

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. GABRIEL, LOUISIANA

For the fiscal year ended June 30, 2016



Prepared by

City of St. Gabriel
Finance Department

CITY OF ST. GABRIEL, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INTRODUCTORY SECTION





Lionel Johnson, Jr.
Mayor



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

Police Chief:
Kevin Ambeau, Sr.

CITY OF ST. GABRIEL

"A City of Pride, Progress & Possibilities"

December 31, 2016

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, 2016. 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first document of the financial section of this report.

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

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

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

Profile of the Government

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

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

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

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

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

Budgetary Control

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

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

St. Gabriel is located on the Mississippi River in the southeast region of the state and is a major center for commerce and industry. The largest taxpayers in St. Gabriel are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the City. The taxes paid by local industry are significant to the City's tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the City expects to maintain a stable level of property and sales tax collections through 2017.

General sales and use tax revenues in 2016 for operations of the City were \$3.4 million less than the 2015 revenues, representing a 43% decrease. This was primarily related to a \$3.5 million tax settlement received in the prior year. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing 41% of available resources in 2016.

During 2016 the City had employed labor of approximately 7,095 with an unemployment rate of 7.7% and a current per capita personal income of \$36,764 and age of 36.

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

Major Initiatives in 2017

The City has various capital outlay projects ongoing with an estimated cost of over \$15.4 million, to include municipal and recreational facility improvements, sewer system expansions and improvements, road repairs and improvements and drainage improvements. The City has budgeted approximately \$10.5 million for these projects in fiscal year 2017. These projects will be funded by various grants and public improvement bonds that were issued by the City in 2015.

LONG-TERM FINANCIAL PLANNING

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

Road and Drainage Improvements Projects

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

Sewer Improvements Project

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

RELEVANT FINANCIAL POLICIES

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

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

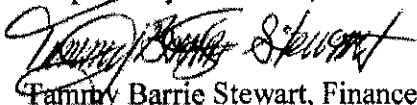
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the City of St. Gabriel for its Comprehensive Annual Financial Report each year for the five years through 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tammy Barrie Stewart, Finance Director



Government Finance Officers Association

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

Presented to

**City of St. Gabriel
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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

MAYOR

Lionel Johnson, Jr.

COUNCIL MEMBERS

Deborah R. Alexander

Freddie Frazier, Sr.

Melvin Hasten, Sr.

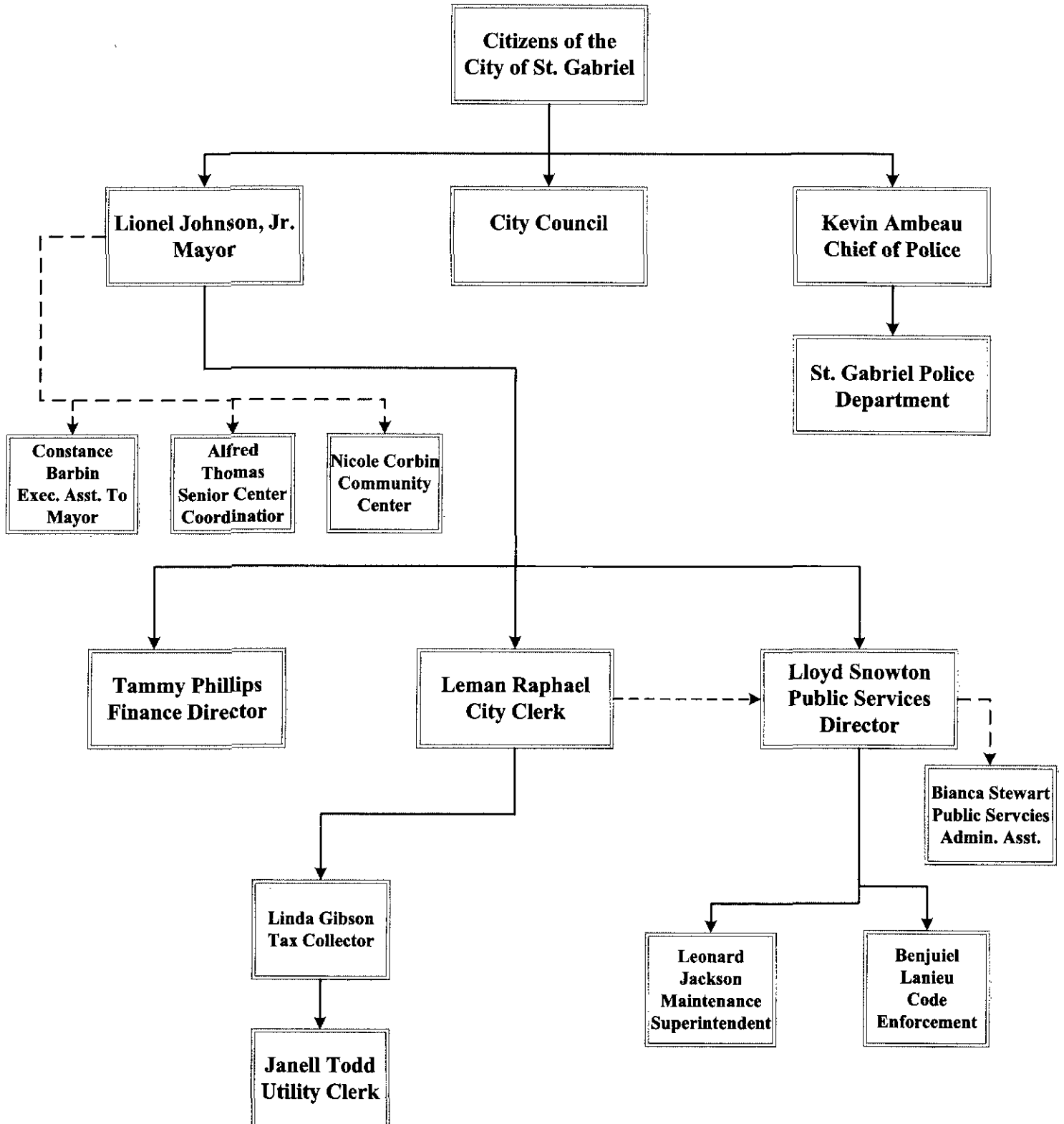
Kelvin M. York, Sr.

Ronald Grace, Sr.

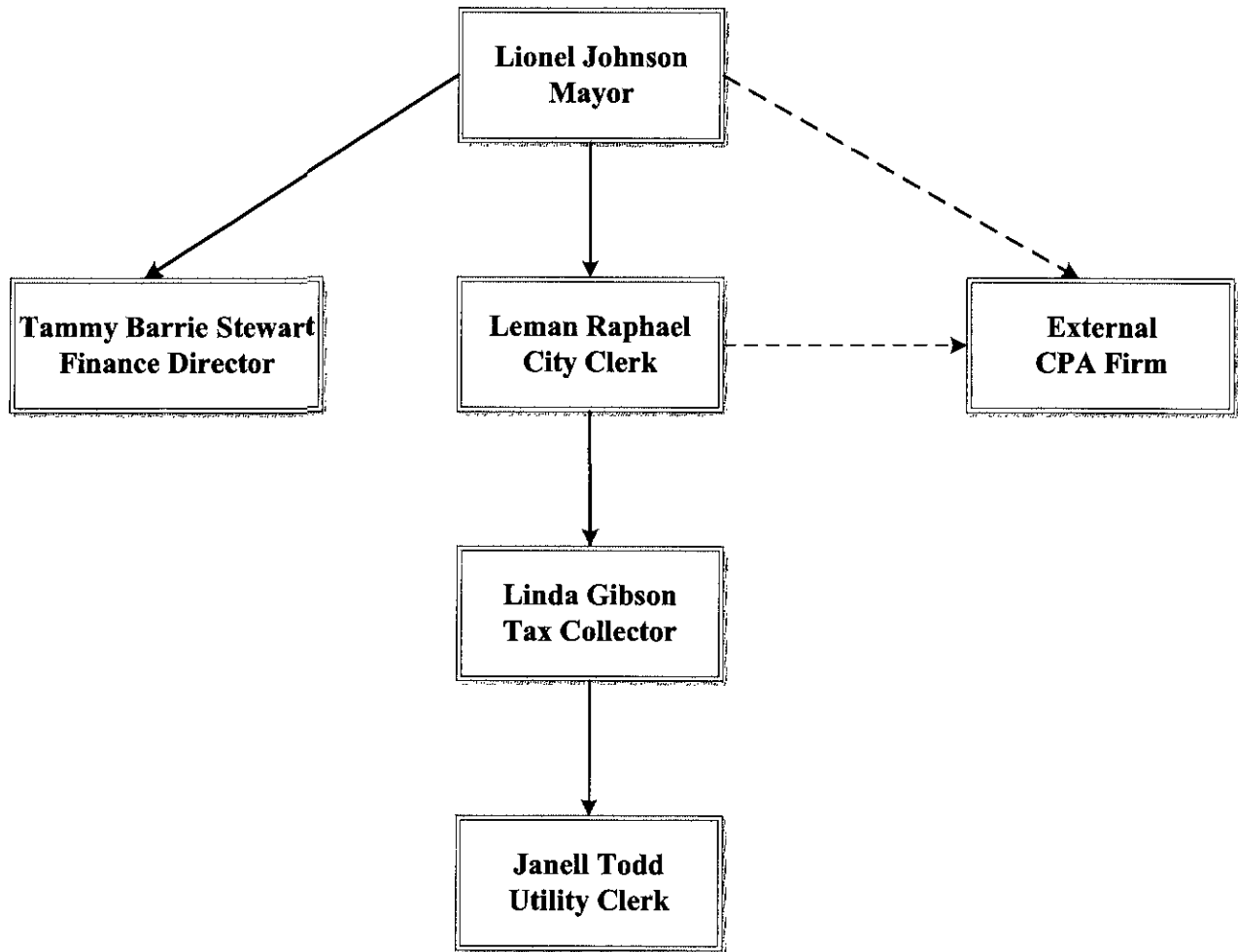
CHIEF OF POLICE

Kevin Ambeau

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



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



FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability and schedule of pension contributions on pages 3 through 14 and 73 through 78 be presented to supplement the basic financial statements. Such information; although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St Gabriel, Louisiana's basic financial statements. The introductory section, combining individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements 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 financial, statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and, individual nonmajor fund financial statements and the schedule of compensation, 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 30, 2016, on our consideration of the City of St Gabriel, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St Gabriel, Louisiana's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

December 30, 2016
Gonzales, Louisiana

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

Our analysis of The City of St. Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. 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 2016, the City of St. Gabriel had governmental revenues decreased relative to prior years by \$3.3 million, which is attributable to decreases in sales tax revenue. Governmental expenses remained relatively constant to prior year with a large increase in public safety expenses and decrease in general government expenses. All City funds continue to be maintained with sufficient fund balance that represents adequate net worth. Although community demands have increased with the growing population, the City has been responsible with its available resources.

The major financial highlights for 2016 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$16 million (net position). Of this amount, approximately \$1.7 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 \$346,000 during 2016.
- Governmental activities' net position increased by approximately \$390,000.
- Business-type total net position decreased by approximately \$43,000, primarily due to the increase in wastewater treatment expenses of \$487,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$13.2 million, a decrease of \$3.2 million in comparison to the prior year. This decrease was the result of an increase in debt service expenditures of \$370,000, and a decrease in sales tax revenues of \$3.4 million along with a decrease in capital projects grant revenue of \$112,000.

Significant aspects of the City's financial wellbeing, as of and for the year ended June 30, 2016, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15 and 16) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 17. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

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

Reporting on the City as a Whole

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

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

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

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

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

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

City of St. Gabriel, Louisiana
Statement of Net Position
June 30, 2016 and 2015
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 14,340	\$ 18,144	\$ 2,613	\$ 479	\$ 16,953	\$ 18,623
Capital assets	19,876	16,952	8,808	8,720	28,684	25,672
Deferred outflows	1,384	800	83	25	1,467	825
Total assets and deferred outflows	<u>35,600</u>	<u>35,896</u>	<u>11,504</u>	<u>9,224</u>	<u>47,104</u>	<u>45,120</u>
Current and other liabilities	1,541	2,106	198	112	1,739	2,218
Long-term liabilities	23,267	23,165	5,110	2,932	28,377	26,097
Deferred Inflows	847	1,071	93	33	940	1,104
Total liabilities and deferred inflows	<u>25,655</u>	<u>26,342</u>	<u>5,401</u>	<u>3,077</u>	<u>31,056</u>	<u>29,419</u>
Net position:						
Net investment in capital assets	4,059	3,052	3,855	5,926	7,914	8,978
Restricted	4,148	4,958	2,209	207	6,357	5,165
Unrestricted	<u>1,738</u>	<u>1,544</u>	<u>39</u>	<u>14</u>	<u>1,777</u>	<u>1,558</u>
Total net position	<u>\$ 9,945</u>	<u>\$ 9,554</u>	<u>\$ 6,103</u>	<u>\$ 6,147</u>	<u>\$ 16,048</u>	<u>\$ 15,701</u>

At June 30, 2016, the City's net position was \$16 million, of which \$1.7 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 \$390,000 during 2016. Governmental unrestricted net position, which increased by \$194,000, 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 \$1.7 million in governmental activities unrestricted net position at the completion of the 2016 fiscal year represents the accumulated results of operations. It means that if we had to pay off all of the debt, we would have \$1.7 million remaining. The change in net position is discussed later in this analysis.

