211</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 11,204,130</u>	 <u>\$ 3,174,758</u>	 <u>\$ 1,692,746</u>	 <u>\$ 16,071,634</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, 2019

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

Total fund balances - governmental funds (Exhibit A-2)	\$	13,177,211	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			26,166,050
Deferred inflows and outflows of resources for pension plans and debt refundings are not due and payable in the current period, and therefore, are not reported in the governmental funds.			
Deferred outflows related to pension liability	\$	1,414,290	
Deferred outflows related to loss on refunding		11,865	
Deferred inflows related to pension liability		<u>(555,402)</u>	870,753
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest payable		(114,489)	
Bonds payable and capital lease obligation, net of discounts		(18,179,118)	
Net pension liability		<u>(4,574,749)</u>	<u>(22,868,356)</u>
Net position of governmental activities (Exhibit A)	\$		<u><u>17,345,658</u></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, 2019

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Taxes:				
Sales	\$ 5,591,955	\$ -	\$ -	\$ 5,591,955
Ad valorem	3,405,072	-	-	3,405,072
Video poker	478,991	-	-	478,991
Franchise and other	37,344	-	-	37,344
Intergovernmental	75,509	-	-	75,509
Licenses and permits	534,619	-	-	534,619
Fines	933,453	-	-	933,453
Other	299,074	14,612	-	313,686
	<u>11,356,017</u>	<u>14,612</u>	<u>-</u>	<u>11,370,629</u>
Total revenues				
EXPENDITURES				
Current function:				
General government	2,679,470	-	-	2,679,470
Public safety	2,213,171	-	-	2,213,171
Streets and sanitation	1,285,300	174,079	-	1,459,379
Social and recreational services	740,434	-	-	740,434
Debt service:				
Principal	197,179	-	394,999	592,178
Interest	239,981	-	460,121	700,102
Capital outlay	416,335	935,923	-	1,352,258
	<u>7,771,870</u>	<u>1,110,002</u>	<u>855,120</u>	<u>9,736,992</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>3,584,147</u>	<u>(1,095,390)</u>	<u>(855,120)</u>	<u>1,633,637</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	80,000	600,000	680,000
Proceeds from sale of capital assets	58,000	-	-	58,000
Proceeds from insurance	233,049	-	-	233,049
Transfers out	(1,600,000)	-	-	(1,600,000)
	<u>(1,308,951)</u>	<u>80,000</u>	<u>600,000</u>	<u>(628,951)</u>
Total other financing sources (uses)				
Net change in fund balance	2,275,196	(1,015,390)	(255,120)	1,004,686
FUND BALANCE				
Beginning of year	<u>8,279,304</u>	<u>1,945,355</u>	<u>1,947,866</u>	<u>12,172,525</u>
End of year	<u>\$ 10,554,500</u>	<u>\$ 929,965</u>	<u>\$ 1,692,746</u>	<u>\$ 13,177,211</u>

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

CITY OF ST. GABRIEL, LOUISIANA

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

For the year ended June 30, 2019

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)	\$	1,004,686
<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	\$	1,352,258
Depreciation expense	(1,724,290)	(372,032)
<p>In the Statement of Activities only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.</p>		
Loss on the disposal of assets	(3,130)	
Proceeds from the sale of assets	(40,000)	(43,130)
<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	592,178	569,320
<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>		
Net change in accrued interest payable		2,350
Changes in net pension liabilities are reported only in the Statement of Activities		105,296
Change in net position of governmental activities (Exhibit A-1)	\$	<u>1,266,490</u>

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

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

STATEMENT OF NET POSITION

June 30, 2019

ASSETS

Current assets:

Cash and cash equivalents	\$	670,098
Accounts receivable, net		19,090
Restricted cash		<u>2,148,743</u>
Total current assets		<u>2,837,931</u>

Noncurrent assets:

Capital assets:		
Non-depreciable		60,000
Depreciable, net		<u>8,155,603</u>
Total noncurrent assets		<u>8,215,603</u>
Total assets		11,053,534

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding		17,536
Pension liability		<u>87,311</u>
Total deferred outflows of resources		<u>104,847</u>

Total assets and deferred inflows of resources	\$	<u>11,158,381</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$	28,152
Accrued liabilities		59,934
Bonds payable		<u>115,000</u>
Total current liabilities		<u>203,086</u>

Noncurrent liabilities:

Bonds payable		4,498,536
Pension liability due in more than one year		<u>289,782</u>
Total noncurrent liabilities		<u>4,788,318</u>
Total liabilities		4,991,404

DEFERRED INFLOWS OF RESOURCES

Pension liability		<u>16,211</u>
Total liabilities and deferred inflows of resources		<u>5,007,615</u>

NET POSITION

Net investment in capital assets		3,602,067
Restricted for debt service		359,797
Restricted for capital projects		1,788,946
Unrestricted		<u>399,956</u>
Total net position		<u>6,150,766</u>
Total liabilities, deferred inflows of resources and net position	\$	<u>11,158,381</u>

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

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

For the year ended June 30, 2019

OPERATING REVENUES	
Charges for services	\$ <u>247,109</u>
OPERATING EXPENSES	
Depreciation	433,251
Personnel	124,842
Utilities	161,723
Maintenance	43,248
Supplies	52,905
Professional services	35,788
Insurance	77,779
Chemicals	76,684
Other	<u>2,621</u>
Total operating expenses	<u>1,008,841</u>
Operating loss	(761,732)
NON-OPERATING	
Recovery of bad debt	27,853
Interest income	38,067
Proceeds from insurance	5,537
Bond premium amortization	1,832
Interest expense	<u>(157,108)</u>
Loss before transfers	(845,551)
Transfers in, net	<u>920,000</u>
Change in net position	74,449
NET POSITION	
Beginning of year	<u>6,076,317</u>
End of year	<u>\$ 6,150,766</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 241,401
Payments to suppliers	(441,485)
Payments to employees	<u>(117,477)</u>
Net cash used for operating activities	<u>(317,561)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset additions	(149,397)
Principal paid on capital debt	(116,832)
Interest paid on capital debt	<u>(156,043)</u>
Net cash used for capital and related financing activities	<u>(422,272)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Recovery of bad debt	27,853
Transfers in from other funds	920,000
Insurance proceeds	<u>5,537</u>
Net cash provided by noncapital and related financing activities	<u>953,390</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>38,067</u>
Net increase in cash	251,624
CASH	
Beginning of period	<u>2,567,217</u>
End of period	<u>\$ 2,818,841</u>
RECONCILIATION OF CASH	
Cash and cash equivalents	\$ 670,098
Restricted cash	<u>2,148,743</u>
Total cash	<u>\$ 2,818,841</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating loss	\$ (761,732)
Adjustments of operating loss:	
Depreciation	433,251
Change in operating assets and liabilities:	
Accounts receivable	(5,708)
Accounts payable	9,263
Accrued liabilities	4,950
Net pension liability and related deferred inflows and outflows	<u>2,415</u>
Net cash used for operating activities	<u>\$ (317,561)</u>

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



CITY OF ST. GABRIEL, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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. 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 activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the City's Sewer Fund and various functions of the government for charges such as sewer fees. 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.

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. The City considers the Capital Projects Fund a major fund.

Proprietary Fund Types

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as 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 cash on hand, amounts due from banks, interest bearing deposits at various financial institutions and short-term investments with an original maturity of three months or less.

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, 2019.

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. 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 (\$1,979,459), capital projects (\$4,649,343), and contingencies for property repairs and replacements and other (\$96,399). Restricted cash consisted of \$6,725,201 as of June 30, 2019.

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 \$5,500.

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 is 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 paid out to employees 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

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance or net position is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources(continued)

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report 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 two items that qualify for this category; pension liability and unavailable revenues. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

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, 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, December 31, 2019, 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, 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 investments as authorized by LA R.S. 39:1211-1245 and 33:2955.

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, 2019, of the City's deposits were not exposed to 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, 2019, the City had a balance of \$2,332,790 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.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER - days) from LAMP's monthly Portfolio Holdings) as of (DATE - month-end).
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2019, consists of the following:

Primary Government:	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Parish of Iberville, Louisiana - Sales tax	\$ 1,020,315	\$ -	\$ 1,020,315
State of Louisiana - Grants	147,023	-	147,023
State of Louisiana - Video poker	<u>74,004</u>	<u>-</u>	<u>74,004</u>
 Total primary government	 <u>\$ 1,241,342</u>	 <u>\$ -</u>	 <u>\$ 1,241,342</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, 2018
Levy date	July 21, 2018
Due date	December 31, 2018
Lien date	January 1, 2019
Collection dates	December 1, 2018 to January 1, 2019

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, 2019, taxes of 16.84 mills were levied for general government and public purposes on property with assessed valuations totaling \$202,625,755. Total taxes levied were \$3,412,219. 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 \$2,369,237 from the top ten property owners during the year ended June 30, 2019. Tax collections from five of the ten taxpayers amounted to \$1,813,530.

