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# **CITY OF GONZALES, LOUISIANA**

## **Financial Report**

**Year Ended May 31, 1999**

**CONRAD P. BOURQUE**

**Certified Public Accountant**

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

NOV 24 1999

Release Date.....

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mr. John A. Berthelot, Mayor  
And the Members of the City Council  
City of Gonzales, Louisiana

I have audited the accompanying general purpose financial statements of the City of Gonzales, Louisiana, as of and for the year then ended, May 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Gonzales, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Gonzales, Louisiana, as of May 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 26, 1999, on my consideration of the City of Gonzales, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

The year 2000 supplementary information on page 30 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the City of Gonzales is or will become year 2000 compliant, that the City of Gonzales's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Gonzales does business are or will become year 2000 compliant.

**My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Gonzales, Louisiana, taken as a whole. The accompanying financial information listed as supplemental schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements taken as a whole.**

**October 26, 1999**

**CITY OF GONZALES, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**

**May 31, 1999**

	<b>GOVERNMENT FUND TYPES</b>			<b>PROPRIETARY</b>
	<u>GENERAL</u>	<u>DEBIT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>FUND TYPE ENTERPRISE</u>
<b>ASSETS</b>				
Cash	\$ 1,958,143	\$ 521,792	\$ 1,311,217	\$ 768,114
Investments, at cost:				
Certificates of deposit	328,353	-	-	-
Other	4,482,700	921,779	2,873,143	1,526,844
Receivables:	-	-	-	181,944
Due from other funds	368,506	37,179	114,310	-
Due from other government agencies	19,799	-	123,862	-
Accrued interest	9,398	8,642	-	-
Restricted assets:				
Cash	-	-	-	121,568
Due from other funds	-	-	-	426,309
Construction in progress	-	-	-	6,102,542
Property, plant, and equipment, net of accumulated depreciation	-	-	-	21,087,355
Amount available in debt service fund	-	-	-	-
Amount to be provided for unpaid vacation	-	-	-	-
General fixed assets	-	-	-	-
 Total Assets	 <u>\$ 7,166,899</u>	 <u>\$ 1,489,392</u>	 <u>\$ 4,422,532</u>	 <u>\$ 30,214,676</u>

The accompanying notes are an integral part of this statement.

FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS	
	GENERAL	GENERAL	(MEMORANDUM ONLY)	
	FIXED ASSETS	LONG-TERM DEBT	1999	1998
\$ -	\$ -	\$ -	\$ 4,559,266	\$ 1,763,800
-	-	-	328,353	265,993
-	-	-	9,804,466	9,354,252
-	-	-	181,944	191,792
-	-	-	519,995	485,355
-	-	-	-	-
439,408	-	-	583,069	583,977
-	-	-	18,040	15,071
-	-	-	-	-
-	-	-	121,568	115,827
-	-	-	426,309	706,309
-	-	-	6,102,542	3,919,547
-	-	-	-	-
-	-	-	21,087,355	18,431,474
-	-	-	-	-
-	-	245,000	245,000	320,000
-	-	-	-	-
-	-	103,695	103,695	86,201
-	11,031,636	-	11,031,636	9,999,498
<u>\$ 439,408</u>	<u>\$ 11,031,636</u>	<u>\$ 348,695</u>	<u>\$ 55,113,238</u>	<u>\$ 46,239,096</u>

**CITY OF GONZALES, LOUISIANA**

**COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS**

**May 31, 1999**

(continued)

	<b>GOVERNMENT FUND TYPES</b>			<b>PROPRIETARY FUND TYPE</b>
	<u>GENERAL</u>	<u>DEBIT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 82,464	\$ -	\$ 42,025	\$ 25,881
Accrued expenses	97,026	-		42,950
Payable from restricted assets:				
Customer deposits	-	-	-	121,568
Due to other funds	-	426,309	9,932	70,655
General obligation				
Bonds payable	-	-	-	-
Series 1996 bonds payable	-	-	-	5,542,542
<b>Total Liabilities</b>	<u>179,490</u>	<u>426,309</u>	<u>51,957</u>	<u>5,803,596</u>
<b>FUND EQUITY AND OTHER CREDITS:</b>				
Contributed capital	-	-	-	19,422,962
Investment in general				
Fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	4,988,118
Fund balances:				
Reserved for debt service	-	1,063,083	-	-
Unreserved	6,987,409	-	4,370,575	-
<b>Total fund balances</b>	<u>6,987,409</u>	<u>1,063,083</u>	<u>4,370,575</u>	<u>4,988,118</u>
<b>Total Fund Equity And Other Credits</b>	<u>6,987,409</u>	<u>1,063,083</u>	<u>4,370,575</u>	<u>24,411,080</u>
<b>Total Liabilities, Fund Equity, And Other Credits</b>	<u><u>\$ 7,166,899</u></u>	<u><u>\$ 1,489,392</u></u>	<u><u>\$ 4,422,532</u></u>	<u><u>\$ 30,214,676</u></u>

FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS	
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
			1999	1998
\$ -	\$ -	\$ -	\$ 150,370	\$ 135,016
		103,695	243,671	169,020
-	-	-	121,568	115,827
439,408	-	-	946,304	1,191,663
-	-	245,000	245,000	320,000
-	-	-	5,542,542	3,919,547
<u>439,408</u>	<u>-</u>	<u>348,695</u>	<u>7,249,455</u>	<u>5,851,073</u>
			19,422,962	16,765,256
-	11,031,636		11,031,636	9,999,498
-	-	-	-	706,310
-	-	-	4,988,118	3,663,153
-	-	-	1,063,083	713,650
-	-	-	11,357,984	8,540,156
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,409,185</u>	<u>13,623,269</u>
-	11,031,636	-	47,863,783	40,388,023
<u>\$ 439,408</u>	<u>\$ 11,031,636</u>	<u># \$ 348,695</u>	<u>\$ 55,113,238</u>	<u>\$ 46,239,096</u>

**CITY OF GONZALES, LOUISIANA**

**COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED MAY 31, 1999**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>
<b>REVENUE:</b>		
Taxes	\$ 3,852,725	\$ 127,629
Franchise fees	583,989	-
Licenses and permits	668,316	-
Fines and forfeits	269,534	-
Miscellaneous	132,483	-
Charges for services	229,618	-
Intergovernmental	166,307	-
Interest	266,194	38,434
<i>Total revenues</i>	<u>6,169,166</u>	<u>166,063</u>
<b>EXPENDITURES:</b>		
Current:		
General Government	687,887	-
Public Safety:		
Police	1,561,026	-
Fire	104,762	-
Streets and parks	543,679	-
Sanitation	324,175	-
Recreation	526,734	-
Civic Center	27,675	-
Drainage	187,140	-
Beautification	14,642	-
Capital and other outlays	-	-
Debt service:		
Principal retirement	-	75,000
Interest & fiscal charges	-	21,630
<i>Total expenditures</i>	<u>3,977,720</u>	<u>96,630</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>2,191,446</u>	<u>69,433</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in (out)	<u>(358,000)</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(358,000)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	1,833,446	69,433
<b>FUND BALANCE, BEGINNING OF YEAR</b>	5,153,963	993,650
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 6,987,409</u>	<u>\$ 1,063,083</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS	TOTALS (MEMORANDUM ONLY)	
	1999	1998
\$ 1,415,780	\$ 5,396,134	\$ 5,426,425
-	583,989	590,004
-	668,316	743,187
-	269,534	202,747
-	132,483	132,261
-	229,618	227,251
581,524	747,831	791,296
196,877	501,505	426,696
<u>2,194,181</u>	<u>8,529,410</u>	<u>8,539,867</u>
-	687,887	715,079
-	1,561,026	1,482,334
-	104,762	104,433
-	543,679	580,673
-	324,175	325,384
-	526,734	497,275
-	27,675	39,025
-	187,140	176,409
-	14,642	10,843
1,567,950	1,567,950	1,990,121
-	75,000	415,000
-	21,630	45,629
<u>1,567,950</u>	<u>5,642,300</u>	<u>6,382,205</u>
626,231	2,887,110	2,157,662
358,000	-	-
<u>358,000</u>	-	-
984,231	2,887,110	2,157,662
3,386,344	9,533,957	7,096,144
<u>\$ 4,370,575</u>	<u>\$ 12,421,067</u>	<u>\$ 9,253,806</u>

**CITY OF GONZALES, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL AND CAPITAL PROJECTS FUNDS  
YEAR ENDED MAY 31, 1999**

	<b>GENERAL FUND</b>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Taxes	\$ 3,461,650	\$ 3,852,725	\$ 391,075
Franchise fees	609,000	583,989	(25,011)
Licenses and permits	617,000	668,316	51,316
Fines and forfeits	225,000	269,534	44,534
Miscellaneous	120,000	132,483	12,483
Charges for services	225,000	229,618	4,618
Intergovernmental	163,650	166,307	2,657
Interest	100,000	266,194	166,194
<b>Total revenues</b>	<u>5,521,300</u>	<u>6,169,166</u>	<u>647,866</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government	813,150	687,887	125,263
Public safety			
Police	1,691,125	1,561,026	130,099
Fire	150,000	104,762	45,238
Streets and parks	604,100	543,679	60,421
Sanitation	332,200	324,175	8,025
Recreation	529,100	526,734	2,366
Civic center	44,000	27,675	16,325
Drainage	199,300	187,140	12,160
Beautification	33,350	14,642	18,708
<b>Total expenditures</b>	<u>4,396,325</u>	<u>3,977,720</u>	<u>418,605</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,124,975	2,191,446	1,066,471
<b>OTHER FINANCING (USES)</b>			
Operating transfers in (out)	(1,124,975)	(358,000)	766,975
<b>Total other (uses)</b>	<u>(1,124,975)</u>	<u>(358,000)</u>	<u>766,975</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	-	1,833,446	1,833,446
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>5,153,963</u>	<u>5,153,963</u>	-
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 5,153,963</u></u>	<u><u>\$ 6,987,409</u></u>	<u><u>\$ 1,833,446</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF GONZALES, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS -  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
YEAR ENDED MAY 31, 1999**