The City operates wastewater treatment systems for its constituents. The principal focus of this activity is to operate on a profitable basis. For the current and past several years, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits. The subsidy was decreased by approximately \$75,000 to \$750,000 in 2016. The net position of the City's business activities decreased by approximately \$43,000 during 2016.

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, 2016 and 2015
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 1,115	\$ 979	\$ 274	\$ 195	\$ 1,389	\$ 1,174
Capital grants/contributions	180	507	207	17	387	524
General revenues:						
Ad valorem taxes	3,598	3,528	-	-	3,598	3,528
Sales taxes	4,624	8,083	-	-	4,624	8,083
Video poker taxes	446	432	-	-	446	432
Other general revenues	319	104	63	-	382	104
Total revenues	10,282	13,633	544	212	10,826	13,845
Functions/Program Expenses:						
General government	1,304	2,753	-	-	1,304	2,753
Public safety	3,361	1,864	-	-	3,361	1,864
Streets and sanitation	1,806	1,889	-	-	1,806	1,889
Culture and recreation	841	899	-	-	841	899
Economic development	1,070	1,281	-	-	1,070	1,281
Wastewater treatment	-	-	1,336	849	1,336	849
Interest on long-term debt	759	482	-	-	759	482
Total expenses	9,141	9,168	1,336	849	10,477	10,017
Increase (decrease) in net position						
before transfers	1,140	4,465	(793)	(637)	347	3,828
Transfers, net	(750)	(825)	750	825	-	-
Change in net position	390	3,640	(43)	188	347	3,828
Beginning net position	9,554	9,649	6,147	6,175	15,701	15,824
Restatement - GASB 68	-	(3,735)	-	(216)	-	(3,951)
Ending net position	\$ 9,944	\$ 9,554	\$ 6,104	\$ 6,147	\$ 16,048	\$ 15,701

Fund Financial Statements

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

Reporting the City's Most Significant Funds

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

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

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

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

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

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

Financial Analysis of the Government's Funds

The government operations of the City are accounted for in the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2016 by fund type:

	(in thousands)				
	2016				
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Totals
Revenue & other proceeds	\$ 9,638	\$ 340	\$ 305	\$ -	\$10,283
Expenditures & other financing uses	6,233	936	4,556	1,008	12,733
Transfers	(5,672)	675	3,200	1,047	(750)
(Deficit) surplus	(2,267)	79	(1,051)	39	(3,200)
Fund balance, June 30, 2015	7,827	1,807	5,077	1,737	16,448
Fund balance, June 30, 2016	<u>\$ 5,560</u>	<u>\$ 1,886</u>	<u>\$ 4,026</u>	<u>\$ 1,776</u>	<u>\$13,248</u>

	(in thousands)				Totals
	2015	2015	2015	2015	
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	
Revenue & other proceeds	\$12,756	\$ 4,962	\$ 8,575	\$ -	\$26,293
Expenditures & other financing uses	5,911	5,401	5,840	590	17,742
Transfers	(2,122)	750	(658)	1,204	(826)
Surplus	4,723	311	2,077	614	7,725
Fund balance, June 30, 2014	3,104	1,496	3,000	1,123	8,723
Fund balance, June 30, 2015	\$ 7,827	\$ 1,807	\$ 5,077	\$ 1,737	\$16,448

The City's governmental funds experienced a deficit of approximately \$3.2 million during 2016. At year end, fund balances were approximately \$13.2 million. Approximately \$1.3 million is unassigned and available for utilization at the City's discretion. The remainder of the fund balance has been restricted, committed, or classified as nonspendable. These restrictions are for debt service, infrastructure and maintenance, public improvements. Commitments of fund balances are for code enforcement and civic center operations purposes.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance of the General Fund was approximately \$5.5 million compared to the fund balance of \$7.8 million at 2015. The decrease in fund balance resulted from the deficit of \$2.3 million, which is a result of decreased revenues from sales taxes.

The City's other major funds are the Civic Center Operating Fund, the Code Enforcement Grant Fund, the Capital Projects Fund and the Debt Service Fund. The Civic Center Operating Fund realized an operating deficit of approximately \$565,000, before transfers in of \$575,000 from the General Fund. After transfers in, the Civic Center Operating Fund completed the year with a surplus of approximately \$9,000. The Code Enforcement Grant Fund experienced a decrease in fund balance of \$30,000, before transfers in of \$100,000 from the General Fund.

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

Source of Revenue	(in thousands)			
	2016		2015	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 8,715	84	\$ 12,085	88
Intergovernmental	395	4	508	4
Licenses and permits	278	3	391	3
Fines	739	7	522	4
Miscellaneous	156	2	73	1
Total	\$ 10,283	100	\$ 13,579	100

Revenues of the primary government for general governmental fund types for 2016 totaled \$10.3 million, compared with \$13.6 million for the previous year, representing nearly a \$3.3 million or 25% decrease. The decrease in revenue is primarily due to decreases in sales and use taxes. As noted above, the City's activities are largely supported by tax revenues, which represent 84% of total governmental resources.

Approximately \$9 million of the \$10.3 million of governmental revenues in 2016 were for dedicated purposes. The remaining \$1.3 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 \$500,000 in 2016. General governmental expenditures for each major function are summarized in the following table.

Function	(in thousands)			
	2016		2015	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 2,394	19	\$ 2,519	19
Public Safety	1,887	15	1,731	13
Streets and sanitation	1,343	11	1,295	10
Social and recreational services	658	5	701	5
Economic development	1,050	8	1,194	9
Debt service	1,353	11	1,291	10
Capital outlay	4,046	31	4,535	34
Total	\$ 12,731	100	\$ 13,266	100

The largest decreases in spending occurred in capital outlay of \$448,000 and economic development of \$144,000.

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 2016 was as follows:

- To decrease sales tax revenues of \$200,000, or 5% of the City's original budget,
- To increase revenues from fines by \$185,000, or 37% of the City's original budget,
- To increase general government expenditures by \$335,000 or 15% of the City's original budget,
- To increase public safety expenditures by \$112,000 or 6% of the City's original budget, which a large portion relating to vehicle fuel and maintenance.

With these adjustments, the actual charges to appropriations (expenditures) were \$433,000 less than the related final budget appropriations of \$6.7 million. The most significant variance occurred in the City's general government and streets and sanitation functions, where expenditures were \$235,000 and \$233,000 respectively, less than appropriations.

The operating deficit in the General Fund for 2016 was \$2.3 million and the related fund balance was \$5.5 million at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the City had approximately \$28 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 644	\$ 442	\$ 60	\$ 60	\$ 704	\$ 502
Construction in progress	632	3,469	-	151	632	3,620
Buildings	6,779	4,296	-	-	6,779	4,296
Equipment and vehicles	1,048	852	-	-	1,048	852
Sewer treatment plants	-	-	8,749	8,511	8,749	8,511
Infrastructure	10,773	7,894	-	-	10,773	7,894
Total assets, net of depreciation	<u>\$19,876</u>	<u>\$ 16,953</u>	<u>\$ 8,809</u>	<u>\$ 8,722</u>	<u>\$28,684</u>	<u>\$25,675</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 \$4.4 million in capital additions during 2016. These capital outlays were primarily related to improvements made to roads, recreation facilities and utility system infrastructure. Depreciation expense of the City's assets of \$1.4 million resulted in a net increase in capital assets of \$3 million.

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

Debt

At year-end, the City had \$29 million in bonds and notes outstanding versus \$26.7 million last year—an increase of \$2.3 million — as shown below:

	(in thousands)			
	June 30, 2015	Additions	Deletions	June 30, 2016
<u>Governmental activities:</u>				
Net pension liability	\$ 3,452	\$ 1,066	\$ 441	\$ 4,077
Capital Projects				
Revenue Bond- 2012	8,095	-	260	7,835
Revenue Bond- 2015	8,065	-	175	7,890
Civic Center				
Revenue Bond	4,590	-	95	4,495
Bond discount	(507)	-	(22)	(485)
<u>Business-type activities:</u>				
Net pension obligation	175	117	25	267
Revenue Bonds	2,795	4,900	2,795	4,900
Bond premium	-	55	1	54
	\$ 26,665	\$ 6,138	\$ 3,770	\$ 29,033

The City remained current on all bonds and notes outstanding and retired approximately \$3.8 million in debt during 2016.

The State of Louisiana limits the amount of general obligation debt that municipalities can issue to 35 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$73 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

For 2017, revenues and other financing sources are budgeted at \$15.7 million while expenditures are expected to be \$25 million, including capital outlay of \$15.4 million. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2017 by \$12.3 million.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 45% of 2017 budgeted operating revenue. The City budgeted an increase of approximately 6 million in federal grants for 2017. Additionally, the 2017 operating budget expenditures provides for increases of \$5 million in capital outlay of 46% .General government expenditures are budgeted to decrease by 15% while sewage is expected to decrease \$3 million or 70%.

These indicators were considered when adopting the General Fund budget for 2017. Property taxes are budgeted to remain flat based to 2016 assessments for 2017. These taxes are expected to fund operations of the City's governmental operations, the code enforcement program, and assist in funding the City's sewer utility operations.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS





CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF NET POSITION

June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,003,964	\$ 383,718	\$ 7,387,682
Accounts receivable, net	38,440	15,541	53,981
Due from other governments	1,539,391	5,279	1,544,670
Prepaid assets	142,735	-	142,735
Restricted cash	5,615,457	2,208,740	7,824,197
Capital assets:			
Non-depreciable	1,275,798	60,000	1,335,798
Depreciable, net	18,599,739	8,748,561	27,348,300
Total assets	<u>34,215,524</u>	<u>11,421,839</u>	<u>45,637,363</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	13,290	-	13,290
Pension liability	1,371,018	83,429	1,454,447
Total deferred outflows of resources	<u>1,384,308</u>	<u>83,429</u>	<u>1,467,737</u>
Total assets and deferred outflows of resources	<u>\$ 35,599,832</u>	<u>\$ 11,505,268</u>	<u>\$ 47,105,100</u>
LIABILITIES			
Accounts payable	\$ 797,495	\$ 16,060	\$ 813,555
Accrued liabilities	147,259	72,231	219,490
Unearned revenues	51,209	-	51,209
Long-term payables:			
Due within one year	545,000	110,000	655,000
Due in more than one year	19,189,914	4,844,032	24,033,946
Pension liability	4,077,065	267,013	4,344,078
Total liabilities	<u>24,807,942</u>	<u>5,309,336</u>	<u>30,117,278</u>
DEFERRED INFLOWS OF RESOURCES			
Pension liability	728,300	13,254	741,554
Deferred revenues	118,972	79,247	198,219
Total deferred inflows of resources	<u>847,272</u>	<u>92,501</u>	<u>939,773</u>
Total liabilities and deferred inflows of resources	<u>25,655,214</u>	<u>5,401,837</u>	<u>31,057,051</u>
NET POSITION			
Net investment in capital assets	4,059,128	3,854,529	7,913,657
Restricted for:			
Infrastructure and maintenance	2,048,190	-	2,048,190
Public improvements	2,100,030	-	2,100,030
Debt service	-	2,208,740	2,208,740
Unrestricted	1,737,270	40,162	1,777,432
Total net position	<u>9,944,618</u>	<u>6,103,431</u>	<u>16,048,049</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,599,832</u>	<u>\$ 11,505,268</u>	<u>\$ 47,105,100</u>

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

CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF ACTIVITIES

For the year ended June 30, 2016

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ 1,304,388	\$ 299,049	\$ -	\$ (1,005,339)	\$ -	\$ (1,005,339)
Public safety	3,361,278	739,465	-	(2,621,813)	-	(2,621,813)
Streets and sanitation	1,806,230	-	180,264	(1,625,966)	-	(1,625,966)
Culture and recreation	840,880	76,461	-	(764,419)	-	(764,419)
Economic development	1,070,000	-	-	(1,070,000)	-	(1,070,000)
Interest on long-term debt	758,808	-	-	(758,808)	-	(758,808)
Total governmental activities	<u>9,141,584</u>	<u>1,114,975</u>	<u>180,264</u>	<u>(7,846,345)</u>	<u>-</u>	<u>(7,846,345)</u>
Business-type activities:						
Waste water treatment facilities	<u>1,337,404</u>	<u>274,362</u>	<u>206,606</u>	<u>-</u>	<u>(856,436)</u>	<u>(856,436)</u>
Total business-type activities	<u>1,337,404</u>	<u>274,362</u>	<u>206,606</u>	<u>-</u>	<u>(856,436)</u>	<u>(856,436)</u>
Total primary government	<u>\$ 10,478,988</u>	<u>\$ 1,389,337</u>	<u>\$ 386,870</u>	<u>(7,846,345)</u>	<u>(856,436)</u>	<u>(8,702,781)</u>
General revenues:						
Taxes:						
Sales				4,623,502	-	4,623,502
Ad valorem				3,598,229	-	3,598,229
Video poker				445,522	-	445,522
Franchise and other				47,622	-	47,622
Grants and contributions not restricted to specific programs				214,785	-	214,785
Investment earnings				7,728	-	7,728
Recovery of bad debt				49,283	62,589	111,872
Transfers				(750,000)	750,000	-
Total general revenues and transfers				<u>8,236,671</u>	<u>812,589</u>	<u>9,049,260</u>
Change in net position				390,326	(43,847)	346,479
Net position - beginning of year				<u>9,554,292</u>	<u>6,147,278</u>	<u>15,701,570</u>
Net position - end of year				<u>\$ 9,944,618</u>	<u>\$ 6,103,431</u>	<u>\$ 16,048,049</u>