NOTE 5 - CAPITAL ASSETS

A summary of changes in general capital assets for the year ended June 30, 2019, is as follows:

	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 837,024	\$ 38,000	\$ (16,000)	\$ 859,024
Construction in progress	508,018	750,472	-	1,258,490
Total capital assets, not being depreciated	<u>1,345,042</u>	<u>788,472</u>	<u>(16,000)</u>	<u>2,117,514</u>
Capital assets being depreciated:				
Buildings and improvements	10,008,342	-	-	10,008,342
Equipment and vehicles	5,522,197	413,886	(62,139)	5,873,944
Infrastructure	20,172,291	149,900	-	20,322,191
Total capital assets being depreciated	<u>35,702,830</u>	<u>563,786</u>	<u>(62,139)</u>	<u>36,204,477</u>
Less accumulated depreciation for:				
Buildings and improvements	2,352,501	316,944	-	2,669,445
Equipment and vehicles	4,146,426	434,396	(35,009)	4,545,813
Infrastructure	3,967,733	972,950	-	4,940,683
Total accumulated depreciation	<u>10,466,660</u>	<u>1,724,290</u>	<u>(35,009)</u>	<u>12,155,941</u>
Total capital assets being depreciated, net	<u>25,236,170</u>	<u>(1,160,504)</u>	<u>-</u>	<u>24,048,536</u>
Governmental activities capital assets, net	<u>\$ 26,581,212</u>	<u>\$ (372,032)</u>	<u>\$ (43,130)</u>	<u>\$ 26,166,050</u>

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Government Activities

General government	\$ 781,226
Streets and sanitation	425,291
Public safety	342,356
Recreation	175,417
	<u>1,724,290</u>
Total depreciation expense - governmental activities	<u>\$ 1,724,290</u>

Lease Obligations

As of June 30, 2019, the City has capitalized equipment acquired through capital leases with a cost of \$115,507 and corresponding accumulated depreciation of \$38,502. Depreciation for these assets was \$23,101 in 2019.

	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	12,382,038	-	-	12,382,038
Sewer pump station	465,493	149,397	-	614,890
Total capital assets being depreciated	<u>12,847,531</u>	<u>149,397</u>	<u>-</u>	<u>12,996,928</u>
Less accumulated depreciation for:				
Sewer treatment plants	4,297,991	417,645	-	4,715,636
Sewer pump station	110,083	15,606	-	125,689
Total accumulated depreciation	<u>4,408,074</u>	<u>433,251</u>	<u>-</u>	<u>4,841,325</u>
Total capital assets being depreciated, net	<u>8,439,457</u>	<u>(283,854)</u>	<u>-</u>	<u>8,155,603</u>
Business-type activities capital assets, net	<u>\$ 8,499,457</u>	<u>\$ (283,854)</u>	<u>\$ -</u>	<u>\$ 8,215,603</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, 2019:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities:					
Net pension liability	\$ 4,826,740	\$ 262,342	\$ 514,333	\$ 4,574,749	\$ -
Capital projects					
Revenue Bond - 2012	7,300,000	-	280,000	7,020,000	290,000
Revenue Bond - 2015	7,520,000	-	190,000	7,330,000	190,000
Civic Center					
Revenue Bond	4,300,000	-	100,000	4,200,000	105,000
Capial lease obligation	69,233	-	22,178	47,055	23,066
Bond discounts	<u>(440,320)</u>	<u>-</u>	<u>(22,383)</u>	<u>(417,937)</u>	<u>-</u>
Total	<u>\$23,575,653</u>	<u>\$ 262,342</u>	<u>\$ 1,084,128</u>	<u>\$ 22,753,867</u>	<u>\$ 608,066</u>
Business-type activities:					
Net pension liability	\$ 291,284	\$ 30,120	\$ 31,622	\$ 289,782	\$ -
Revenue bonds	4,680,000	-	115,000	4,565,000	115,000
Bond premium	<u>50,368</u>	<u>-</u>	<u>1,832</u>	<u>48,536</u>	<u>-</u>
Total	<u>\$ 5,021,652</u>	<u>\$ 30,120</u>	<u>\$ 148,454</u>	<u>\$ 4,903,318</u>	<u>\$ 115,000</u>

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2019, are comprised of the following:

Governmental Activities

<p>\$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. Combined annual installments of principal and interest vary from \$545,111 to \$549,800.</p>	<p>\$ 7,020,000</p>
<p>\$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.</p>	<p>7,330,000</p>
<p>\$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.</p>	<p>4,200,000</p>
<p>\$90,559 in proceeds for the purchase of equipment, due in annual installments of \$24,948 through May 2021, interest at 4%.</p>	<p>47,055</p>
<p><i>Bond discount, net of accumulated amortization</i></p>	<p>(417,937)</p>
<p><i>Net pension liability</i></p>	<p><u>4,574,749</u></p>
<p>Total long-term debt from governmental activities</p>	<p><u><u>\$ 22,753,867</u></u></p>

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2019, 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, 2045. Combined annyal installments of principal and interest vary from \$110,000 to \$265,000.	\$ 4,565,000
<i>Bond premium, net of accumulated amortization</i>	48,536
<i>Net pension liability</i>	<u>289,782</u>
Total long-term debt from business type activities	<u><u>\$ 4,903,318</u></u>

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at June 30, 2019, are as follows:

Governmental activities:

Year	2015A Sales Tax Revenue Bond		Capital Projects Revenue Bond		Civic Center Revenue Bond		Capital Leases		Total Governmental Long-term debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	190,000	268,525	290,000	259,675	105,000	154,931	23,066	1,882	608,066	685,013
2021	200,000	264,725	295,000	250,975	105,000	152,831	23,989	959	623,989	669,490
2022	205,000	260,725	305,000	242,125	105,000	150,731	-	-	615,000	653,581
2023	205,000	256,112	315,000	232,975	110,000	148,369	-	-	630,000	637,456
2024	215,000	250,987	325,000	221,950	110,000	145,619	-	-	650,000	618,556
2025-2029	1,160,000	1,150,911	1,805,000	930,900	615,000	673,281	-	-	3,580,000	2,755,092
2030-2034	1,380,000	923,762	2,170,000	570,400	735,000	533,463	-	-	4,285,000	2,027,625
2035-2039	2,805,000	602,800	1,515,000	122,800	895,000	394,400	-	-	5,215,000	1,120,000
2040-2044	970,000	38,800	-	-	1,090,000	200,200	-	-	2,060,000	239,000
2045-2049	-	-	-	-	330,000	16,600	-	-	330,000	16,600
	<u>\$7,330,000</u>	<u>\$4,017,347</u>	<u>\$7,020,000</u>	<u>\$2,831,800</u>	<u>\$4,200,000</u>	<u>\$2,570,425</u>	<u>\$ 47,055</u>	<u>\$ 2,841</u>	<u>\$ 18,597,055</u>	<u>\$9,422,413</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Business-type activities:

Year	Sewer Revenue Bonds	
	Principal	Interest
2020	115,000	155,575
2021	120,000	153,275
2022	120,000	150,875
2023	125,000	148,475
2024	125,000	145,975
2025-2029	695,000	673,025
2030-2034	830,000	533,750
2035-2039	985,000	379,513
2040-2044	1,185,000	185,913
2045	265,000	9,938
	\$ 4,565,000	\$ 2,536,314

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, 2019, \$280,260 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 and 2015, 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 2012 and 2015 Capital Projects Revenue Bonds Debt Service Reserve Funds are cash accounts maintained by the trustee bank. These funds are restricted to payment of principal and interest in case of default. At June 30, 2019, \$550,761, and \$669,838, were held in these accounts, respectively.
2. The 2012 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, 2019, \$135,137 was held in this debt service account.

Civic Center Revenue Bonds

In accordance with the indentures governing Civic Center Revenue Bonds, Series 2015B, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the General 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, 2019, \$265,166 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 2019, the City collected \$2,580,386 in sales and use tax proceeds with \$256,931 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>\$ 202,625,755</u>
Debt limit: 10% of assessed valuation (for any one purpose)	<u>\$ 20,262,576</u>
Debt limit: 35% of assessed valuation (aggregate, all purposes)	<u>\$ 70,919,014</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, 2019, the amount of defeased debt outstanding but removed from the government-wide financial statements related to the 2012 Civic Center Revenue Bonds is \$4,005,152.

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 \$2,025,661 were recognized during the year ended June 30, 2019.

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 \$2,580,386 from sales and use tax during the year ended June 30, 2019.

Parish-wide Sales Tax

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City recognized \$3,011,645 from parish-wide sales tax during the year ended June 30, 2019. 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, 2019. 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.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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:

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
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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.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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).