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

CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

June 30, 2016

	General Fund	Civic Center Operating Fund	Code Enforcement Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,758,273	\$ 871,307	\$ 751,600	\$ 166,737	\$ 456,047	\$ 7,003,964
Accounts receivables, net	25,740	-	-	12,700	-	38,440
Due from other governments	1,161,644	28,853	-	348,894	-	1,539,391
Prepaid assets	142,735	-	-	-	-	142,735
Restricted cash	103,858	266,303	-	3,924,314	1,320,982	5,615,457
Total assets	<u>\$ 6,192,250</u>	<u>\$ 1,166,463</u>	<u>\$ 751,600</u>	<u>\$ 4,452,645</u>	<u>\$ 1,777,029</u>	<u>\$ 14,339,987</u>
LIABILITIES						
Accounts payable	\$ 407,709	\$ 13,782	\$ -	\$ 376,004	\$ -	\$ 797,495
Accrued liabilities	105,287	18,035	370	-	-	123,692
Unearned revenues	-	-	-	51,209	-	51,209
Total liabilities	<u>512,996</u>	<u>31,817</u>	<u>370</u>	<u>427,213</u>	<u>-</u>	<u>972,396</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>118,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,972</u>
FUND BALANCE						
Nonspendable	142,735	-	-	-	-	142,735
Restricted for:						
Infrastructure and maintenance	2,048,190	-	-	4,025,432	-	6,073,622
Public improvements	2,100,030	-	-	-	-	2,100,030
Debt service	-	266,303	-	-	1,777,029	2,043,332
Committed for:						
Code enforcement	-	-	751,230	-	-	751,230
Civic center operations	-	868,343	-	-	-	868,343
Unassigned	<u>1,269,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269,327</u>
Total fund balance	<u>5,560,282</u>	<u>1,134,646</u>	<u>751,230</u>	<u>4,025,432</u>	<u>1,777,029</u>	<u>13,248,619</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,192,250</u>	<u>\$ 1,166,463</u>	<u>\$ 751,600</u>	<u>\$ 4,452,645</u>	<u>\$ 1,777,029</u>	<u>\$ 14,339,987</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, 2016

(See Accountants' Compilation Report)

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

Total fund balances - governmental funds (Exhibit A-2)	\$	13,248,619
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		19,875,537
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net change in accrued interest payable		(23,567)
Long-term liabilities (e.g. bonds, leases, etc.), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pension liability	\$	1,371,018
Deferred outflows related to loss on refunding		13,290
Bonds payable, net of discounts		(19,734,914)
Net pension liability		(4,077,065)
Deferred inflows related to pension liability		(728,300)
		(23,155,971)
Net position of governmental activities (Exhibit A)	\$	9,944,618

CITY OF ST. GABRIEL, LOUISIANA

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

For the year ended June 30, 2016

	General Fund	Civic Center Operating Fund	Code Enforcement Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES						
Taxes:						
Sales	\$ 4,623,502	\$ -	\$ -	\$ -	\$ -	\$ 4,623,502
Ad valorem	3,598,229	-	-	-	-	3,598,229
Video poker	222,761	222,761	-	-	-	445,522
Franchise and other	47,622	-	-	-	-	47,622
Intergovernmental	134,645	5,140	-	255,264	-	395,049
Licenses and permits	213,833	-	63,835	-	-	277,668
Fines	739,465	-	-	-	-	739,465
Other	58,306	48,586	-	49,541	-	156,433
Total revenues	9,638,363	276,487	63,835	304,805	-	10,283,490
EXPENDITURES						
Current function:						
General government	2,299,193	738	93,803	560	-	2,394,294
Public safety	1,886,709	-	-	-	-	1,886,709
Streets and sanitation	1,294,221	-	-	49,116	-	1,343,337
Social and recreational services	155,244	501,416	-	1,356	-	658,016
Economic development	-	-	-	1,050,000	-	1,050,000
Debt service:						
Principal	-	95,000	-	-	435,000	530,000
Interest	-	162,731	-	-	572,510	735,241
Bond issuance cost	88,396	-	-	-	-	88,396
Capital outlay	509,031	82,258	-	3,454,877	-	4,046,166
Total expenditures	6,232,794	842,143	93,803	4,555,909	1,007,510	12,732,159
Excess (deficiency) of revenues over expenditures	3,405,569	(565,656)	(29,968)	(4,251,104)	(1,007,510)	(2,448,669)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	575,000	100,000	3,200,000	1,047,000	4,922,000
Transfers out	(5,672,000)	-	-	-	-	(5,672,000)
Total other financing sources (uses)	(5,672,000)	575,000	100,000	3,200,000	1,047,000	(750,000)
Net change in fund balance	(2,266,431)	9,344	70,032	(1,051,104)	39,490	(3,198,669)
FUND BALANCE						
Beginning of year	7,826,713	1,125,302	681,198	5,076,536	1,737,539	16,447,288
End of year	\$ 5,560,282	\$ 1,134,646	\$ 751,230	\$ 4,025,432	\$ 1,777,029	\$ 13,248,619

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, 2016

(See Accountants' Compilation Report)

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)		\$ (3,198,669)
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.</p>		
Capital outlay	\$ 4,046,166	
Depreciation expense	(1,123,413)	2,922,753
<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>		
Payment for advance refunding	(22,383)	
Amortization of deferred loss on refunding of bonds	(949)	
Principal payments on debt	530,000	506,668
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest payable, change during 2016		(23,567)
Changes in net pension obligations are reported only in the Statement of Activities		183,141
Change in net position of governmental activities (Exhibit A-1)		\$ 390,326

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, 2016

ASSETS

Current assets:

Cash and cash equivalents	\$	383,718
Accounts receivable, net		15,541
Due from other governments		5,279
Restricted cash		<u>2,208,740</u>
 Total current assets		 <u>2,613,278</u>

Noncurrent assets:

Capital assets:

Non-depreciable		60,000
Depreciable, net		<u>8,748,561</u>
 Total noncurrent assets		 <u>8,808,561</u>

Total assets		<u>11,421,839</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension liability		<u>83,429</u>
 Total assets and deferred inflows of resources		 <u>\$ 11,505,268</u>

LIABILITIES

Current liabilities:

Accounts payable	\$	16,060
Accrued liabilities		72,231
Bonds payable		<u>110,000</u>
 Total current liabilities		 198,291

Noncurrent liabilities:

Bonds payable		4,844,032
Net pension liability		<u>267,013</u>
 Total noncurrent liabilities		 5,111,045
 Total liabilities		 <u>5,309,336</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to refunding		79,247
Deferred inflows related to pension liability		<u>13,254</u>
 Total deferred outflows of resources		 92,501

Total liabilities and deferred inflows of resources		<u>5,401,837</u>
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NET POSITION

Net investment in capital assets		3,854,529
Restricted for debt service		2,208,740
Unrestricted		<u>40,162</u>
 Total net position		 <u>6,103,431</u>
 Total liabilities, deferred inflows of resources and net position		 <u>\$ 11,505,268</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, 2016

OPERATING REVENUES	
Charges for services	\$ 274,051
OPERATING EXPENSES	
Depreciation	333,855
Personnel	122,636
Utilities	161,018
Maintenance	55,542
Supplies	77,739
Professional services	308,070
Insurance	58,181
Chemicals	18,803
Vehicle fuel	4,894
Other	3,072
Total operating expenses	<u>1,143,810</u>
Operating loss	(869,759)
NON-OPERATING	
Recovery of bad debt	62,589
Interest income	311
Bond issuance cost	(70,784)
Interest expense	<u>(122,810)</u>
Loss before capital grants and contributions and transfers	(1,000,453)
Capital grants and contributions	206,606
Transfers in	<u>750,000</u>
Net income	(43,847)
NET POSITION	
Beginning of year	<u>6,147,278</u>
End of year	<u>\$ 6,103,431</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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 270,559
Payments to suppliers	(719,404)
Payments to employees	<u>(125,322)</u>
Net cash used for operating activities	<u>(574,167)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants	206,606
Due from other government	63,491
Capital asset additions	(420,635)
Principal paid on capital debt	2,158,592
Gain on bond issuance	79,247
Bond issuance cost	(70,784)
Interest paid on capital debt	<u>(59,539)</u>
Net cash provided by capital and related financing activities	<u>1,956,978</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Recovery of bad debt	62,589
Transfers in from other funds	<u>750,000</u>
Net cash provided by noncapital and related financing activities	<u>812,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>311</u>
Net increase in cash	2,195,711
CASH	
Beginning of period	<u>396,747</u>
End of period	<u>\$ 2,592,458</u>
RECONCILIATION OF CASH	
Cash and cash equivalents	\$ 383,718
Restricted cash	<u>2,208,740</u>
Total cash	<u>\$ 2,592,458</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating loss	\$ (869,759)
Adjustments of operating loss:	
Depreciation	333,855
Change in operating assets and liabilities:	
Accounts receivable	(3,492)
Accounts payable	(32,085)
Accrued liabilities	(339)
Net pension liability and related deferred inflows and outflows	<u>(2,347)</u>
Net cash used for operating activities	<u>\$ (574,167)</u>

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

NOTES TO FINANCIAL STATEMENTS





CITY OF ST. GABRIEL, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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

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

Reporting Entity

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

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

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

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

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

Fund Financial Statements

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

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

A fund is considered major if it is the primary operating fund of the City (the general fund) or meets the following criteria:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

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

Governmental Fund Types

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

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

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

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

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

Proprietary Fund Types

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

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

Basis of Accounting and Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund financial statements (Continued)

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

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

Cash and Cash Equivalents

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue or deferred revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$3,239 was recorded at June 30, 2016.

Interfund Receivables/Payables

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as "due from other funds" or "due to other funds" on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. There were no interfund receivable/payable balances as of June 30, 2016. 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 (\$3,804,736) capital projects (\$3,918,505), and contingencies for property repairs and replacements (\$100,956). Restricted cash consisted of \$7,824,197 as of June 30, 2016.

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 estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The City's capitalization policy stipulates a capitalization threshold of \$1,000.

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

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

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

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

Fund Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Debt

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

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

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

Compensated Absences

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

Government-wide and Proprietary Fund Net Position

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

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

Use of Restricted Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

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

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

Use of Restricted Resources

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

Interfund Transfers

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

Deferred Outflows and Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting

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

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

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

Estimates

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

Subsequent Events

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

NOTE 2 - CASH AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2016, the City's deposits were not exposed to any custodial risk.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost. As of June 30, 2016, the City had a balance of \$1,321,395 invested in LAMP.

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

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

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

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2016, consists of the following:

Primary Government:	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Parish of Iberville, Louisiana - Sales tax	\$ 931,091	\$ -	\$ 931,091
State of Louisiana - Grants	550,592	5,279	555,871
State of Louisiana - Video poker	<u>57,708</u>	<u>-</u>	<u>57,708</u>
 Total primary government	 <u>\$ 1,539,391</u>	 <u>\$ 5,279</u>	 <u>\$ 1,544,670</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, 2015
Levy date	July 21, 2015
Due date	December 31, 2015
Lien date	January 1, 2015
Collection dates	December 1, 2015 to February 28, 2016

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, 2016, taxes of 16.84 mills were levied for general government and public purposes on property with assessed valuations totaling \$213,907,875. Total taxes levied were \$3,583,283. 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 \$2,620,056 from the top ten property owners during the year ended June 30, 2016. Tax collections from five of the ten taxpayers amounted to \$2,088,723.

NOTE 5 - CAPITAL ASSETS

A summary of changes in general capital assets for the year ended June 30, 2016, is as follows:

	Beginning			Ending	
	Balance	Increases	Decreases	Balance	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 442,324	\$ 201,700	\$ -	\$ 644,024	
Construction in progress	<u>3,468,862</u>	<u>3,499,883</u>	<u>(6,336,971)</u>	<u>631,774</u>	
Total capital assets, not being depreciated	<u>3,911,186</u>	<u>3,701,583</u>	<u>(6,336,971)</u>	<u>1,275,798</u>	
Capital assets being depreciated:					
Buildings and improvements	5,869,559	2,703,295	-	8,572,854	
Equipment and vehicles	4,344,666	477,939	-	4,822,605	
Infrastructure	<u>9,863,533</u>	<u>3,500,320</u>	<u>-</u>	<u>13,363,853</u>	
Total capital assets being depreciated	<u>20,077,758</u>	<u>6,681,554</u>	<u>-</u>	<u>26,759,312</u>	
Less accumulated depreciation for:					
Buildings and improvements	1,573,210	180,973	-	1,754,183	
Equipment and vehicles	3,491,708	329,994	-	3,821,702	
Infrastructure	<u>1,971,242</u>	<u>612,446</u>	<u>-</u>	<u>2,583,688</u>	
Total accumulated depreciation	<u>7,036,160</u>	<u>1,123,413</u>	<u>-</u>	<u>8,159,573</u>	
Total capital assets, being depreciated, net	<u>13,041,598</u>	<u>5,558,141</u>	<u>-</u>	<u>18,599,739</u>	
Governmental activities capital assets, net	<u>\$ 16,952,784</u>	<u>\$ 9,259,724</u>	<u>\$ (6,336,971)</u>	<u>\$ 19,875,537</u>	

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

Governmental activities

General government	\$ 604,489
Streets and sanitation	224,043
Recreation	162,731
Public safety	<u>132,150</u>

Total depreciation expense-governmental activities \$ 1,123,413

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business Activities:

Capital assets not being depreciated:

Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Construction in progress	<u>150,978</u>	<u>-</u>	<u>(150,978)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>210,978</u>	<u>-</u>	<u>(150,978)</u>	<u>60,000</u>

Capital assets being depreciated:

Sewer treatment plants	11,582,960	359,893	-	11,942,853
Sewer pump station	<u>189,961</u>	<u>211,720</u>	<u>-</u>	<u>401,681</u>
Total capital assets being depreciated	<u>11,772,921</u>	<u>571,613</u>	<u>-</u>	<u>12,344,534</u>

Less accumulated depreciation for:

Sewer treatment plants	3,180,085	329,106	-	3,509,191
Sewer pump station	<u>82,033</u>	<u>4,749</u>	<u>-</u>	<u>86,782</u>
Total accumulated depreciation	<u>3,262,118</u>	<u>333,855</u>	<u>-</u>	<u>3,595,973</u>

Total capital assets being depreciated, net	<u>8,510,803</u>	<u>237,758</u>	<u>-</u>	<u>8,748,561</u>
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Business-type activities capital assets, net	<u>\$ 8,721,781</u>	<u>\$ 237,758</u>	<u>\$ (150,978)</u>	<u>\$ 8,808,561</u>
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NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of debt transactions of the City for the year ended June 30, 2016:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>	<u>Due Within One Year</u>
Governmental activities:					
Net pension liability	\$ 3,452,156	\$ 1,066,020	\$ 441,111	\$ 4,077,065	\$ -
Capital projects					
Revenue Bond - 2012	8,095,000	-	260,000	7,835,000	265,000
Revenue Bond - 2015	8,065,000	-	175,000	7,890,000	185,000
Civic Center					
Revenue Bond	4,590,000	-	95,000	4,495,000	95,000
Bond discounts	<u>(507,469)</u>	<u>-</u>	<u>(22,383)</u>	<u>(485,086)</u>	<u>(22,383)</u>
Total	<u>\$23,694,687</u>	<u>\$ 1,066,020</u>	<u>\$ 948,728</u>	<u>\$ 23,811,979</u>	<u>\$ 522,617</u>
Business-type activities:					
Net pension obligation	\$ 175,221	\$ 116,989	\$ 25,197	\$ 267,013	\$ -
Revenue bonds	2,795,440	4,900,000	2,795,440	4,900,000	110,000
Bond premium	<u>-</u>	<u>54,948</u>	<u>916</u>	<u>54,032</u>	<u>-</u>
Total	<u>\$ 2,970,661</u>	<u>\$ 5,071,937</u>	<u>\$ 2,821,553</u>	<u>\$ 5,221,045</u>	<u>\$ 110,000</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2016, are comprised of the following:

Governmental Activities

\$8,830,000 Certificate of indebtedness - secured by a pledge of general revenues, principal due annually in August and interest due semiannually at 4.5%, maturing on May 1, 2037. \$1,100,000 is dedicated for road improvements and \$200,000 is dedicated for sewer improvements. \$ 7,835,000

\$8,065,000 Sales Tax Revenue Bonds consisting of \$3,165,000 in serial bonds bearing varying interest rates from 2.0% - 3.75% and maturing on May 1, 2030 and \$4,900,000 in term bonds bearing an interest rate of 4% and maturing on May 1, 2040. Combined annual installments of principal and interest vary from \$283,225 to \$1,008,000. 7,890,000

\$4,590,000 Sales Tax Revenue Bonds consisting of \$1,675,000 in serial bonds bearing varying interest rates from 2.0% - 3.75% and maturing on May 1, 2030 and \$2,915,000 in term bonds bearing an interest rate of 4% and maturing on May 1, 2046. Combined annual installments of principal and interest vary from \$85,000 to \$260,400. 4,495,000

Total long-term debt from governmental activities \$ 20,220,000

Business-Type Activities

\$4,900,000 Limited Tax Revenue Refunding Bonds consisting of \$1,790,000 in serial bonds bearing varying interest rates from 2.0% - 4.0% and maturing on March 1, 2030 and \$3,110,000 in term bonds bearing interest rates varying from 3.375% - 3.750%, maturing on March 1, 2015. Combined annual installments of principal and interest vary from \$110,000 to \$265,000. \$ 4,900,000

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at June 30, 2016, are as follows:

Governmental activities:

Year	2015A Sales Tax Revenue Bond		Capital Projects Revenue Bond		Civic Center Revenue Bond		Total Governmental Long-term debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2017	185,000	279,725	265,000	282,800	95,000	160,831	545,000
2018	185,000	276,025	270,000	276,175	100,000	158,931	555,000	711,131
2019	190,000	272,325	280,000	268,075	100,000	156,931	570,000	697,331
2020	190,000	268,525	290,000	259,675	105,000	154,931	585,000	683,131
2021	200,000	264,725	295,000	250,975	105,000	152,831	600,000	668,531
2022-2026	1,065,000	1,250,298	1,630,000	1,106,475	560,000	725,906	3,255,000	3,082,679
2027-2031	1,245,000	1,069,999	1,935,000	800,275	655,000	630,356	3,835,000	2,500,630
2032-2036	1,495,000	811,600	2,345,000	393,400	795,000	493,800	4,635,000	1,698,800
2037-2041	3,135,000	352,200	525,000	21,000	970,000	321,400	4,630,000	694,600
2042-2046	-	-	-	-	1,010,000	111,200	1,010,000	111,200
	<u>\$ 7,890,000</u>	<u>\$ 4,845,422</u>	<u>\$ 7,835,000</u>	<u>\$ 3,658,850</u>	<u>\$ 4,495,000</u>	<u>\$ 3,067,117</u>	<u>\$ 20,220,000</u>	<u>\$ 11,571,389</u>

Business-type activities:

Year	Sewer Revenue Bonds	
	Principal	Interest
	2017	110,000
2018	110,000	160,075
2019	115,000	157,875
2020	115,000	155,575
2021	120,000	153,275
2022-2026	635,000	728,375
2027-2031	745,000	620,425
2032-2036	890,000	475,743
2037-2041	1,060,000	307,293
2042-2046	1,000,000	95,625
	<u>\$ 4,900,000</u>	<u>\$ 3,032,312</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

Bond Restrictions

Sewer System Project Revenue Bonds

In accordance with the indentures governing Sewer System Project, Series 2016, 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, 2016, \$272,560 was held in this account.

Capital Projects Revenue Bonds

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

1. The Capital Projects Revenue Bonds Debt Service Reserve Fund is a cash account maintained by the trustee bank. This fund is restricted to payment of principal and interest in case of default. At June 30, 2016, \$549,800 was held in this account.
2. The Capital Projects Revenue Bonds Debt Service Fund requires monthly transfers of \$45,500. This fund is restricted to payment of principal and interest on an annual and semi-annual basis, respectively. At June 30, 2016, \$113,289 was held in this debt service account.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Civic Center Revenue Bonds

In accordance with the indentures governing Civic Center Revenue Bonds, Series 2016, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Civic Center Special Revenue fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Civic Center Revenue bonds require all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Civic Center Revenue Bond Reserve fund requires monthly transfers ranging from \$1,100 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. This fund is restricted to payment of principal and interest in case of default. At June 30, 2016, \$260,400 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 2016, the City collected \$5,323,299 in sales and use tax proceeds with \$530,000 used to fund current debt service until retirement through 2046. The debt was issued for the purpose of funding the construction of a community center. Excess sales tax revenues over debt service requirements are available for use as stipulated by the tax dedication and determined by the City. See Note 7.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Legal Debt Margin

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

Ad valorem taxes – assessed valuation	<u>\$ 213,907,875</u>
Debt limit: 10% of assessed valuation (for any one purpose)	<u>\$ 21,390,787</u>
Debt limit: 35% of assessed valuation (aggregate, all purposes)	<u>\$ 74,867,756</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, 2016, the amount of defeased debt outstanding but removed from the government-wide financial statements related to the 2012 Civic Center Revenue Bonds is \$4,221,986.

NOTE 8 - CURRENT YEAR REFUNDINGS

During the year ended June 30, 2016, the City issued refunding bonds of \$4,900,000 to refund its Sewer Phase I, II, III, and IV bonds. The proceeds were used to refund the remaining outstanding debt. As a result, the Sewer Phase I, II, II, and IV revenue bonds are refunded, and the City has removed the liability from its accounts. The amount of refunded debt relating to the Sewer Phase I, II, IV, and IV refundings totaled \$2,683,104.

The refunding decreased total future debt service payments by approximately \$248,509, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$200,323.

NOTE 9 - 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 \$2,138,334 were recognized during the year ended June 30, 2016.

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 \$1,869,361 from sales and use tax during the year ended June 30, 2016.

NOTE 9 - DEDICATED REVENUES (CONTINUED)

Parish-wide Sales Tax

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City recognized \$2,754,140 from parish-wide sales tax during the year ended June 30, 2016. 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 10 - 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, 2016. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

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

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. For the year ended June 30, 2015, there were 82 contributing municipalities in Plan A and 68 in Plan B. The City of St. Gabriel is a participant in Plan A only.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

The following is a description of the plan and its benefits and is provided for general information purposes only.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any member of Plan A who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with five (5) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.
5. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Any member of Plan B who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten(10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for requirement for Plan A and Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of creditable service.
2. Age 62 with ten (10) or more years of creditable service.
3. Age 55 with thirty (30) or more years of creditable service
4. Any age with twenty five (25) years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in services to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service.

However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes. Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits. Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service; in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

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. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

The following is a brief description of the plan and its benefits and is provided for general information purposes only.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less.

If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

Firefighters' Retirement System (FRS)

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan: After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account.

Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account of an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan: Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

Firefighters' Retirement System (FRS) (Continued)

Funding Policy

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).

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, 2016, 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	19.75%	9.50%
Members hired after 01/01/2013	19.75%	9.50%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	31.50%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.50%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.00%	7.50%
Firefighters' Retirement System		
Employees receiving compensation above poverty guidelines of US Department of Health	29.25%	10.00%
Employees receiving compensation below poverty guidelines of US Department of Health	31.25%	8.00%

NOTE 10 - PENSION AND RETIREMENT PLANS (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	2016	2015	2014
Municipal Employees' Retirement System (Plan A)	265,898	251,971	211,974
Municipal Police Employees' Retirement System	219,824	214,337	205,304
Firefighters' Retirement System	-	-	3,067
	<u>\$485,722</u>	<u>\$466,308</u>	<u>\$420,345</u>

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

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2015 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2016 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2015 along with the change compared to the June 30, 2014 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, 2016	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 2,670,187	74.75%	74.44%	0.31%
MPERS	1,673,891	21.37%	27.70%	-6.33%
FRS	-	0.00%	0.00%	0.00%
Total	<u>\$ 4,344,078</u>			

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

The following schedule list each pension plan's recognized pension expense of the City for the year ended June 30, 2016:

	Total
Municipal Employees' Retirement Fund	\$ 243,024
Municipal Police Employees' Retirement Fund	88,532
Firefighters' Retirement System	(32,705)
Total	\$ 298,851

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (141,161)
Changes of assumptions	369,117	(241)
Net difference between projected and actual earnings on pension plan investments	339,200	(31,789)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	234,788	(566,601)
Differences between allocated and actual contributions	25,620	(1,762)
Employer contributions subsequent to the measurement date	485,722	-
	\$ 1,454,447	\$ (741,554)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement Fund	\$ 834,284	\$ (132,535)
Municipal Police Employees' Retirement Fund	620,163	(432,352)
Firefighters' Retirement System	-	(176,667)
	\$ 1,454,447	\$ (741,554)

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

The City reported a total of \$485,722 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2015 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2016. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 265,898
Municipal Police Employees' Retirement Fund	219,824
Firefighters' Retirement System	-
	\$ 485,722

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
2016	\$ 140,288	\$ 33	\$ (35,334)	\$ 104,986
2017	253,817	33	(35,334)	218,515
2018	118,146	346,675	(35,334)	429,486
2019	189,499	(158,929)	(35,334)	(4,764)
2020	-	-	(35,331)	(35,331)
	\$ 701,749	\$ 187,811	\$ (176,667)	\$ 712,893

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2015 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2015	3 years	7%; net of investment expense
MPERS	June 30, 2015	4 years	7%; net of investment expense
FRS	June 30, 2015	7 years	7.50% per annum

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, 2014. 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.

(Continued)

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Salary Increases:

MERS

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

MPERS

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

FRS

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

Cost of Living Adjustments:

MERS

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

MPERS

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

FRS

Only those previously granted.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 8.30% for the year ended June 30, 2015.

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 8.28% for the year ended June 30, 2015.