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, 2019, 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	26.00%	9.50%
Members hired after 01/01/2013	26.00%	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	32.25%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	32.25%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.25%	7.50%
Firefighters' Retirement System		
Employees receiving compensation above poverty guidelines of US Department of Health	26.50%	10.00%
Employees receiving compensation below poverty guidelines of US Department of Health	28.50%	8.00%

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Funding Policy (Continued)

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:

Plan	2019	2018	2017
Municipal Employees' Retirement System (Plan A)	\$ 333,731	\$ 316,224	\$ 287,176
Municipal Police Employees' Retirement System	254,790	229,731	239,340
Firefighters' Retirement System	-	-	-
	<u>\$ 588,521</u>	<u>\$ 545,955</u>	<u>\$ 526,516</u>

Non-employer contributions to MERS and MPERS for the plan year ended June 30, 2018 were \$43,654, \$45,907, respectively and are reflected in the Statement of Activities. The City did not

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, 2018 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2019 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2018 along with the change compared to the June 30, 2017 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, 2019	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 2,897,820	0.70%	0.70%	0.00%
MPERS	1,966,711	0.23%	0.25%	-0.02%
FRS	-	0.00%	0.00%	0.00%
Total	<u>\$ 4,864,531</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 (Continued)

The following schedule list each pension plan's recognized pension expense(benefit) of the City for the year ended June 30, 2019:

	Total
Municipal Employees' Retirement	\$ 67,812
Municipal Police Employees' Retirement	(45,798)
Firefighters Retirement System	(35,334)
Total	\$ (13,320)

Summary totals of deferred outflows of resources for the primary government by pension plan:

	MERS	MPERS
Deferred Outflows of Resources:		
Differences between expected and actual experience	\$ -	\$ 8,866
Changes of assumptions	87,233	128,523
Net difference between projected and actual earnings on pension plan investments	444,072	94,280
Changes in proportion and differences between Employer contributions and proportionate share of contributions	8,063	132,255
Differences between allocated and actual contributions	-	9,788
Employer contributions subsequent to the measurement date	333,731	254,790
Total	\$ 873,099	\$ 628,502

	FRS	Total
Deferred Outflows of Resources:		
Differences between expected and actual experience	\$ -	\$ 8,866
Changes of assumptions	-	215,756
Net difference between projected and actual earnings on pension plan investments	-	538,352
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	140,318
Differences between allocated and actual contributions	-	9,788
Employer contributions subsequent to the measurement date	-	588,521
Total	\$ -	\$ 1,501,601

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)

Summary totals of deferred inflows of resources for the primary government by pension plan:

Deferred Inflows of Resources:	<u>MERS</u>	<u>MPERS</u>
Differences between expected and actual experience	\$ 103,030	\$ 100,503
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	57,593	238,335
Differences between allocated and actual contributions	1,487	-
Employer contributions subsequent to the measurement date	-	-
	<u>-</u>	<u>-</u>
Total	<u>\$ 162,110</u>	<u>\$ 338,838</u>

Deferred Inflows of Resources:	<u>FRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ 203,533
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	70,665	366,593
Differences between allocated and actual contributions	-	1,487
Employer contributions subsequent to the measurement date	-	-
	<u>-</u>	<u>-</u>
Total	<u>\$ 70,665</u>	<u>\$ 571,613</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)

The City reported a total of \$588,521 as deferred outflow of resources related to pension contributions made subsequent to the measurement date of the net pension liability but before the end of the City’s fiscal year end will be recognized as a reduction in Net Pension Liability in the subsequent fiscal period rather than in the current fiscal period. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 333,731
Municipal Police Employees' Retirement Fund	254,790
Firefighters' Retirement System	-
	\$ 588,521

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
2019	\$ 186,720	\$ 147,674	\$ (35,334)	\$ 299,060
2020	138,680	(28,704)	(35,331)	74,645
2021	39,167	(87,522)	-	(48,355)
2022	12,691	3,426	-	16,117
	\$ 377,258	\$ 34,874	\$ (70,665)	\$ 341,467

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

MERS

The actuarial assumptions used in the June 30, 2018 valuation was based on the results of an experienced study, for the period July 2009 through June 30, 2014.

MPERS

The actuarial assumptions used in the June 30, 2018 valuation were based on the assumptions used in the June 30, 2018 actuarial finding valuation and were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014.

FRS

The actuarial assumptions used in the June 30, 2018, valuation were based on the assumptions used in the June 30, 2018, actuarial funding valuation, and were based on results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2018 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2018	3 years	7.275%; net of investment expense
MPERS	June 30, 2018	4 years	7.20%; net of investment expense
FRS	June 30, 2018	7 years	7.30% per annum, net of fees

(Continued)

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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.

Salary Increases:

MERS

5.0% (2.775% Inflation, 2.225% 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.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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.

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 2.7% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 7.00% for the year ended June 30, 2018.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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 8.03% for the year ended June 30, 2018.

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 8.09% as of June 30, 2018.

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, 2018:

Asset Class	Target Allocation			Long - Term Expected Real Rate of Return		
	MERS	MPERS	FRS	MERS	MPERS	FRS
Public Equity	50%	-	-	2.20%	-	-
Equity	-	52%	54%	-	3.58%	6.14%
Public Fixed Income	35%	-	-	1.50%	-	-
Fixed Income	-	22%	26%	-	0.46%	1.76%
Alternatives	15%	20%	10%	0.60%	1.07%	13.11%
Other	-	6%	10%	-	0.17%	9.20%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	4.30%	5.28%	5.39%
Inflation				<u>2.70%</u>	<u>2.75%</u>	<u>2.70%</u>
Expected Arithmetic Nominal Return				<u>7.00%</u>	<u>8.03%</u>	<u>8.09%</u>

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

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 7.275%, 7.20% and 7.30%, respectively for the year ended June 30, 2018.

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	6.275%	7.275%	8.275%
Shares of Net Pension Liability	\$ 3,722,514	\$ 2,897,820	\$ 2,193,915
MPERS			
Discount Rates	6.20%	7.20%	8.20%
Shares of Net Pension Liability	\$ 2,763,773	\$ 1,966,711	\$ 1,298,006
FRS			
Discount Rates	6.30%	7.30%	8.30%
Shares of Net Pension Liability	\$ -	\$ -	\$ -

NOTE 10 - INTERFUND TRANSACTIONS

Interfund Transfers

Transfers for the year ended June 30, 2019, were as follows:

	Transfer	
	In	Out
Governmental Activities:		
General Fund		
Sewer Fund	\$ -	\$ 1,000,000
Debt Service Fund	-	600,000
Total General Fund	-	1,600,000
Debt Service Fund		
General Fund	600,000	-
Road & Sewer Improvements		
Sewer	80,000	-
Total governmental activities	680,000	-
Business-type activities:		
Sewer Fund		
General Fund	1,000,000	-
Road & Sewer Improvements	-	80,000
Total primary government	\$ 1,680,000	\$ 1,680,000

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.

Interfund Receivable and Payable Balances

Interfund receivable and payable balances generally represents short-term borrowing between funds and pooled cash activity across funds.

	Interfund	
	Receivable	Payable
Governmental Activities:		
General Fund		
Capital Project Fund	\$ 2,130,000	\$ -
Capital Project Fund		
General Fund	-	2,130,000
Total primary government	\$ 2,130,000	\$ 2,130,000

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 Equivalent

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, 2019, the City had outstanding commitments resulting from the construction contracts in progress of \$764,805.

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, 2019, approximately \$1,555,753 in ad valorem tax revenues were abated by the State of Louisiana through the Program.



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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales	\$ 4,560,000	\$ 4,700,000	\$ 5,591,955	\$ 891,955
Ad valorem	3,200,000	3,260,000	3,405,072	145,072
Video poker	450,000	450,000	478,991	28,991
Franchise and other	40,000	31,800	37,344	5,544
Intergovernmental	275,000	402,000	75,509	(326,491)
Licenses and permits	262,750	264,000	534,619	270,619
Fines	800,000	800,000	933,453	133,453
Other	<u>114,000</u>	<u>230,600</u>	<u>299,074</u>	<u>68,474</u>
Total revenues	<u>9,701,750</u>	<u>10,138,400</u>	<u>11,356,017</u>	<u>1,217,617</u>
EXPENDITURES				
Current function:				
General government	2,534,000	2,822,500	2,679,470	143,030
Public safety	2,404,500	2,426,000	2,213,171	212,829
Streets and sanitation	1,483,000	1,465,500	1,285,300	180,200
Social and recreational services	760,800	754,900	740,434	14,466
Debt service	411,000	411,000	437,160	(26,160)
Capital outlay	<u>330,000</u>	<u>250,000</u>	<u>416,335</u>	<u>(166,335)</u>
Total expenditures	<u>7,923,300</u>	<u>8,129,900</u>	<u>7,771,870</u>	<u>358,030</u>
Excess of revenues over expenditures	<u>1,778,450</u>	<u>2,008,500</u>	<u>3,584,147</u>	<u>1,575,647</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	58,000	58,000
Proceeds from insurance	-	40,000	233,049	193,049
Transfers out:				
Debt Service Fund	(1,025,000)	(600,000)	(600,000)	-
Capital Projects Fund	(6,000,000)	-	-	-
Sewer Fund	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing uses	<u>(8,025,000)</u>	<u>(1,560,000)</u>	<u>(1,308,951)</u>	<u>251,049</u>
Net change in fund balance	(6,246,550)	448,500	2,275,196	<u>\$ 1,826,696</u>
FUND BALANCE				
Beginning of year	<u>6,799,450</u>	<u>8,279,304</u>	<u>8,279,304</u>	
End of year	<u>\$ 552,900</u>	<u>\$ 8,727,804</u>	<u>\$ 10,554,500</u>	

Notes on Exhibits A-9 and B-1 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2019

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, 2019.