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 8.24% as of June 30, 2015.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2015:

Asset Class	Target Allocation			Long - Term Expected Real Rate of Return		
	MERS	MPERS	FRS	MERS	MPERS	FRS
Public Equity	50%	-	0%	2.95%	-	-
Equity	-	52%	51%	-	3.47%	6.50%
Public Fixed Income	15%	-	-	0.89%	-	-
Fixed Income	-	20%	24%	-	0.46%	1.84%
Alternatives	35%	23%	15%	2.06%	1.15%	6.96%
Other	-	5%	10%	0.00%	0.20%	4.36%
Total	100%	100%	100%	5.90%	5.28%	5.24%
Inflation				2.40%	3.00%	3.00%
Expected Arithmetic Nominal Return				8.30%	8.28%	8.24%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS and FRS was 7.5%, 7.50% and 7.50%, respectively for the year ended June 30, 2015.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Discount Rates	6.5%	7.5%	8.5%
Shares of Net Pension Liability	\$ 3,494,461	\$ 2,670,187	\$ 1,967,894
MPERS			
Discount Rates	6.5%	7.5%	8.5%
Shares of Net Pension Liability	\$ 2,327,370	\$ 1,673,897	\$ 1,126,297
FRS			
Discount Rates	6.5%	7.5%	8.5%
Shares of Net Pension Liability	\$ -	\$ -	\$ -

NOTE 10 - INTERFUND TRANSACTIONS

Interfund Transfers

Transfers for the year ended June 30, 2016, were as follows:

	Transfer	
	In	Out
Governmental Activities:		
General Fund		
Sewer Fund	\$ -	\$ 750,000
Civic Center Operating Fund	-	575,000
Code Enforcement Grant Fund	-	100,000
Capital Projects Fund	-	3,200,000
Debt Service Fund	-	1,047,000
Total General Fund	-	5,672,000
Debt Service Fund		
General Fund	1,047,000	-
Civic Center Operating Fund		
General Fund	575,000	-
Capital Projects Fund		
General Fund	3,200,000	-
Code Enforcement Grant Fund		
General Fund	100,000	-
Total governmental activities	<u>4,922,000</u>	<u>5,672,000</u>
Business-type activities:		
Sewer Fund		
General Fund	750,000	-
Total primary government	<u>\$ 5,672,000</u>	<u>\$ 5,672,000</u>

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

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	\$ 18,609
Freddie C. Frazier, Sr.	18,609
Melvin Hasten, Sr.	18,609
Kelvin York, Sr.	18,609
Ronald Grace	<u>18,609</u>
Total	<u>\$ 93,045</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.

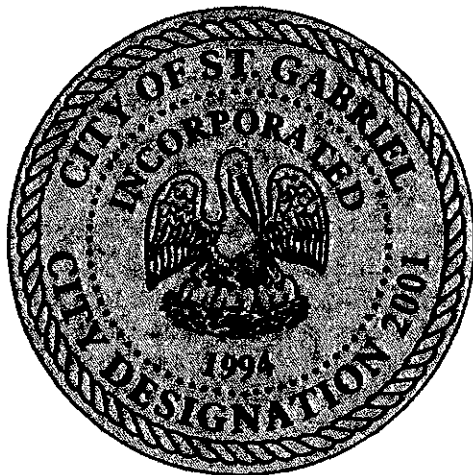
NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Cash and Cash Equivalents

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

Construction Contracts

At June 30, 2016, the City had outstanding commitments resulting from the construction contracts in progress of \$5,316,768.



REQUIRED SUPPLEMENTARY INFORMATION





CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

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

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales	\$ 4,450,000	\$ 4,250,000	\$ 4,623,502	\$ 373,502
Ad valorem	3,590,000	3,560,000	3,598,229	38,229
Video poker	275,000	275,000	222,761	(52,239)
Franchise and other	47,800	42,000	47,622	5,622
Intergovernmental	5,000	24,800	134,645	109,845
Licenses and permits	251,400	254,000	213,833	(40,167)
Fines	500,000	685,000	739,465	54,465
Other	<u>95,415</u>	<u>66,600</u>	<u>58,306</u>	<u>(8,294)</u>
Total revenues	<u>9,214,615</u>	<u>9,157,400</u>	<u>9,638,363</u>	<u>480,963</u>
EXPENDITURES				
Current function:				
General government	2,242,360	2,577,630	2,299,193	278,437
Public safety	1,962,421	2,074,900	1,886,709	188,191
Streets and sanitation	1,507,680	1,533,600	1,294,221	239,379
Social and recreational services	163,400	164,800	155,244	9,556
Debt service	155,000	155,000	88,396	66,604
Capital outlay	<u>190,000</u>	<u>215,000</u>	<u>509,031</u>	<u>(294,031)</u>
Total expenditures	<u>6,220,861</u>	<u>6,720,930</u>	<u>6,232,794</u>	<u>488,136</u>
Excess of revenues over expenditures	<u>2,993,754</u>	<u>2,436,470</u>	<u>3,405,569</u>	<u>969,099</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Civic Center Operating Fund	(575,000)	(575,000)	(575,000)	-
Debt Service Fund	(1,047,000)	(1,047,000)	(1,047,000)	-
Capital Projects Fund	(3,200,000)	(3,200,000)	(3,200,000)	-
Code Enforcement Grant Fund	(215,000)	(100,000)	(100,000)	-
Sewer Fund	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Total other financing uses	<u>(5,787,000)</u>	<u>(5,672,000)</u>	<u>(5,672,000)</u>	<u>-</u>
Net change in fund balance	(2,793,246)	(3,235,530)	(2,266,431)	<u>\$ 969,099</u>
FUND BALANCE				
Beginning of year	<u>7,826,713</u>	<u>7,826,713</u>	<u>7,826,713</u>	
End of year	<u>\$ 5,033,467</u>	<u>\$ 4,591,183</u>	<u>\$ 5,560,282</u>	

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

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

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

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes	\$ 275,000	\$ 275,000	\$ 222,761	\$ (52,239)
Intergovernmental	4,400	11,900	5,140	(6,760)
Other - user fees	<u>57,400</u>	<u>38,500</u>	<u>48,586</u>	<u>10,086</u>
Total revenues	<u>336,800</u>	<u>325,400</u>	<u>276,487</u>	<u>(48,913)</u>
EXPENDITURES				
Current function:				
General government	-	1,000	738	262
Social and recreational services	620,500	588,500	501,416	87,084
Debt service	257,731	257,800	257,731	69
Capital outlay	<u>-</u>	<u>-</u>	<u>82,258</u>	<u>(82,258)</u>
Total expenditures	<u>878,231</u>	<u>847,300</u>	<u>842,143</u>	<u>5,157</u>
Deficiency of revenues over expenditures	(541,431)	(521,900)	(565,656)	(43,756)
OTHER FINANCING SOURCES				
Transfers in				
General Fund	<u>575,000</u>	<u>575,000</u>	<u>575,000</u>	<u>-</u>
Net change in fund balance	33,569	53,100	9,344	<u>(43,756)</u>
FUND BALANCE				
Beginning of year	<u>1,125,302</u>	<u>1,125,302</u>	<u>1,125,302</u>	
End of year	<u>\$ 1,158,871</u>	<u>\$ 1,178,402</u>	<u>\$ 1,134,646</u>	

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

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

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

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Licenses and permits	\$ 75,000	\$ 65,000	\$ 63,835	\$ (1,165)
EXPENDITURES				
Current function:				
General government	282,550	151,400	93,803	57,597
Deficiency of revenues over expenditures	(207,550)	(86,400)	(29,968)	56,432
OTHER FINANCING SOURCES				
Transfers in				
General fund	215,000	100,000	100,000	-
Net change in fund balance	7,450	13,600	70,032	<u>\$ 56,432</u>
FUND BALANCE				
Beginning of year	681,198	681,198	681,198	
End of year	<u>\$ 688,648</u>	<u>\$ 694,798</u>	<u>\$ 751,230</u>	

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

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2016

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

All of the City's budgets are prepared on the accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2016.

(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:			
Capital outlay	\$ 215,000	\$ 509,031	\$ (294,031)
Capital Project Fund:			
General government	-	560	(560)
Social and recreational services	-	1,356	(1,356)
Streets and sanitation	-	101,422	(101,422)
Economic development	-	1,050,000	(1,050,000)

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		
	<u>MERS (Plan A)</u>	<u>MPERS</u>	<u>FRSL</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.7475%	0.2136%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,670,181	\$ 1,673,897	\$ -
Employer's Covered-Employee Payroll	\$ 1,346,278	\$ 732,804	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	198.3%	228.4%	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		
	<u>MERS (Plan A)</u>	<u>MPERS</u>	<u>FRSL</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.7444%	0.2770%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,910,392	\$ 1,732,803	\$ -
Employer's Covered-Employee Payroll	\$ 1,130,528	\$ 662,271	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	168.98%	261.65%	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.99%	75.10%	76.02%

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

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

The three Retirement Systems reported in this schedule are as follows:
MERS (Plan A) = Municipal Employees' Retirement System
MPERS = Municipal Police Employees' Retirement System
FRSL = Firefighters Retirement System of Louisiana

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

	2016		
	MERS (Plan A)	MPERS	FRSL
Contractually Required Contribution	\$ 254,614	\$ 180,040	\$ -
Contributions in Relation to Contractually Required Contribution	265,898	219,824	-
Contribution Deficiency (Excess)	\$ (11,284)	\$ (39,784)	\$ -
Employer's Covered Employee Payroll	1,346,278	732,804	-
Contributions as a % of Covered Employee Payroll	19%	25%	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 Employee Payroll	1,275,803	678,355	-
Contributions as a % of Covered Employee Payroll	20%	32%	0%

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

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

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

FRSL = Firefighters Retirement System of Louisiana

CITY OF ST. GABRIEL, LOUISIANA

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

For the year ended June 30, 2016

NOTE 1 – NET PENSION LIABILITY

Changes of Benefit Terms

Municipal Employees' Retirement System

No Changes.

Municipal Police Employees' Retirement System

No Changes.

Louisiana Firefighters' Retirement System

No Changes.

Changes of Assumptions

Municipal Employees' Retirement System

No Changes.

Municipal Police Employees' Retirement System

No Changes.

Louisiana Firefighters' Retirement System

No Changes.

SUPPLEMENTARY INFORMATION:
INDIVIDUAL FUND STATEMENTS





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

SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales	\$ 4,450,000	\$ 4,250,000	\$ 4,623,502	\$ 373,502
Ad valorem	3,590,000	3,560,000	3,598,229	38,229
Video poker	275,000	275,000	222,761	(52,239)
Franchise				
Telephone	25,800	20,000	23,544	3,544
Cable TV	22,000	22,000	24,078	2,078
Intergovernmental:				
Federal grants	-	-	26,551	26,551
Local grants	5,000	24,800	108,094	83,294
Licenses and permits	251,400	254,000	213,833	(40,167)
Fines	500,000	685,000	739,465	54,465
Other:				
Interest	215	6,000	7,470	1,470
Miscellaneous	95,200	60,600	50,836	(9,764)
Total revenues	<u>\$ 9,214,615</u>	<u>\$ 9,157,400</u>	<u>\$ 9,638,363</u>	<u>\$ 480,963</u>

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

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

For the year ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance - positive (negative)
GENERAL GOVERNMENT				
Salaries	\$ 548,010	\$ 563,400	\$ 569,936	\$ (6,536)
Payroll taxes	22,550	24,230	18,684	5,546
Municipal retirement	80,000	88,900	86,975	1,925
Travel	40,000	40,000	50,717	(10,717)
Dues and subscriptions	7,500	7,500	8,118	(618)
Legal and professional	450,000	599,300	576,250	23,050
Contract labor	25,000	25,000	23,290	1,710
Insurance	541,300	541,300	440,684	100,616
Building maintenance	-	500	1,905	(1,405)
Vehicle fuel	20,000	20,000	10,241	9,759
Office supplies	67,000	70,400	42,541	27,859
Vehicle maintenance	-	25,500	19,695	5,805
Telephone	45,000	45,000	44,968	32
Utilities	60,000	60,000	59,823	177
Council projects	140,000	141,500	131,870	9,630
Other	196,000	325,100	213,496	111,604
	<u>2,242,360</u>	<u>2,577,630</u>	<u>2,299,193</u>	<u>278,437</u>
STREETS AND SANITATION				
Salaries	750,000	750,000	646,650	103,350
Payroll taxes	24,000	24,000	17,828	6,172
Municipal retirement	112,000	112,000	111,701	299
Insurance	166,680	166,700	111,122	55,578
Contract labor	15,000	48,300	38,889	9,411
Equipment maintenance	65,000	68,600	58,079	10,521
Street and building maintenance	80,000	65,000	29,468	35,532
Utilities	7,500	7,500	8,341	(841)
Vehicle fuel	35,000	30,000	24,539	5,461
Supplies	151,000	181,000	187,466	(6,466)
Training	2,000	2,000	1,005	995
Other	99,500	78,500	59,133	19,367
	<u>1,507,680</u>	<u>1,533,600</u>	<u>1,294,221</u>	<u>239,379</u>

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

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

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
PUBLIC SAFETY				
Police:				
Salaries	\$ 1,131,421	\$ 1,132,000	\$ 994,028	\$ 137,972
Payroll taxes	35,000	35,000	35,892	(892)
Police retirement	285,500	285,500	225,274	60,226
Insurance	166,000	166,000	178,200	(12,200)
Travel	14,000	14,000	6,698	7,302
Uniforms	12,500	12,500	11,643	857
Training	4,000	4,000	3,335	665
Office supplies	20,000	20,000	24,894	(4,894)
Telephone	15,000	15,000	19,677	(4,677)
Vehicle fuel	60,000	70,000	60,893	9,107
Vehicle maintenance	40,000	90,000	116,473	(26,473)
Equipment maintenance	31,000	23,500	18,031	5,469
Field supplies	5,000	5,000	5,152	(152)
Printing	2,000	2,000	-	2,000
Rent and utilities	40,000	56,000	54,038	1,962
Other	101,000	144,400	132,481	11,919
	<u>1,962,421</u>	<u>2,074,900</u>	<u>1,886,709</u>	<u>188,191</u>
Total public safety				
SOCIAL AND RECREATIONAL SERVICES				
Salaries	\$ 90,000	\$ 103,500	\$ 107,654	\$ (4,154)
Payroll taxes	7,000	7,000	7,780	(780)
Municipal retirement	6,000	4,900	5,042	(142)
Insurance	12,500	8,400	6,649	1,751
Training	1,000	-	-	-
Vehicle fuel	4,000	2,200	1,695	505
Supplies	33,500	34,900	22,021	12,879
Contract labor	1,000	400	200	200
Other	8,400	3,500	4,203	(703)
	<u>163,400</u>	<u>164,800</u>	<u>155,244</u>	<u>9,556</u>
Total social and recreational services				
DEBT SERVICE	<u>155,000</u>	<u>155,000</u>	<u>88,396</u>	<u>66,604</u>
CAPITAL OUTLAY	<u>190,000</u>	<u>215,000</u>	<u>509,031</u>	<u>(294,031)</u>
Total expenditures	<u>\$ 6,220,861</u>	<u>\$ 6,720,930</u>	<u>\$ 6,232,794</u>	<u>\$ 488,136</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Intergovernmental	\$ 7,875,000	\$ 7,875,000	\$ 255,264	\$ (7,619,736)
Other - interest income	900	900	49,541	48,641
Total revenues	<u>7,875,900</u>	<u>7,875,900</u>	<u>304,805</u>	<u>(7,571,095)</u>
EXPENDITURES				
Current function:				
General government	-	-	560	(560)
Social and recreational services	-	-	1,356	(1,356)
Streets and sanitation	-	-	49,116	(49,116)
Economic development	-	-	1,050,000	(1,050,000)
Capital outlay	<u>20,527,163</u>	<u>10,562,700</u>	<u>3,454,877</u>	<u>7,107,823</u>
Total expenditures	<u>20,527,163</u>	<u>10,562,700</u>	<u>4,555,909</u>	<u>6,006,791</u>
Deficiency of revenues and other financing sources over expenditures	<u>(12,651,263)</u>	<u>(2,686,800)</u>	<u>(4,251,104)</u>	<u>(13,577,886)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,200,000</u>	<u>3,200,000</u>	<u>3,200,000</u>	<u>-</u>
Net change in fund balance	(9,451,263)	513,200	(1,051,104)	<u>(13,577,886)</u>
FUND BALANCE				
Beginning of year	<u>5,076,536</u>	<u>5,076,536</u>	<u>5,076,536</u>	
End of year	<u>\$ (4,374,727)</u>	<u>\$ 5,589,736</u>	<u>\$ 4,025,432</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, 2016

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Other - interest income	\$ 90	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service	1,043,075	1,008,000	1,007,510	490
Deficiency of revenues over expenditures	(1,042,985)	(1,008,000)	(1,007,510)	490
OTHER FINANCING SOURCES (USES)				
Transfers in: General Fund	1,047,000	1,047,000	1,047,000	-
Net change in fund balance	4,015	39,000	39,490	<u>\$ 490</u>
FUND BALANCE				
Beginning of year	1,737,539	1,737,539	1,737,539	
End of year	<u>\$ 1,741,554</u>	<u>\$ 1,776,539</u>	<u>\$ 1,777,029</u>	

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

For the year ended June 30, 2016

Agency Head: Lionel Johnson, Jr. Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 90,000
Benefits - insurance	11,871
Benefits - retirement	17,775
Clothing allowance	2,500
Reimbursements	700
Travel	2,239
	<u>\$ 125,085</u>

STATISTICAL SECTION





CITY OF ST. GABRIEL, LOUISIANA

STATISTICAL SECTION

June 30, 2016

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									
	2016	2015	2014 (1)	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 4,059	\$ 3,052	\$ 5,137	\$ 2,241	\$ 2,850	\$ 2,332	\$ 2,465	\$ 2,365	\$ 2,452	\$ 2,147
Restricted	4,148	4,958	3,360	2,583	2,469	1,699	402	315	140	90
Unrestricted	1,738	1,544	(2,583)	3,228	705	820	2,480	2,227	1,236	1,438
Total governmental activities net position	9,945	9,554	5,914	8,052	6,024	4,851	5,347	4,907	3,828	3,675
Business-type activities										
Net investment in capital assets	3,855	5,926	5,741	5,844	6,024	5,187	5,355	5,561	5,744	5,879
Restricted	2,209	207	189	153	153	142	144	63	31	31
Unrestricted	39	14	30	56	(261)	(198)	(361)	(204)	(339)	(372)
Total business-type activities net position	6,103	6,147	5,960	6,053	5,916	5,131	5,138	5,420	5,436	5,538
Primary government										
Net investment in capital assets	7,914	8,978	10,878	8,085	8,874	7,519	7,820	7,926	8,196	8,026
Restricted	6,357	5,165	3,549	2,736	2,622	1,841	546	378	171	121
Unrestricted	1,777	1,558	(2,553)	3,284	444	622	2,119	2,023	897	1,066
Total primary government activities net position	\$ 16,048	\$ 15,701	\$ 11,874	\$ 14,105	\$ 11,940	\$ 9,982	\$ 10,485	\$ 10,327	\$ 9,264	\$ 9,213

(1) Net assets restated due to implementation of GASB 68. See Independent Auditors Report.

CITY OF ST. GABRIEL, LOUISIANA

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

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
General government	\$ 1,304	\$ 2,753	\$ 2,771	\$ 2,467	\$ 2,213	\$ 2,570	\$ 1,815	\$ 1,892	\$ 1,889	\$ 1,139
Public safety	3,361	1,864	1,709	1,841	1,835	1,933	1,681	1,513	1,257	1,026
Streets and sanitation	1,806	1,889	1,407	1,330	1,358	1,717	2,098	1,265	1,291	1,046
Culture and recreation	841	899	723	642	655	783	890	712	855	1,105
Economic development	1,070	1,281	872	-	250	-	-	-	-	-
Interest on long-term debt	759	482	497	511	243	203	144	180	220	299
Total governmental activities	9,141	9,168	7,979	6,791	6,554	7,206	6,628	5,562	5,512	4,615
Business-type activities										
Waste water treatment facilities	1,337	849	920	891	906	922	1,071	802	976	973
Total primary government expenses	10,478	10,017	8,899	7,682	7,460	8,128	7,699	6,364	6,488	5,588
Program Revenues										
Governmental activities										
Charges for services:										
General government	299	392	540	462	413	361	371	254	350	467
Public safety	739	522	684	596	418	485	580	624	610	117
Streets and sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	76	65	55	56	18	13	17	11	13	17
Operating grants and contributions	-	-	-	-	96	73	314	26	463	310
Capital grants and contributions	180	507	1,304	1,125	450	90	-	-	-	7
Total governmental activities program revenues	1,294	1,486	2,583	2,239	1,395	1,022	1,282	915	1,436	918
Business-type activities										
Charges for Services										
Waste water treatment facilities	274	195	154	128	126	115	128	126	117	131
Capital grants and contributions	207	17	88	-	850	-	-	-	28	81
Total business-type activities program revenues	481	212	242	128	976	115	128	126	145	212
Total primary government total revenues	1,775	1,698	2,825	2,367	2,371	1,137	1,410	1,041	1,581	1,130

CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (expense)/revenue:										
Governmental activities	(7,846)	\$ (7,682)	\$ (5,396)	\$ (4,552)	\$ (5,159)	\$ (6,184)	\$ (5,346)	\$ (4,647)	\$ (4,076)	\$ (3,697)
Business-type activities	(856)	(637)	(678)	(763)	70	(807)	(943)	(676)	(831)	(761)
Total primary government net revenue (expense)	(8,702)	(8,319)	(6,074)	(5,315)	(5,089)	(6,991)	(6,289)	(5,323)	(4,907)	(4,458)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property	3,597	3,528	4,048	3,045	2,708	2,500	2,388	2,357	2,359	2,058
Sales	4,624	8,083	3,169	3,939	3,704	2,871	2,851	2,480	1,676	1,730
Video poker	446	432	474	533	584	560	593	577	625	640
Franchise and other	48	41	39	39	40	48	40	44	54	45
Unrestricted grants and contributions	215	6	25	72	12	198	223	920	205	172
Investment earnings	7	3	3	2	1	2	1	4	26	49
Donation	-	-	-	-	-	-	350	-	-	-
Proceeds from insurance	-	-	-	5	15	310	-	-	-	-
Gain on sale of capital assets	49	53	34	10	29	-	-	-	100	-
Transfers to other funds	(750)	(825)	(800)	(900)	(715)	(800)	(660)	(660)	(725)	(775)
Total governmental activities general revenues	8,236	11,321	6,992	6,745	6,378	5,689	5,786	5,722	4,320	3,919
Business-type activities										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	4	5
Investment earnings	-	-	-	-	-	-	-	-	1	1
Recovery of bad debt	63									
Transfers from other funds	750	825	800	900	715	800	660	660	725	775
Total business-type activities general revenues	813	825	800	900	715	800	660	660	730	781
Total primary government general revenues	9,049	12,146	7,792	7,645	7,093	6,489	6,446	6,382	5,050	4,700
Change in Net Position										
Governmental activities	390	3,639	1,596	2,193	1,219	(495)	440	1,075	244	222
Business-type activities	(43)	188	122	137	785	(7)	(283)	(16)	(101)	20
Total change in net position	347	3,827	1,718	2,330	2,004	(502)	157	1,059	143	242

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

(accrual basis of accounting)
(in thousands)

Fiscal Year	Sales Taxes	Property Taxes	Video poker Taxes	Franchise and other Taxes	Total
2016	\$ 4,624	\$ 3,598	\$ 446	\$ 48	\$ 8,716
2015	8,083	3,528	433	41	12,085
2014	4,048	3,169	474	40	7,731
2013	3,939	3,045	533	39	7,556
2012	3,704	2,708	585	40	7,037
2011	2,872	2,500	560	48	5,980
2010	2,851	2,388	593	40	5,872
2009	2,480	2,356	577	44	5,457
2008	1,676	2,358	625	54	4,713
2007	1,730	2,059	640	45	4,474

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
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	7,901	7,305
2012	109	1,618	789	2,516	170	8,777	8,947
2011	85	1,552	588	2,225	172	134	306

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS			
	Reserved	Unreserved	Total	Reserved Debt Service Fund	Unreserved Special Revenue Funds	Unreserved Capital Project Funds	Total All Other Governmental Funds
2010	\$ -	\$ 40	\$ 40	\$ -	\$ 2,813	\$ 41	\$ 2,854
2009	-	129	129	137	2,243	41	2,421
2008	-	90	90	139	1,172	-	1,311
2007	-	47	47	14	971	68	1,053