(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 Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess over Budget</u>
Governmental Fund:			
General Fund:			
Debt service	\$ 411,000	\$ 437,160	\$ (26,160)
Capital outlay	250,000	416,335	(166,335)

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):	2019		
	MERS (Plan A)	MPERS	FRSL
Employer's Proportion of the Net Pension Liability (Asset)	0.6998%	0.2326%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,897,820	\$ 1,966,711	\$ -
Employer's Covered Payroll	\$ 1,277,673	\$ 744,867	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	226.8%	264.0%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64%	72%	75%
As of the fiscal year ended (2):	2018		
	MERS (Plan A)	MPERS	FRSL
Employer's Proportion of the Net Pension Liability (Asset)	0.6963%	0.2353%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,912,841	\$ 2,205,183	\$ -
Employer's Covered Payroll	\$ 1,262,311	\$ 749,874	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	230.8%	294.1%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	70%	74%
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 Payroll	\$ 1,346,278	\$ 732,804	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	228.7%	364.2%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	66%	68%

(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

See accompanying notes to schedule of proportionate share of net pension liability and schedule of pension contributions.

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):	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 Payroll	\$ 1,275,803	\$ 678,355	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered 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 Payroll	\$ 1,130,528	\$ 662,271	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168.98%	261.65%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74%	75%	76%

(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)

	2019		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 333,731	\$ 254,790	\$ -
Contributions in Relation to Contractually Required Contribution	333,731	254,790	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Payroll	1,283,790	785,990	-
Contributions as a % of Covered Payroll	26.00%	32.42%	0%
	2018		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 316,224	\$ 229,731	\$ -
Contributions in Relation to Contractually Required Contribution	316,224	229,731	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Payroll	1,277,673	744,867	-
Contributions as a % of Covered Payroll	24.75%	30.84%	0%
	2017		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 287,176	\$ 239,340	\$ -
Contributions in Relation to Contractually Required Contribution	287,176	239,340	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Payroll	1,262,311	749,874	-
Contributions as a % of Covered Payroll	22.75%	31.92%	0%
	2016		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 265,898	\$ 219,824	\$ -
Contributions in Relation to Contractually Required Contribution	265,898	219,824	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Payroll	1,346,278	732,804	-
Contributions as a % of Covered 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	251,971	214,337	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Payroll	1,275,803	678,355	-
Contributions as a % of Covered 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

See accompanying notes to schedule of proportionate share of net pension liability and schedule of pension contributions.

CITY OF ST. GABRIEL, LOUISIANA

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

For the year ended June 30, 2019

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

The investment rate of return and inflation rate decreased from 7.40% to 7.275% and 2.775% to 2.60%, respectively.

Municipal Police Employees' Retirement System

The investment rate of return and inflation rate decreased from 7.325% to 7.20% and 2.70% to 2.60%, respectively.

Louisiana Firefighters' Retirement System

The investment rate of return and inflation rate decreased from 7.40% to 7.30% and 2.775% to 2.70%, respectively.



CITY OF ST. GABRIEL, LOUISIANA

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales	\$ 4,560,000	\$ 4,700,000	\$ 5,591,955	\$ 891,955
Ad valorem	3,200,000	3,260,000	3,405,072	145,072
Video poker	450,000	450,000	478,991	28,991
Franchise				
Telephone	18,000	9,800	9,238	(562)
Cable TV	22,000	22,000	28,012	6,012
Intergovernmental:				
Federal grants	-	127,000	65,469	(61,531)
Local grants	275,000	275,000	10,040	(264,960)
Licenses and permits	262,750	264,000	534,619	270,619
Fines	800,000	800,000	933,453	133,453
Other:				
Interest	40,000	78,000	125,188	47,188
Miscellaneous	74,000	152,600	173,886	21,286
 Total revenues	 <u>\$ 9,701,750</u>	 <u>\$ 10,138,400</u>	 <u>\$ 11,356,017</u>	 <u>\$ 1,217,617</u>

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

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

For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance - positive (negative)
GENERAL GOVERNMENT				
Salaries	\$ 726,400	\$ 726,400	\$ 631,664	\$ 94,736
Payroll taxes	21,000	25,500	21,361	4,139
Municipal retirement	135,000	257,500	116,713	140,787
Travel	40,000	55,500	45,959	9,541
Dues and subscriptions	8,600	8,600	15,996	(7,396)
Legal and professional	675,000	710,100	598,866	111,234
Contract labor	55,000	64,000	62,782	1,218
Insurance	450,000	450,000	433,358	16,642
Building maintenance	-	1,500	196,113	(194,613)
Vehicle fuel	17,500	17,500	16,177	1,323
Office supplies	81,500	95,200	108,671	(13,471)
Vehicle maintenance	500	9,200	9,565	(365)
Telephone	37,500	37,500	31,588	5,912
Utilities	60,000	70,000	99,102	(29,102)
Council projects	-	50,000	99,638	(49,638)
Other	226,000	244,000	191,917	52,083
	<u>2,534,000</u>	<u>2,822,500</u>	<u>2,679,470</u>	<u>143,030</u>
Total general government				
PUBLIC SAFETY				
Police:				
Salaries	1,207,000	1,207,000	999,317	207,683
Payroll taxes	43,000	43,000	26,258	16,742
Police retirement	279,000	279,000	264,990	14,010
Insurance	371,000	320,000	318,154	1,846
Travel	8,000	8,000	6,504	1,496
Uniforms	10,000	12,000	24,408	(12,408)
Training	4,000	4,000	3,369	631
Office supplies	20,000	52,000	55,383	(3,383)
Telephone	45,000	25,000	20,666	4,334
Vehicle fuel	65,000	65,000	63,145	1,855
Vehicle maintenance	30,000	115,000	109,905	5,095
Equipment maintenance	1,500	34,000	27,516	6,484
Field supplies	29,000	10,000	8,324	1,676
Printing	2,000	1,000	-	1,000
Rent and utilities	28,000	30,000	29,776	224
Other	262,000	221,000	255,456	(34,456)
	<u>2,404,500</u>	<u>2,426,000</u>	<u>2,213,171</u>	<u>212,829</u>
Total public safety				

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

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

For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance - positive (negative)
STREETS AND SANITATION				
Salaries	\$ 750,000	\$ 780,000	\$ 678,777	\$ 101,223
Payroll taxes	18,000	23,000	20,575	2,425
Municipal retirement	130,000	142,500	141,992	508
Insurance	125,000	125,000	99,132	25,868
Contract labor	30,000	40,000	21,488	18,512
Equipment maintenance	60,000	50,000	52,111	(2,111)
Street and building maintenance	65,000	37,500	14,091	23,409
Utilities	15,000	15,000	17,538	(2,538)
Vehicle fuel	25,000	25,000	20,282	4,718
Supplies	176,000	138,500	125,822	12,678
Training	2,000	2,000	299	1,701
Other	87,000	87,000	93,193	(6,193)
Total streets and sanitation	<u>1,483,000</u>	<u>1,465,500</u>	<u>1,285,300</u>	<u>180,200</u>
SOCIAL AND RECREATIONAL SERVICES				
Salaries	364,700	364,700	347,496	17,204
Payroll taxes	26,500	26,500	17,501	8,999
Municipal retirement	35,000	35,000	42,223	(7,223)
Insurance	1,000	33,500	37,018	(3,518)
Equipment maintenance	62,000	35,000	36,408	(1,408)
Building maintenance	70,000	45,000	76,089	(31,089)
Training	1,000	5,000	-	5,000
Vehicle fuel	6,200	6,000	(307)	6,307
Supplies	62,000	42,500	29,893	12,607
Contract labor	34,000	47,500	59,604	(12,104)
Other	98,400	114,200	94,509	19,691
Total social and recreational services	<u>760,800</u>	<u>754,900</u>	<u>740,434</u>	<u>14,466</u>
DEBT SERVICE	<u>411,000</u>	<u>411,000</u>	<u>437,160</u>	<u>(26,160)</u>
CAPITAL OUTLAY	<u>330,000</u>	<u>250,000</u>	<u>416,335</u>	<u>(166,335)</u>
Total expenditures	<u>\$ 7,923,300</u>	<u>\$ 8,129,900</u>	<u>\$ 7,771,870</u>	<u>\$ 358,030</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, 2019

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Intergovernmental	\$ 2,129,000	\$ 716,500	\$ -	\$ (716,500)
Other - interest income	-	7,500	14,612	7,112
Total revenues	<u>2,129,000</u>	<u>724,000</u>	<u>14,612</u>	<u>(709,388)</u>
EXPENDITURES				
Current function:				
Streets and sanitation	-	-	174,079	(174,079)
Capital outlay	<u>10,017,000</u>	<u>2,579,500</u>	<u>935,923</u>	<u>1,643,577</u>
Total expenditures	<u>10,017,000</u>	<u>2,579,500</u>	<u>1,110,002</u>	<u>1,469,498</u>
Deficiency of revenues over expenditures	(7,888,000)	(1,855,500)	(1,095,390)	(2,178,886)
OTHER FINANCING SOURCES				
Transfers in	<u>7,057,500</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	(830,500)	(1,775,500)	(1,015,390)	<u>(2,178,886)</u>
FUND BALANCE				
Beginning of year	<u>1,945,355</u>	<u>1,945,355</u>	<u>1,945,355</u>	
End of year	<u>\$ 1,114,855</u>	<u>\$ 169,855</u>	<u>\$ 929,965</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance - positive (negative)
EXPENDITURES				
Debt service	\$ 1,015,000	\$ 1,015,000	\$ 855,120	\$ 159,880
Deficiency of revenues over expenditures	(1,015,000)	(1,015,000)	(855,120)	159,880
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	<u>1,025,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	10,000	(415,000)	(255,120)	<u>\$ 159,880</u>
FUND BALANCE				
Beginning of year	<u>1,947,866</u>	<u>1,947,866</u>	<u>1,947,866</u>	
End of year	<u>\$ 1,957,866</u>	<u>\$ 1,532,866</u>	<u>\$ 1,692,746</u>	