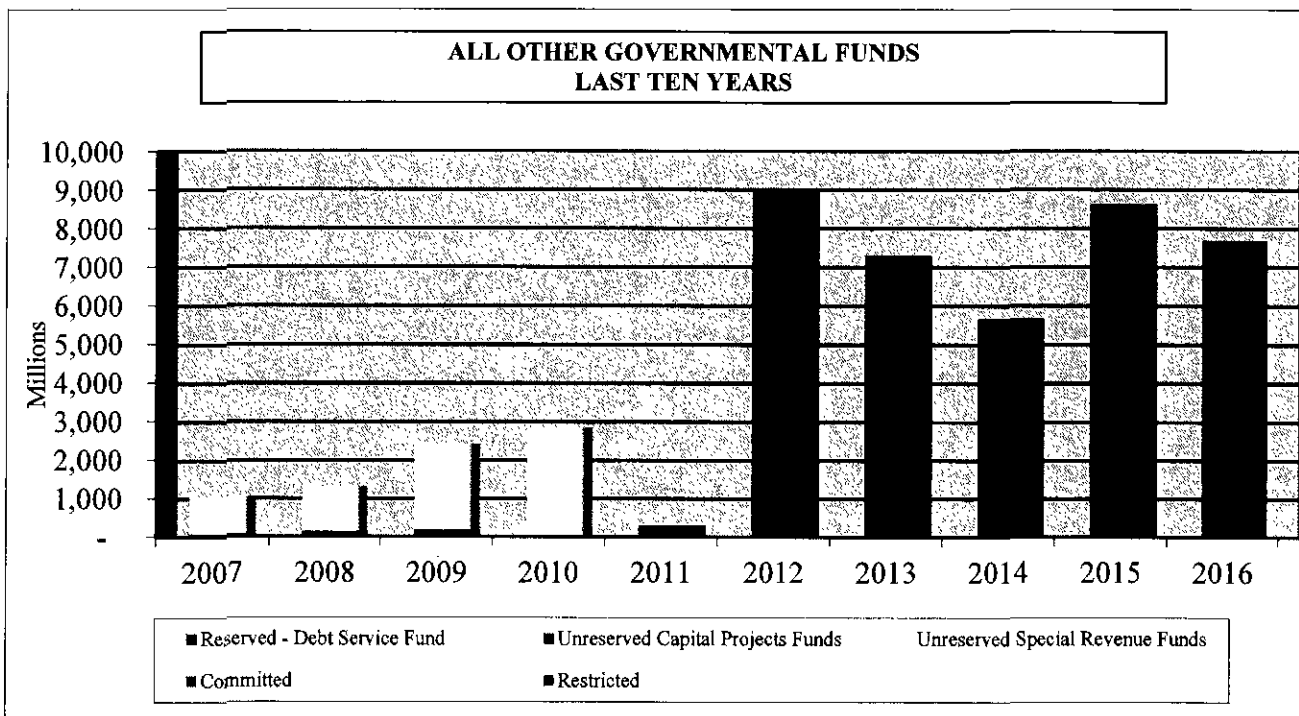
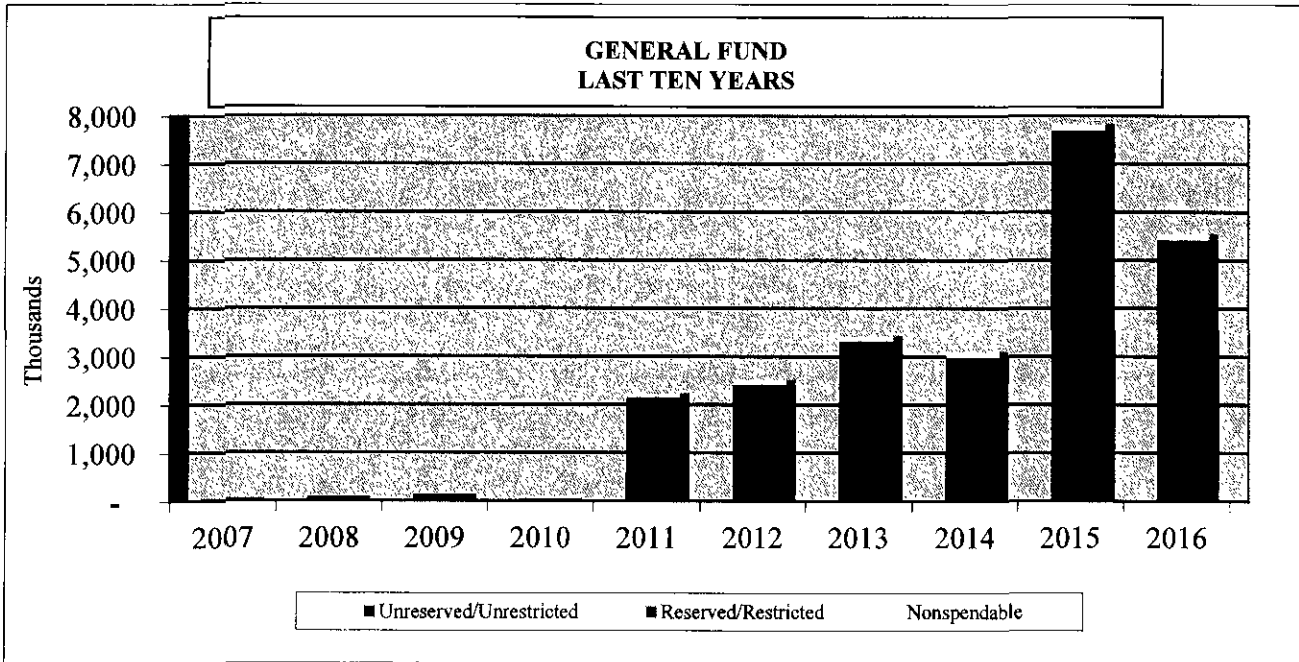
All fund balances in Debt Service Funds are reserved to pay future debt service.

NOTE:

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

CITY OF ST. GABRIEL
FUND BALANCE BY GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)



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

(modified accrual basis of accounting)
(in thousands)

	FISCAL YEAR			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
REVENUES				
Taxes	8,715	\$ 11,652	\$ 7,217	\$ 7,023
Intergovernmental	395	940	1,840	1,729
Licenses and permits	278	392	449	406
Fines	739	522	681	596
Other	156.43	73	155	125
Total revenues	<u>10,283</u>	<u>13,579</u>	<u>10,342</u>	<u>9,879</u>
EXPENDITURES				
Current function:				
General government	2,394	2,518	2,144	2,102
Public safety	1,887	1,731	1,622	1,747
Streets and sanitation	1,343	1,295	1,485	1,163
Culture and recreation	658	701	641	640
Economic development	1,050	1,194	713	-
Debt service:				
Principal retirement	530	400	325	310
Bond issuance cost	88	396	-	-
Interest	735	496	499	504
Capital outlay	4,047	4,534	4,157	3,360
Total expenditures	<u>12,732</u>	<u>13,265</u>	<u>11,586</u>	<u>9,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,449)</u>	<u>314</u>	<u>(1,244)</u>	<u>53</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,922	1,954	3,303	1,334
Proceeds from sale of capital assets	-	53	34	-
Proceeds from issuance of debt	-	12,655	-	-
Proceeds from insurance recoveries	-	3	3	5
Bond discount	-	(137)	-	-
Donation	-	-	-	-
Payment to refund debt escrow agent	-	(4,338)	-	-
Transfers out	(5,672)	(2,779)	(4,103)	(2,233)
Total other financing sources and uses	<u>(750)</u>	<u>7,411</u>	<u>(4,066)</u>	<u>(2,228)</u>
Net change in fund balances	<u>\$ (3,199)</u>	<u>\$ 7,725</u>	<u>\$ (5,310)</u>	<u>\$ (2,067)</u>
Debt service as a percentage of noncapital expenditures	<u>14.6%</u>	<u>10.3%</u>	<u>11.1%</u>	<u>12.6%</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 6,453	\$ 5,413	\$ 5,279	\$ 4,880	\$ 4,088	\$ 3,834
1,130	655	1,067	1,411	1,262	1,300
327	265	287	180	208	169
418	485	580	624	610	117
160	385	166	205	212	189
<u>8,488</u>	<u>7,203</u>	<u>7,379</u>	<u>7,300</u>	<u>6,380</u>	<u>5,609</u>
1,978	2,309	1,983	1,757	1,957	1,423
1,717	1,842	1,657	1,555	1,380	1,117
1,263	1,676	1,881	1,043	1,238	969
522	652	753	530	687	819
250	-	-	-	-	-
65	78	213	246	168	490
(165)	-	-	-	-	-
199	195	238	207	220	299
<u>1,049</u>	<u>474</u>	<u>-</u>	<u>153</u>	<u>6</u>	<u>-</u>
<u>6,878</u>	<u>7,226</u>	<u>6,725</u>	<u>5,491</u>	<u>5,656</u>	<u>5,117</u>
<u>1,610</u>	<u>(23)</u>	<u>654</u>	<u>1,809</u>	<u>724</u>	<u>492</u>
1,377	719	2,995	2,411	2,311	1,909
-	-	-	-	300	-
8,830	151	-	-	-	65
15	310	-	-	-	-
(432)	-	-	-	-	-
-	-	350	-	-	-
-	-	-	-	-	-
<u>(2,092)</u>	<u>(1,519)</u>	<u>(3,655)</u>	<u>(3,071)</u>	<u>(3,036)</u>	<u>(2,684)</u>
<u>6,321</u>	<u>(1,058)</u>	<u>(3,305)</u>	<u>(3,071)</u>	<u>(2,736)</u>	<u>(2,619)</u>
<u>\$ 7,931</u>	<u>\$ (1,081)</u>	<u>\$ (2,651)</u>	<u>\$ (1,262)</u>	<u>\$ (2,012)</u>	<u>\$ (2,127)</u>
<u>4.5%</u>	<u>4.0%</u>	<u>6.7%</u>	<u>8.5%</u>	<u>6.9%</u>	<u>15.4%</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
2016	\$ 4,624	\$ 3,598	\$ 446	\$ 48	\$ 8,716
2015	8,083	3,528	433	41	12,085
2014	4,048	3,169	474	40	7,731
2013	3,939	3,045	533	39	7,556
2012	3,704	2,708	585	40	7,037
2011	2,872	2,500	560	48	5,980
2010	2,851	2,388	593	40	5,872
2009	2,480	2,356	577	44	5,457
2008	1,676	2,358	625	54	4,713
2007	1,730	2,059	640	45	4,474

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*
2016	23,938,145	128,320,034	61,649,697	213,907,875	16.84	\$ 213,907,875	100%
2015	23,415,498	125,518,396	60,303,686	209,237,580	16.84	209,237,580	100%
2014	21,068,799	112,938,951	54,260,055	188,267,805	16.84	188,267,805	100%
2013	20,271,444	108,664,744	52,206,568	181,142,755	16.84	181,142,755	100%
2012	17,662,310	94,678,525	45,487,070	157,827,905	16.84	157,827,905	100%
2011	17,330,640	91,579,460	39,893,520	148,803,620	16.84	148,803,620	100%
2010	17,032,126	93,676,690	38,695,794	149,404,610	15.88	149,404,610	100%
2009	16,895,260	92,958,025	38,314,350	148,167,635	15.88	148,167,635	100%
2008	12,086,572	88,689,660	37,402,420	138,178,652	16.84	138,178,652	100%
2007	10,920,522	78,886,150	35,344,300	125,150,972	16.84	125,150,972	100%

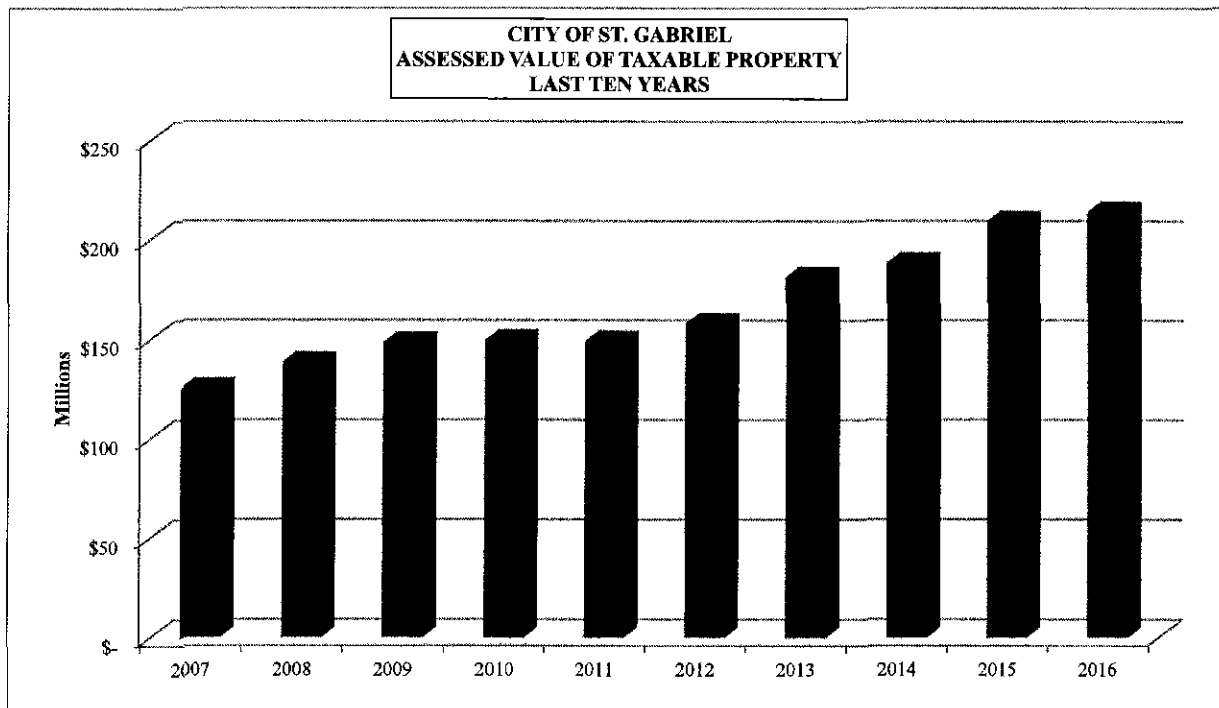
Source: City of St. Gabriel

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

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

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

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



CITY OF ST. GABRIEL, LOUISIANA
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS

Fiscal Year	City of St. Gabriel			Overlapping Rates				Total Direct and Overlapping Rates
	Operating	Public Improvements	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
2016	6.84	10.00	22.00	57.83	22.56	2.06	4.04	125.33
2015	6.84	10.00	22.00	57.83	22.56	2.06	3.47	124.76
2014	6.84	10.00	21.00	56.66	22.56	2.06	3.47	122.59
2013	6.84	10.00	22.00	56.66	22.56	2.06	3.47	123.59
2012	6.84	10.00	22.00	56.66	19.68	2.06	3.52	120.76
2011	6.84	10.00	22.00	56.66	21.18	2.06	3.67	122.41
2010	6.45	9.43	22.00	56.66	19.84	2.06	3.67	120.11
2009	6.45	9.43	22.00	56.66	19.84	2.06	3.67	120.11
2008	6.84	10.00	22.00	39.27	22.68	2.06	3.74	106.59
2007	6.84	10.00	22.00	39.27	22.68	2.06	3.74	106.59

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

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

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

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

Taxpayer	Type of Business	2016 (1)		Percentage of Total Assessed Valuation
		Assessed Valuation	Rank	
Entergy Gulf States	Energy	\$ 39,710,920	1	18.98%
Syngenta Crop Protection	Chemical	31,247,460	2	14.93%
CosMar Company	Chemical	25,132,570	3	12.01%
Carville Energy, LLC	Energy	17,999,670	4	8.60%
Mexichem Flour, Inc	Chemical	9,160,380	5	4.38%
Total Petrochemicals USA	Chemical	9,093,970	6	4.35%
Taminco, Inc	Chemical	6,955,840	7	3.32%
Marathon Petroleum	Oil/Gas	6,060,680	8	2.90%
Exxon Mobile Oil Corporation	Oil/Gas	4,287,140	9	2.05%
Pioneer Americas, LLC	Chemical	<u>4,164,580</u>	10	<u>1.99%</u>
Total		153,813,210		73.51%
Others		<u>55,424,370</u>		<u>26.42%</u>
		<u>\$ 209,237,580</u>		<u>100.00%</u>

(1) Data for 2007, or ten years ago, was not available.