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

For the year ended June 30, 2019

Agency Head: Lionel Johnson, Jr. Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 90,000
Benefits - insurance	16,403
Benefits - retirement	23,400
Clothing allowance	2,450
Reimbursements	82
Travel	537
	<u>\$ 132,872</u>



CITY OF ST. GABRIEL, LOUISIANA

STATISTICAL SECTION

June 30, 2019

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									
	2019	2018	2017	2016	2015 (1)	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 7,987	\$ 10,756	\$ 8,361	\$ 4,059	\$ 3,052	\$ 5,137	\$ 2,241	\$ 2,850	\$ 2,332	\$ 2,465
Restricted	5,823	3,187	3,201	4,148	4,958	3,360	2,583	2,469	1,699	402
Unrestricted	<u>3,536</u>	<u>2,136</u>	<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>
Total governmental activities net position	<u>17,346</u>	<u>16,079</u>	<u>13,963</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>
Business-type activities										
Net investment in capital assets	3,602	3,769	4,016	3,855	5,926	5,741	5,844	6,024	5,187	5,355
Restricted	2,148	2,033	2,095	2,209	207	189	153	153	142	144
Unrestricted	<u>400</u>	<u>274</u>	<u>102</u>	<u>39</u>	<u>14</u>	<u>30</u>	<u>56</u>	<u>(261)</u>	<u>(198)</u>	<u>(361)</u>
Total business-type activities net position	<u>6,150</u>	<u>6,076</u>	<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>
Primary government										
Net investment in capital assets	11,589	14,525	12,377	7,914	8,978	10,878	8,085	8,874	7,519	7,820
Restricted	7,971	5,220	5,296	6,357	5,165	3,549	2,736	2,622	1,841	546
Unrestricted	<u>3,936</u>	<u>2,410</u>	<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>
Total primary government activities net position	<u>\$ 23,496</u>	<u>\$ 22,155</u>	<u>\$ 20,176</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>

(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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities										
General government	\$ 3,657	\$ 2,893	\$ 2,550	\$ 1,304	\$ 2,753	\$ 2,771	\$ 2,467	\$ 2,213	\$ 2,570	\$ 1,815
Public safety	2,577	2,657	2,884	3,361	1,864	1,709	1,841	1,835	1,933	1,681
Streets and sanitation	1,765	1,825	1,934	1,806	1,889	1,407	1,330	1,358	1,717	2,098
Culture and recreation	917	967	1,227	841	899	723	642	655	783	890
Economic development	-	-	21	1,070	1,281	872	-	250	-	-
Interest on long-term debt	601	614	756	759	482	497	511	243	203	144
Total governmental activities	<u>9,517</u>	<u>8,956</u>	<u>9,372</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>
Business-type activities										
Waste water treatment facilities	1,164	1,222	1,420	1,337	849	920	891	906	922	1,071
Total primary government expenses	<u>10,681</u>	<u>10,178</u>	<u>10,792</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>
Program Revenues										
Governmental activities										
Charges for services:										
General government	564	372	329	299	392	540	462	413	361	371
Public safety	933	855	972	739	522	684	596	418	485	580
Culture and recreation	53	65	54	76	65	55	56	18	13	17
Operating grants and contributions	65	17	-	-	-	-	-	96	73	314
Capital grants and contributions	-	1,639	3,116	180	507	1,304	1,125	450	90	-
Total governmental activities program revenues	<u>1,615</u>	<u>2,948</u>	<u>4,471</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>
Business-type activities										
Charges for Services										
Waste water treatment facilities	285	250	243	274	195	154	128	126	115	128
Capital grants and contributions	-	-	126	207	17	88	-	850	-	-
Total business-type activities program revenues	<u>285</u>	<u>250</u>	<u>369</u>	<u>481</u>	<u>212</u>	<u>242</u>	<u>128</u>	<u>976</u>	<u>115</u>	<u>128</u>
Total primary government total revenues	<u>1,900</u>	<u>3,198</u>	<u>4,840</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>

CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(in thousands)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense)/revenue:										
Governmental activities	\$ (7,902)	\$ (6,008)	\$ (7,846)	\$ (7,846)	\$ (5,396)	\$ (4,552)	\$ (5,159)	\$ (6,184)	\$ (5,346)	\$ (4,647)
Business-type activities	(879)	(972)	(1,051)	(856)	(678)	(763)	70	(807)	(943)	(676)
Total primary government net revenue (expense)	(8,781)	(6,980)	(8,897)	(8,702)	(6,074)	(5,315)	(5,089)	(6,991)	(6,289)	(5,323)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property	3,405	3,271	3,600	3,597	4,048	3,045	2,708	2,500	2,388	2,357
Sales	5,592	4,878	5,606	4,624	3,169	3,939	3,704	2,871	2,851	2,480
Video poker	479	449	522	446	474	533	584	560	593	577
Franchise and other	37	41	48	48	39	39	40	48	40	44
Unrestricted grants and contributions	418	218	214	215	25	72	12	198	223	920
Investment earnings	140	67	26	7	3	2	1	2	1	4
Donation	-	-	-	-	-	-	-	-	350	-
Proceeds from insurance	-	-	-	-	-	5	15	310	-	-
Gain on sale of capital assets	18	-	49	49	34	10	29	-	-	-
Transfers to other funds	(920)	(800)	(1,110)	(750)	(800)	(900)	(715)	(800)	(660)	(660)
Total governmental activities general revenues	9,169	8,124	8,955	8,236	6,992	6,745	6,378	5,689	5,786	5,722
Business-type activities										
Unrestricted grants and contributions	5	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Recovery of bad debt	28	36	50	63	-	-	-	-	-	-
Transfers from other funds	920	800	1,110	750	800	900	715	800	660	660
Total business-type activities general revenues	953	836	1,160	813	800	900	715	800	660	660
Total primary government general revenues	10,122	8,960	10,115	9,049	7,792	7,645	7,093	6,489	6,446	6,382
Change in Net Position										
Governmental activities	1,267	2,116	4,006	390	1,596	2,193	1,219	(495)	440	1,075
Business-type activities	74	(136)	109	(43)	122	137	785	(7)	(283)	(16)
Total change in net position	1,341	1,980	4,115	347	1,718	2,330	2,004	(502)	157	1,059

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
2019	\$ 5,592	\$ 3,405	\$ 479	\$ 37	\$ 9,513
2018	4,878	3,271	449	40	8,638
2017	5,606	3,600	522	49	9,777
2016	4,624	3,597	446	48	8,715
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

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
2019	\$ 93	\$ 3,200	\$ 7,261	\$ 10,554	\$ -	\$ 2,623	\$ 2,623
2018	141	3,187	4,951	8,279	-	3,893	3,893
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	175	134	309

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

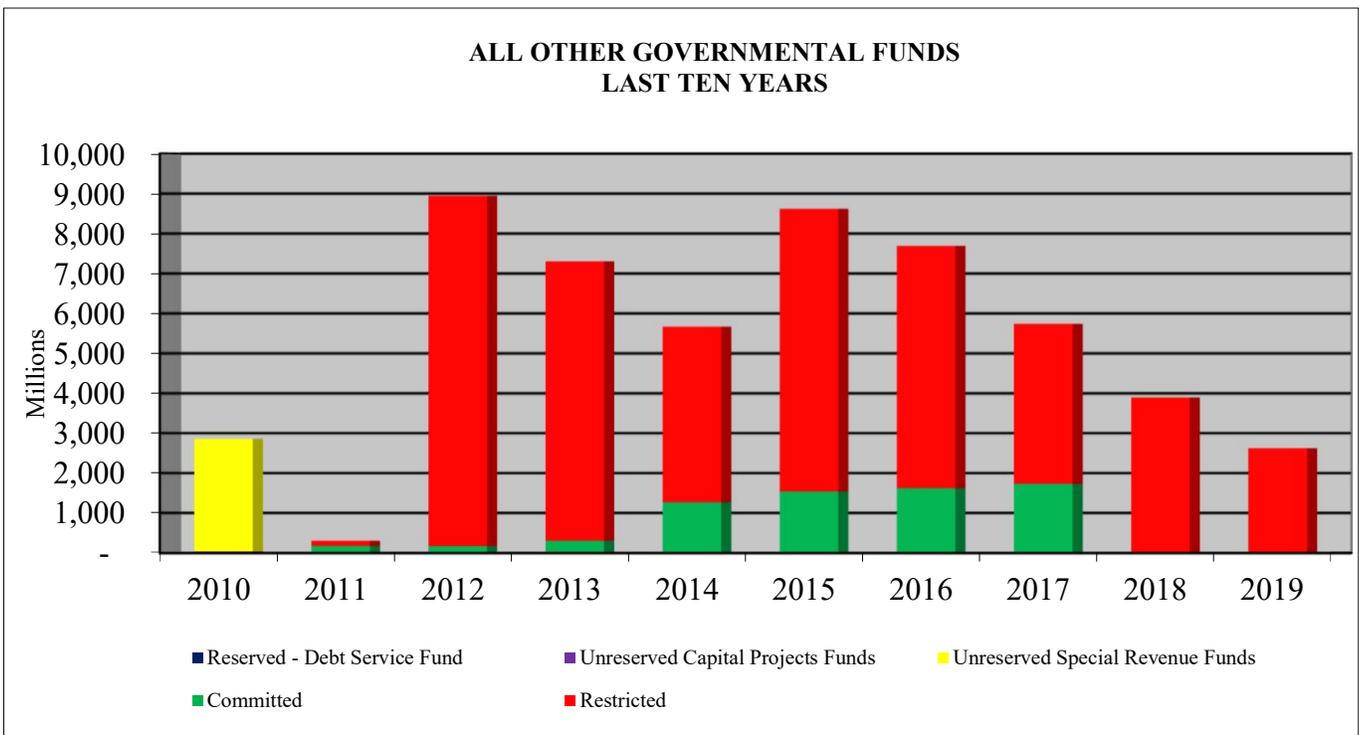
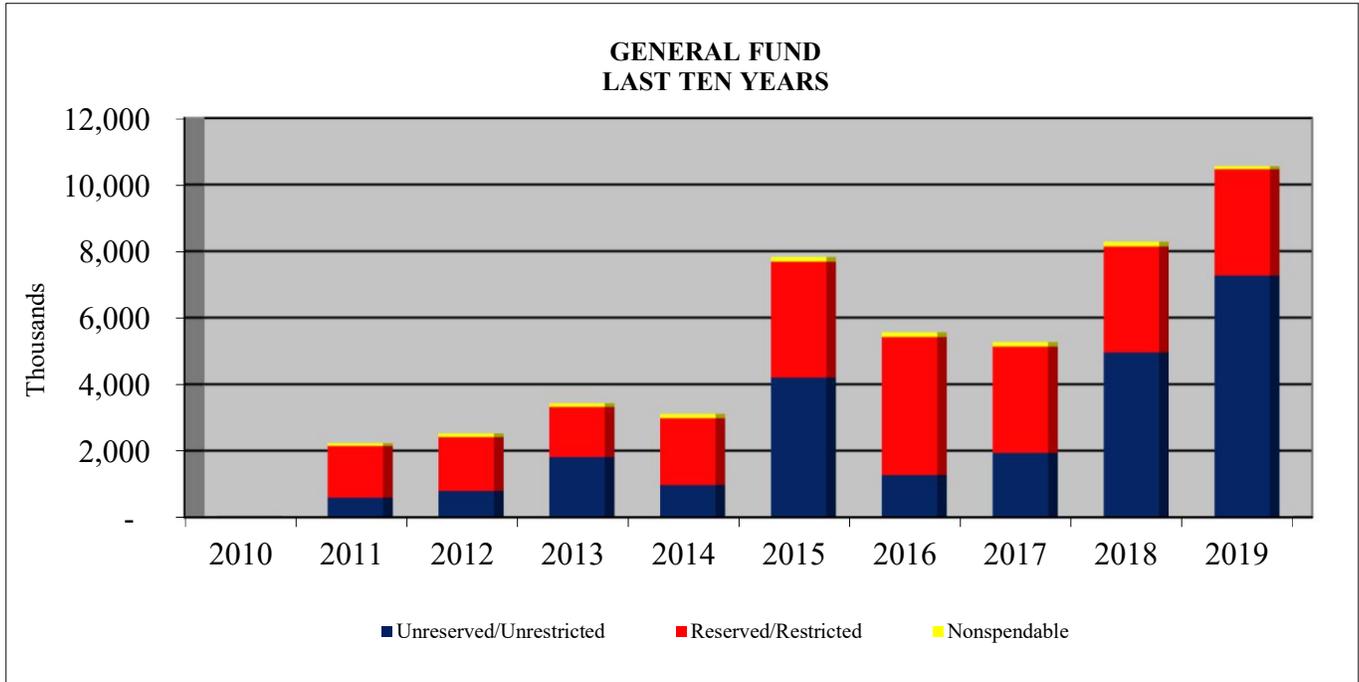
All fund balances in Debt Service Funds are reserved to pay future debt service.

NOTE:

Due to the implementation of GASB 54 on a prospective basis in 2011 and increases to beginning restricted net position resulting from the application of existing accounting principles, the illustrated comparisons of the City's prior year government wide net position 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES				
Taxes	\$ 9,513	\$ 8,639	\$ 9,776	\$ 8,715
Intergovernmental	76	1,690	3,236	395
Licenses and permits	535	350	311	278
Fines	933	855	935	739
Miscellaneous	314	205	135	156
Total revenues	<u>11,371</u>	<u>11,739</u>	<u>14,393</u>	<u>10,283</u>
EXPENDITURES				
Current function:				
General government	2,680	2,368	2,230	2,394
Public safety	2,213	2,093	2,491	1,887
Streets and sanitation	1,459	1,402	1,348	1,343
Culture and recreation	740	662	641	658
Economic development	-	-	12	1,050
Debt service:				
Principal retirement	592	576	545	530
Bond issuance cost	-	-	-	88
Interest	701	719	723	735
Capital outlay	<u>1,352</u>	<u>3,077</u>	<u>6,766</u>	<u>4,047</u>
Total expenditures	<u>9,737</u>	<u>10,897</u>	<u>14,756</u>	<u>12,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,634</u>	<u>841</u>	<u>(363)</u>	<u>(2,449)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	680	2,298	3,435	4,922
Proceeds from sale of capital assets	58	72	40	-
Proceeds from capital lease obligation	-	91	-	-
Proceeds from insurance recoveries	233	-	-	-
Bond discount	-	-	-	-
Donation	-	-	-	-
Payment to refund debt escrow agent	-	-	-	-
Transfers out	<u>(1,600)</u>	<u>(3,098)</u>	<u>(4,545)</u>	<u>(5,672)</u>
Total other financing sources and uses	<u>(629)</u>	<u>(637)</u>	<u>(1,070)</u>	<u>(750)</u>
Net change in fund balances	<u>\$ 1,005</u>	<u>\$ 204</u>	<u>\$ (1,433)</u>	<u>\$ (3,199)</u>
Debt service as a percentage of noncapital expenditures	<u>15.4%</u>	<u>16.6%</u>	<u>15.9%</u>	<u>14.6%</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 11,652	\$ 7,217	\$ 7,023	\$ 6,453	\$ 5,413	\$ 5,279
940	1,840	1,729	1,130	655	1,067
392	449	406	327	265	287
522	681	596	418	485	580
73	155	125	160	385	166
<u>13,579</u>	<u>10,342</u>	<u>9,879</u>	<u>8,488</u>	<u>7,203</u>	<u>7,379</u>
2,518	2,144	2,102	1,978	2,309	1,983
1,731	1,622	1,747	1,717	1,842	1,657
1,295	1,485	1,163	1,263	1,676	1,881
701	641	640	522	652	753
1,194	713	-	250	-	-
400	325	310	65	78	213
396	-	-	(165)	-	-
496	499	504	199	195	238
<u>4,534</u>	<u>4,157</u>	<u>3,360</u>	<u>1,049</u>	<u>474</u>	<u>-</u>
<u>13,265</u>	<u>11,586</u>	<u>9,826</u>	<u>6,878</u>	<u>7,226</u>	<u>6,725</u>
<u>314</u>	<u>(1,244)</u>	<u>53</u>	<u>1,610</u>	<u>(23)</u>	<u>654</u>
1,954	3,303	1,334	1,377	719	2,995
53	34	-	-	-	-
12,655	-	-	8,830	151	-
3	3	5	15	310	-
(137)	-	-	(432)	-	-
-	-	-	-	-	350
(4,338)	-	-	-	-	-
<u>(2,779)</u>	<u>(4,103)</u>	<u>(2,233)</u>	<u>(2,092)</u>	<u>(1,519)</u>	<u>(3,655)</u>
<u>7,411</u>	<u>(4,066)</u>	<u>(2,228)</u>	<u>6,321</u>	<u>(1,058)</u>	<u>(3,305)</u>
<u>\$ 7,725</u>	<u>\$ (5,310)</u>	<u>\$ (2,067)</u>	<u>\$ 7,931</u>	<u>\$ (1,081)</u>	<u>\$ (2,651)</u>
<u>10.3%</u>	<u>11.1%</u>	<u>12.6%</u>	<u>4.5%</u>	<u>4.0%</u>	<u>6.7%</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
2019	\$ 5,592	\$ 3,405	\$ 479	\$ 37	\$ 9,513
2018	4,878	3,271	449	40	8,638
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

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*
2019	\$ 22,675,578	\$ 121,552,064	\$ 58,398,113	\$ 202,625,755	16.84	\$ 202,625,755	100%
2018	21,710,993	116,381,425	55,913,947	194,006,365	16.84	194,006,365	100%
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%