NR: Not ranked

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

Source: City of St. Gabriel Finance Department

CITY OF ST. GABRIEL, LOUISIANA

**SALES TAX REVENUES
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

Fiscal Year	1% City Public	2% Public Infrastructure and Maintenance	Total
2016	\$ 1,869,362	\$ 2,753,399	\$4,622,761
2015	5,323,300	2,759,654	8,082,954
2014	1,620,760	2,427,677	4,048,437
2013	1,634,502	2,304,808	3,939,310
2012	1,521,233	2,183,040	3,704,273
2011	1,059,487	1,812,069	2,871,556
2010	1,027,086	1,824,387	2,851,473
2009	814,745	1,665,155	2,479,900
2008	510,362	1,165,513	1,675,875
2007	497,608	1,232,889	1,730,497
2006	481,121	216,302	697,423

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2016:

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

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

Source: Iberville Parish Sales Tax Department

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

(modified accrual basis of accounting)

Industry	FISCAL YEAR							
	2015	2014	2013	2012	2011	2010	2009	2008
Manufacturer of chemicals	\$ 533,317,289	\$ 303,071,627	\$ 538,882,468	\$ 398,210,177	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513
Industrial equipment sales	101,849,278	44,995,868	69,003,478	77,657,168	51,834,793	57,494,719	44,812,120	38,473,171
Grocery stores	41,348,422	20,631,183	38,401,257	37,586,350	37,089,615	37,314,861	36,151,634	33,179,640
Department stores & dry goods	38,817,913	18,893,416	36,620,897	37,594,616	37,965,471	37,657,428	39,397,302	35,155,751
Lumber, building materials stores	26,928,165	16,151,901	17,776,697	15,943,033	21,085,725	21,878,034	28,460,909	23,271,228
Miscellaneous - others	<u>342,596,431</u>	<u>182,206,513</u>	<u>331,731,806</u>	<u>298,440,711</u>	<u>238,549,832</u>	<u>137,580,139</u>	<u>148,775,859</u>	<u>149,200,394</u>
	<u>\$ 1,084,857,498</u>	<u>\$ 585,950,508</u>	<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>	<u>\$ 343,176,697</u>

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

(1) Data not available for 2016

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				
2016	\$ -	\$ 23,811	\$ -	\$ 4,900	\$ 28,711	2.36%	4.05
2015	-	20,243	-	2,795	23,038	1.92%	3.29
2014	-	12,326	102	2,846	15,274	1.33%	2.22
2013	-	12,628	107	2,896	15,631	1.41%	2.31
2012	-	12,914	-	2,944	15,858	1.49%	2.41
2011	-	4,581	-	2,990	7,571	0.69%	1.13
2010	-	4,501	8	3,041	7,550	0.73%	1.13
2009	183	4,556	61	3,126	7,926	0.77%	1.43
2008	357	4,628	109	3,177	8,271	0.96%	1.48
2007	773	4,679	173	3,250	8,875	1.24%	1.59
2006	675	4,737	263	3,315	8,990	1.26%	1.60

(1) City of St. Gabriel

(2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2011 and 2016 not available. 2016 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, 2016
(in thousands)

Jurisdiction	Debt Outstanding	(2) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City direct debt	\$ 20,243	100%	\$ 20,243
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 43,591	33%	\$ 14,565
Iberville Parish Government (4)	18,598	33%	6,214
Total other government agencies	\$ 62,189		\$ 20,779
Total direct and overlapping			\$ 41,022
2015 population estimate			6,993
Per capita			\$ 5.87

(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: 2015 Basic Financial Statements

(4) Source: 2015 Comprehensive Annual Financial Report

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

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

Source: City of St. Gabriel

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

CITY OF ST. GABRIEL, LOUISIANA

PLEGDED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(full accrual basis of accounting)

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

Year	(1)			Debt Service Requirements			Coverage
	Gross	Expenses	Available for				
	Revenue			Debt Service	Principal	Interest	
2016	\$ 1,869,361	\$ -	\$ 1,869,361	\$ 530,000	\$ 735,241	\$ 1,265,241	1.48
2015	5,323,299	153,106	5,170,193	299,065	491,953	791,018	6.54
2014	1,620,760	-	1,620,760	315,971	494,848	810,819	2.00
2013	1,634,502	-	1,634,502	307,938	505,655	813,593	2.01
2012	1,521,233	183,138	1,338,095	65,035	199,194	264,229	5.06
2011	1,059,487	-	1,059,487	70,699	202,445	273,144	3.88
2010	978,468	-	978,468	55,406	208,738	264,144	3.70
2009	814,745	-	814,745	53,039	211,105	264,144	3.08
2008	510,362	230	510,132	50,772	213,372	264,144	1.93
2007	497,608	-	497,608	48,603	215,541	264,144	1.88

SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2)			Debt Service Requirements			Coverage
	Gross	(3) Expenses	Available for				
	Revenue			Debt Service	Principal	Interest	
2016	\$ 1,012,631	\$ 815,725	\$ 196,906	\$ 110,000	\$ 178,052	288,052	0.68
2015	1,019,560	440,208	579,352	52,038	126,727	178,765	3.24
2014	954,543	498,650	455,893	49,442	126,332	175,774	2.59
2013	1,028,094	471,459	556,635	49,758	131,252	181,010	3.08
2012	975,842	494,989	480,853	45,492	132,376	177,868	2.70
2011	915,004	510,690	404,314	43,498	135,258	178,756	2.26
2010	788,437	655,286	133,151	73,842	135,392	209,234	0.64
2009	786,266	414,091	372,175	70,520	138,388	208,908	1.78
2008	846,364	571,902	274,462	72,277	136,018	208,295	1.32
2007	912,094	566,586	345,508	64,632	144,065	208,697	1.66

- (1) City of St. Gabriel 1% sales and use tax
 (2) Sewer revenues and transfers from other funds
 (3) Total expenses less payments toward debt service and depreciation

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

Year	(1) Iberville Parish Population	(1) City of St. Gabriel Population	(2) Personal Income (In Thousands)	(2) Per Capita Personal Income	(3) Unemployment Rate	(4) Labor Market Area Unemployment Rate
2016	\$ 33,095	7,095	\$ 1,216,693	\$ 36,764	7.2	6.4
2015	33,327	6,993	1,197,768	36,990	6.9	7.1
2014	33,367	6,869	1,146,189	36,443	7.8	8.0
2013	33,228	6,755	1,108,196	35,685	9.4	7.0
2012	33,230	6,570	1,064,675	35,364	10.7	8.7
2011	33,362	6,700	1,102,353	33,042	11.6	8.4
2010	33,505	6,677	1,035,320	31,851	10.4	8.5
2009	32,545	5,546	1,028,138	31,251	9.8	7.4
2008	32,467	5,583	940,666	28,579	7.8	4.8
2007	32,974	5,572	860,764	26,175	5.3	4.6

Source:

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

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

Employer	2016 (1)	
	Number of Employees	Percent of Total
The Dow Chemical Co.	2,200	37.09%
LA Dept. of Public Safety and Corrections	1,200	20.23%
Syngenta Crop Protection, Inc.	745	12.56%
Parish of Iberville (Police Protection)	315	5.31%
Axiall, LLC	300	5.06%
Maintenance Enterprise II, Inc.	300	5.06%
Crown Enterprises, Inc.	250	4.21%
LA Dept. of Military Affairs	250	4.21%
Louisiana State University System	205	3.46%
National Institutes of Health	167	2.82%
	5,932	100.00%

Source: Baton Rouge Area Chamber (BRAC.org)
(1) Data for 2016, or ten years ago, was not available.

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

	Full-time Equivalent Employees Allotted in Annual Budget									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government	16	15	13	7	12	12	13	12	12	11
Police Department	26	22	22	19	25	22	22	21	21	18
Fire Department	-	-	4	4	7	8	7	10	7	5
Street Maintenance	19	20	14	14	26	19	11	15	9	15
Building	6	6	3	3	6	3	3	4	6	1
Social Services	2	2	2	2	3	3	3	3	7	6
Sewer	2	3	2	4	4	7	7	9	9	9
Civic Center	6	6	5	3	4	6	8	8	5	8
Code Enforcement	1	1	3	4	4	7	4	4	2	-
Total employees	78	75	68	60	91	87	78	86	78	73

Source: City of St. Gabriel

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

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function:										
Public Safety:										
Police:										
Physical arrests	101	107	67	52	77	156	148	113	135	148
Traffic violations	5,073	3,232	4,327	4,458	2,253	4,144	3,867	4,160	4,067	780
Public Works:										
Building Permits:										
Residential (new)	35	25	57	61	161	50	34	17	26	78
Commercial	6	7	7	10	22	4	5	7	31	22
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	4	4	4	4	4
Sanitation:										
Wastewater:										
*Number of users:	-	-	-	-	-	-	751	690	688	348
Commercial	48	45	38	28	25	23	-	-	-	-
Residential	985	952	934	817	767	766	-	-	-	-
Monthly flat fee:										
Residential	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15
Commercial (1)	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300	\$85-\$300
Drainage:										
Miles of drainage ditches maintained	35	35	35	35	35	35	35	35	35	35
Culture-Recreation:										
Parks:										
Number of parks maintained	4	4	4	4	4	4	4	4	4	4

Source: City of St. Gabriel Government

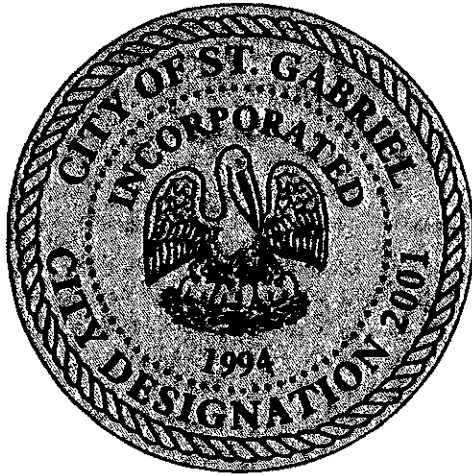
Permit information not available for 2006

*Individual residential and commercial user data unavailable for 2010-2006

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

Major Programs	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Number of general government buildings	3	3	3	3	3	3	3	3	3	3
Number of vehicles	18	12	13	13	13	12	12	11	11	5
Public Safety:										
Police:										
Number of vehicles	34	33	32	29	28	25	21	19	15	15
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	0	0	0	0	3	3	3	3	3	3
Number of vehicles	0	0	0	0	3	3	3	3	3	3
Streets and Sanitation:										
Number of vehicles	18	17	19	19	22	22	22	22	22	20
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	4	4	4	4	4	4	4	4	4	4
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of vehicles	3	3	3	3	10	8	8	8	8	8

Source: City of St. Gabriel



SPECIAL INDEPENDENT AUDITORS' REPORTS





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements, and have issued our report thereon dated December 30, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other matters

As part of obtaining reasonable assurance about whether the City of St. Gabriel, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2016-001.

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 responses. 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.

Deez, Deepuy + Ruiz

Gonzales, Louisiana
December 30, 2016

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type-of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

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

Noncompliance material to financial statements noted? X yes no

B. FINDINGS – FINANCIAL STATEMENT FINDINGS

NONE

C. NON COMPLIANCE WITH STATE LAWS AND REGULATIONS

2016-001 Budget Law

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

Context: Actual revenues and expenditures were compared to final budgeted amounts for all required funds. The City has two funds, General Fund and Civic Center Operating Fund, that are required by state law to be adopted and amended. The Civic Center Operating Fund had an unfavorable variance of 5.43% of the final budgeted amounts as if June 30, 2016.

Effect: The City is non-compliant with the Louisiana budget law.

Cause: The budget was not amended when actual revenues exceeded the budget by more than 5%.

Recommendation: The City should amend the budgets in accordance with the statute. Additionally, the budgets should be monitored on a continual basis.

Management's corrective action plan: Management will continue to monitor actual revenues throughout the year to ensure budget compliance in future fiscal years.

CITY OF ST. GABRIEL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2015-001 Delinquent Sewer Accounts

Observation: In July 2015, the City entered into an agreement with Iberville Parish Council (Council), which operates the water system located within the City and adopted a policy that would allow for disconnection of water services from Council under the terms of the agreement. The City then began correspondence with the users of the system, encouraging the users to resolve any delinquent balances. The City has experienced favorable results in regards to collection of delinquent balances. This matter has been resolved.

B. FINDINGS – COMPLIANCE

2015-002 Budget Law

Observation: Similar finding reported in current year.



SPECIAL ACKNOWLEDGEMENTS

**Leman Raphael
City Clerk**

**Tammy Barrie Stewart
Finance Director**

**Linda Gibson
Accountant**

**Janet Madison
Police Department Manager**