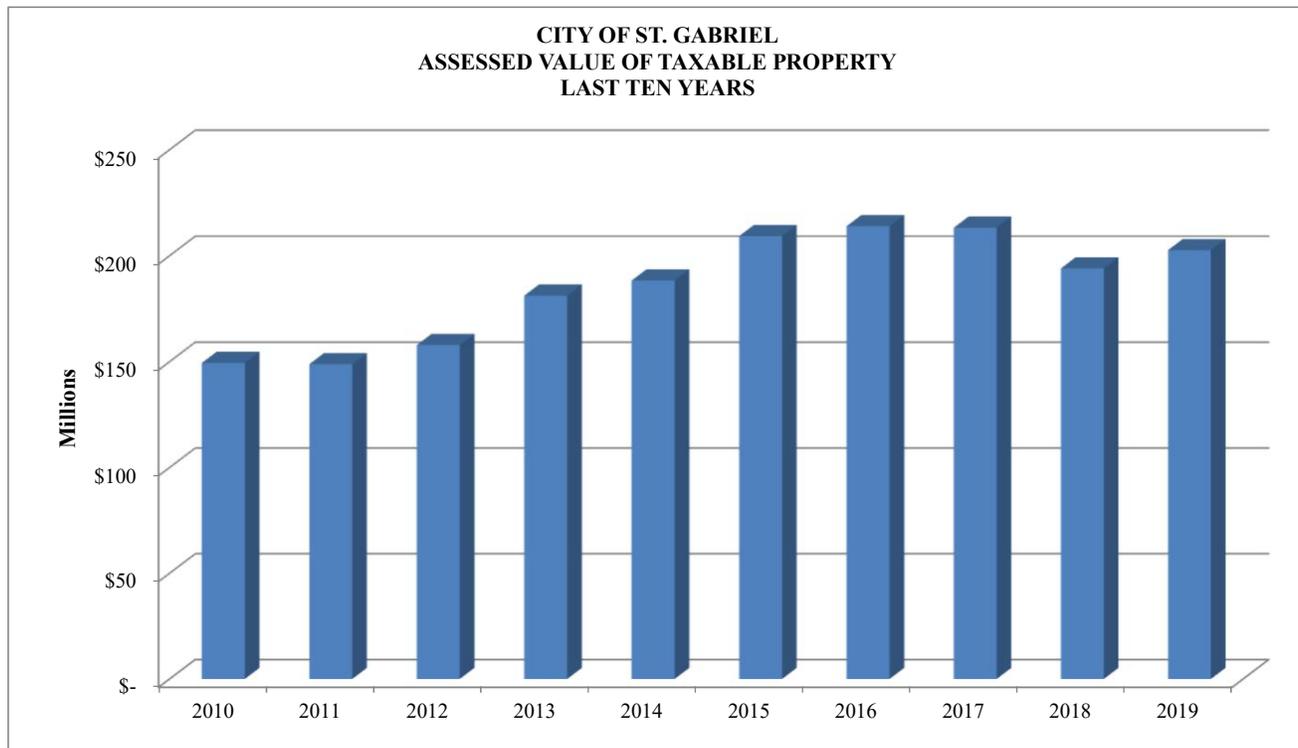
Source: City of St. Gabriel

*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 FISCAL YEARS

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	
2019	6.84	10.00	22.00	57.83	22.68	2.06	3.52	124.93
2018	6.84	10.00	22.00	57.83	22.68	2.06	4.04	125.45
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

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	2019			2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Syngenta	\$ 30,457,920	1	15.03%	\$ 27,365,230	2	18.32%
CosMar Company	28,908,970	2	14.27%	18,084,420	3	12.10%
Entergy Louisiana	18,717,560	3	9.24%	33,613,560	1	22.50%
Carville Energy LLC	17,476,480	4	8.63%	-		0.00%
Taminco Inc	12,130,850	5	5.99%	2,490,470	9	1.67%
Mexichem Flour Inc	10,035,770	6	4.95%	-		0.00%
Total Petrochemicals	9,731,070	7	4.80%	7,870,910	5	5.27%
Pioneer Americas	6,776,200	8	3.34%	3,240,630	7	2.17%
PCS Nitrogen	4,251,760	9	2.10%	3,538,720	6	2.37%
Air Products and Chem. Inc.	2,204,480	10	1.09%	-		0.00%
INEOS	-		-	9,682,460	4	6.48%
Petroligistics Choctaw	-		-	3,005,400	8	2.01%
Marathon Petroleum	-		-	1,637,170.00	10	1.10%
Total	140,691,060		69.43%	110,528,970		73.98%
Others	61,934,695		30.57%	38,875,640		26.02%
	<u>\$ 202,625,755</u>		<u>100.00%</u>	<u>\$ 149,404,610</u>		<u>100.00%</u>

Source: Iberville Parish Assessor's Office.

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

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
2019	\$ 3,412,219	\$ 3,411,213	99.97%	1,006	3,412,219	100.00%
2018	3,267,068	3,267,068	100.00%	4,382	3,271,450	100.13%
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%

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
2019	\$ 2,580,386	\$ 3,031,655	\$ 5,612,041
2018	1,967,235	2,910,662	4,877,897
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

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2019:

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>4.45%</u>
Total Rate	<u>10.12%</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 TEN FISCAL YEARS (1)

(modified accrual basis of accounting)

Industry	FISCAL YEAR				
	2018 (1)	2017	2016	2015	2014
Manufacturer of chemicals	\$ 527,575,024	\$ 446,989,871	\$ 376,030,176	\$ 533,317,289	\$ 303,071,627
Industrial equipment sales	127,431,846	133,400,997	61,344,412	101,849,278	44,995,868
Grocery stores	39,029,970	39,953,199	20,642,349	41,348,422	20,631,183
Department stores & dry goods	49,826,833	46,419,442	21,677,465	38,817,913	18,893,416
Lumber, building materials stores	28,082,336	25,129,827	26,319,060	26,928,165	16,151,901
Miscellaneous - others	341,603,799	421,656,472	239,067,217	342,596,431	182,206,513
	<u>\$ 1,113,549,808</u>	<u>\$ 1,113,549,808</u>	<u>\$ 745,080,679</u>	<u>\$ 1,084,857,498</u>	<u>\$ 585,950,508</u>

Industry	2013	2012	2011	2010	2009
Manufacturer of chemicals	\$ 538,882,468	\$ 398,210,177	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558
Industrial equipment sales	69,003,478	77,657,168	51,834,793	57,494,719	44,812,120
Grocery stores	38,401,257	37,586,350	37,089,615	37,314,861	36,151,634
Department stores & dry goods	36,620,897	37,594,616	37,965,471	37,657,428	39,397,302
Lumber, building materials stores	17,776,697	15,943,033	21,085,725	21,878,034	28,460,909
Miscellaneous - others	331,731,806	298,440,711	238,549,832	137,580,139	148,775,859
	<u>\$ 1,032,416,603</u>	<u>\$ 865,432,055</u>	<u>\$ 794,020,366</u>	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>

Source: Relevant information was not available for the City of St. Gabriel. Data presented is for the Iberville Parish Government as of their fiscal year ending December 31. Data not available for fiscal year 2019.

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				
2019	\$ -	\$ 18,132	\$ 47	\$ 4,615	\$ 22,794	1.77%	3.09
2018	-	18,680	69	4,730	23,479	1.73%	3.21
2017	-	19,212	-	4,842	24,054	1.85%	3.34
2016	-	19,735	-	4,900	24,635	1.98%	3.47
2015	-	20,243	-	2,795	23,038	1.89%	3.29
2014	-	12,326	102	2,846	15,274	1.28%	2.22
2013	-	12,628	107	2,896	15,631	1.34%	2.31
2012	-	12,914	-	2,944	15,858	1.36%	2.41
2011	-	4,581	-	2,990	7,571	0.66%	1.13
2010	-	4,501	8	3,041	7,550	0.69%	1.13

(1) City of St. Gabriel

(2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2018. 2018 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, 2019
(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City direct debt	\$ <u>22,793</u>	100%	\$ <u>22,793</u>
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 36,664	32%	\$ 11,552
Iberville Parish Government (4)	<u>21,051</u>	32%	<u>6,633</u>
Total other government agencies	\$ <u>57,715</u>		\$ <u>18,185</u>
Total direct and overlapping			\$ <u><u>40,977</u></u>
2019 population estimate			<u><u>7,367</u></u>
Per capita			\$ <u><u>5.56</u></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: 2018 Basic Financial Statements

(4) Source: 2018 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
2019	\$ 202,625,755	\$ 20,262,576	70,919,014	\$ -	70,919,014	0.00%
2018	194,006,365	19,400,637	67,902,228	-	67,902,228	0.00%
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%

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

PLEGDED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(full accrual basis of accounting)

SCHEDULE A - REVENUE BONDS - SALES TAX - DEBT SERVICE FUND

Year	(1)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	Expenses		Principal	Interest	Total	
2019	\$ 2,580,386	\$ -	2,580,386	\$ 604,178	\$ 700,101	1,304,279	1.98
2018	1,967,235	-	1,967,235	555,000	711,129	1,266,129	1.55
2017	2,286,773	-	2,286,773	545,000	723,356	1,268,356	1.80
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

SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses		Principal	Interest	Total	
2019	\$ 1,240,398	\$ 733,807	506,591	\$ 115,000	\$ 157,108	272,108	1.86
2018	1,032,128	658,528	373,600	110,000	159,342	269,342	1.39
2017	1,341,631	886,775	454,856	110,000	160,075	270,075	1.68
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

- (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*	(2) Unemployment Rate	(4) Labor Market Area Unemployment Rate
2018	33,027	7,304	\$ 1,355,408	\$ 41,423	7.1	7.3
2017	33,327	7,205	1,302,613	39,569	6.7	6.7
2016	32,290	7,095	1,242,701	37,808	7.6	6.4
2015	33,229	6,993	1,220,399	36,829	7.6	7.1
2014	33,367	6,869	1,191,632	35,963	8.6	8.0
2013	33,228	6,755	1,170,577	35,060	9.4	7.0
2012	33,230	6,570	1,163,588	34,914	10.7	8.7
2011	33,362	6,700	1,152,629	34,553	11.6	8.4
2010	33,505	6,677	1,088,263	32,592	10.4	8.5
2009	32,545	5,546	1,028,138	31,251	9.8	7.4

Source:

- (1) U.S. Department of Commerce, Bureau of the Census.
- (2) alfred.stlouisfed.org; information is for the Parish of Iberville.
- (3) Baton Rouge Area Economic Summary - Bureau of Labor Statistics; information is for the Parish of Iberville.
- (4) U.S. Department of Labor, Bureau of Labor Statistics.
- * Information for calendar year 2019 was not available.

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

Employer	2018(1)			Employer	2010		
	Number of Employees	Percent of Total			Number of Employees	Percent of Total	
The Dow Chemical Co.	1	2,200	17.59%	The Dow Chemical Co.	1	1,500	11.97%
LA Dept. of Public Safety and Corrections	2	1,200	9.60%	Iberville Parish School Board	2	675	5.39%
Syngenta Crop Protection, Inc.	3	700	5.60%	Georgia Gulf	3	370	2.95%
Axiall, LLC	4	300	2.40%	Syngenta Crop Protection, Inc.	4	340	2.71%
Maintenance Enterprise II, Inc.	5	300	2.40%	HBT	5	300	2.39%
Crown Enterprises, Inc.	6	250	2.00%	Iberville Parish Council	6	270	2.15%
Diamond Plastic Corp	7	250	2.00%	Total Petrochemicals USA, Inc.	7	244	1.95%
Wal-Mart	8	220	1.76%	Wal-Mart	8	220	1.76%
Louisiana State University System	9	205	1.64%	Olin Chlor Alkali Products	9	160	1.28%
Olin Chlor Alkali Products	10	160	1.28%	Shintech	10	160	1.28%
		5,785	46.27%			4,239	33.82%
Other		6,719	53.73%	Other		8,295	66.18%
Total		12,504	100.00%	Total		12,534	100.00%

Source: Baton Rouge Area Chamber (BRAC.org)

(1) Data for 2019 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government	7	16	9	16	15
Police Department	23	26	22	26	22
Fire Department	-	-	-	-	-
Street Maintenance	14	24	12	19	20
Building	-	-	-	6	6
Social Services	3	2	2	2	2
Sewer	2	2	2	2	3
Civic Center	3	8	5	6	6
Code Enforcement	2	2	1	1	1
Total employees	<u>54</u>	<u>80</u>	<u>53</u>	<u>78</u>	<u>75</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government	13	7	12	12	13
Police Department	22	19	25	22	22
Fire Department	4	4	7	8	7
Street Maintenance	14	14	26	19	11
Building	3	3	6	3	3
Social Services	2	2	3	3	3
Sewer	2	4	4	7	7
Civic Center	5	3	4	6	8
Code Enforcement	3	4	4	7	4
Total employees	<u>68</u>	<u>60</u>	<u>91</u>	<u>87</u>	<u>78</u>

Source: City of St. Gabriel

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function:										
Public Safety:										
Police:										
Physical arrests	88	171	87	101	107	67	52	77	156	148
Traffic violations	5,648	5,556	6,605	5,073	3,232	4,327	4,458	2,253	4,144	3,867
Public Works:										
Building Permits:										
Residential (new)	49	70	48	35	25	57	61	161	50	34
Commercial	6	8	4	6	7	7	10	22	4	5
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	5	5	4	4
Sanitation:										
Wastewater:										
Commercial	57	68	50	48	45	38	28	25	23	21
Residential	1,011	965	989	985	952	934	817	767	766	730
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	5	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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function:										
General Government:										
Number of general government buildings	3	3	3	3	3	3	3	3	3	3
Number of vehicles	14	14	14	18	12	13	13	13	12	12
Public Safety:										
Police:										
Number of vehicles	41	38	35	34	33	32	29	28	25	21
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	0	0	0	0	0	0	0	3	3	3
Number of vehicles	0	0	0	0	0	0	0	3	3	3
Streets and Sanitation:										
Number of vehicles	20	20	20	18	17	19	19	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	9	8	5	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	3	3	10	8	8

Source: City of St. Gabriel



**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, 2019, 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 31, 2019.

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 is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

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

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

Purpose of this Report

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



Gonzales, Louisiana
December 31, 2019

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

1. The independent 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 in the 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*.
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.

SECTION II – FINDINGS – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

2019-001 Public Bid Law

Criteria: For purchases of materials and supplies with a value of \$10,000 or more, but less than \$30,000, local governmental entities must obtain no fewer than three telephone or facsimile quotations.

Condition: The City purchased material and supplies to convert new vehicles into law enforcement vehicles during the year without obtaining at least three telephone or facsimile quotations.

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 the material and supplies to convert new vehicles into law enforcement vehicles 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 material and supplies to convert new vehicles into law enforcement vehicles.

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

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

CITY OF ST. GABRIEL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS – NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

2018-001 Public Bid Law

Condition: The City purchased a vehicle and material and supplies to convert new vehicles into law enforcement vehicles during the year without properly advertising for the vehicle in its official journal.

Current status: Similar finding reported in current year.

2018-002 Fiscal Agency and Cash Management Law

Condition: At June 30, 2018, the City of St. Gabriel had deposits at one financial institution that were uncollateralized by \$183,271.

Current status: No similar finding reported in current year.

FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

None noted.

SPECIAL ACKNOWLEDGEMENTS

Constance Barbin
City Clerk

Debra Ausbon
Deputy City Clerk

Nicole Corbin
Accountant III

Kalayn Brown
Police Department Clerk



**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, 2018 through June 30, 2019. 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 and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

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

The City does not have a budget policy.

Management’s response: The City plans to adopt a budgeting policy during the fiscal year ending June 30, 2020.

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 plans 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

Written policies and procedures were obtained and address the functions noted above with the exception of management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Management's Response: The City plans to amend the policy to include the actions required to determine the completeness of all collections for each type of revenue or agency fund additions.

- 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 plans to adopt a payroll/personnel policy during the fiscal year ending June 30, 2020.

- 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 plans to amend the 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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

Management's response: The City plans to amend the policy to 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.

The City's policy is that the City 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.

Management's Response: The City plans to amend its ethics policy to include the requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/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 plans to amend its policy to include the functions noted above.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The City does not have a budget policy.

Management's response: The City plans to adopt a disaster recovery/business continuity policy during the fiscal year ending June 30, 2020.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

The minutes do not reference or include monthly budget-to-actual comparisons.

Management's response: The City plans to reference the review of financial statements in the future meeting minutes.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained listing of client bank accounts from management and management's representation that listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); 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 does not 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) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Cash collections are performed by fifteen employees at three collection locations. Cash drawers are shared by employees at each location.

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) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted for two of three collection locations. At one location, two of seven employees responsible for collecting cash are responsible for preparing/making deposits.

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.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Sequentially prenumbered receipts were used for property tax collections and community center user fee collections. Remaining receipts for collections such as permits issued and utility user charges are supported by invoices/permits or billing statements issued by the City.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted for seven of eight receipts selected. One of eight receipts were not deposited in the bank within one business day.

Management’s Response: Management will review procedures for such collections and implement procedures to document the receipt of all collections and to deposit collections within one day or in a reasonable time frame for the resources available to the City.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

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

8. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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/debit cards/fuel cards and management’s representation that listing is complete.

9. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

10. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

11. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

Payroll and Personnel

- 12. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions noted.

- 13. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #12 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that 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.)

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

14. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

No exceptions for one of two payments selected. The hours used to determine one payment made exceeded the allowable maximum number of hours to be paid out set by policy.

Management's response: Subsequent to the payment, management discovered an error in the accumulation of accrued vacation hours. Management corrected the error and no similar exceptions have been noted since.

15. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Management represented that employer and employee portions of payroll taxes, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines. However, retirement contributions for two months during the fiscal year were not filed by the 10th of the following months for the Municipal Employees Retirement System.

Management's response: Management acknowledged that they received a delinquent notice from the retirement system for two months. Management resolved the delinquent status of their account and no similar notices have been received since.

Ethics

16. Using the 5 randomly selected employees/officials from procedure #12 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted.

Other

17. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

18. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the City's premises, but not on the City's website.

Management's Response: Management will post the required notice to its website.

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.

Deez, Dupuy & Ruiz

Gonzales, Louisiana
December 31, 2019