**OPERATING REVENUES:**

Charges for services:

Gas sales	\$ 845,451
Sewer service charges	613,753
Water sales	513,290
Miscellaneous	56,853
Sales Taxes	424,505
Total operating revenues	<u>2,453,852</u>

**OPERATING EXPENSES:**

Gas department	672,837
General and administrative	279,474
Depreciation & amortization	542,133
Sewer treatment	385,841
Water department	321,634
Sewer department	128,179
Provision for bad debts	23,825
Total operating expenses	<u>2,353,923</u>

**OPERATING INCOME**

99,929

**NON-OPERATING REVENUES (EXPENSES):**

Interest income	111,098
Interest on bonds payable	<u>(134,505)</u>
Net non-operating expenses	<u>(23,407)</u>

**NET INCOME**

76,522

**DEPRECIATION TRANSFERRED TO CONTRIBUTIONS**

542,133

**RETAINED EARNINGS, AT JUNE 1, 1998**

4,369,463

**RETAINED EARNINGS, AT MAY 31, 1999**

\$ 4,988,118

The accompanying notes are an integral part of this statement.

CITY OF GONZALES, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
YEAR ENDED MAY 31, 1999

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Operating income	\$ 99,929	
Adjustments to reconcile net loss to net cash (used in) Operating activities:		
Depreciation and amortization	542,133	
Provision for bad debts	23,825	
(Increase) Decrease in:		
Accounts receivable	(13,977)	
Due from other fund	280,000	
Increase in:		
Accounts payable	(9,579)	
Accrued liabilities	14,590	
Due to other fund	38,173	
	<u>38,173</u>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>975,094</b>

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

Interest paid on bonds	(134,505)	
Proceeds from long term debt	1,622,995	
Contributions from City of Gonzales	2,655,881	
Contributions from Special Construction	1,825	
	<u>1,825</u>	
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCIAL ACTIVITIES</b>		<b>4,146,196</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest income	111,098	
Purchase of investments	(74,469)	
Purchase of plant and equipment	(4,838,875)	
	<u>(4,838,875)</u>	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(4,802,246)</b>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 319,044

**CASH AND CASH EQUIVALENTS, AT JUNE 1, 1998** 570,638

**CASH AND CASH EQUIVALENTS, AT MAY 31, 1999** \$ 889,682

The accompanying notes are an integral part of this statement.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

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

The City of Gonzales, Louisiana, was incorporated April 15, 1922, under the provision of the Lawrason Act. The City operates under a Mayor – City Council form of government.

The accounting and reporting practices of the City of Gonzales, Louisiana, conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

Financial Reporting Entity – This report includes all funds and account groups, which are controlled by, or dependent on the City's executive and legislative branches (the Mayor and the City Council). Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain organizations are not part of the City and are thus excluded from the accompanying financial statements. These are the Friends of the Museum, Beautification Board, and Committee on Cultural Affairs. The City exercises no control over their operations.

The following is a summary of certain significant accounting policies:

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

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and account groups as follows:

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Governmental Fund Type:**

- a. **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.
- b. **Debt Service Fund** – 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.
- c. **Capital Projects Funds** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and agency funds).

**Proprietary Fund Type:**

**Enterprise Fund** – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (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 (b) where the governing body has decided the 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 applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Fiduciary Fund Type:**

**Agency Fund** – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. This fund is used to collect sales taxes.

CITY OF GONZALES, LOUISIANA

NOTES TO FINANCIAL  
MAY 31, 1999

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets and Long-Term Liabilities – The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted on a spending or “financial flow” measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and recorded as expenditures in the governmental fund types when purchased. The City has elected to capitalize public domain (“infrastructure”) fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the *General Long-Term Debt Account Group*.

The proprietary fund is accounted for on a cost of service or “capital maintenance” measurement focus, and all assets and all liabilities (whether current or non current) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>YEARS</u>
Lines, meters, & sewer system	40-50
Equipment	4-10
Vehicles	4

All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets of \$16,500 are stated at their estimated fair value on the date received.

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

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes (Agency Fund) are considered “measurable” when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Property taxes, sales taxes, and interest revenue are treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

Transfers between funds are not expected to be repaid and are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Budgets and Budgetary Accounting – The City follows these procedures in establishing the budgetary data reflected in these financial statements:

- 1). The City Mayor and Clerk prepare a proposed budget message and budget and submits same to the City Council prior to the beginning of each fiscal year.
- 2). A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3). A public hearing is held on the proposed budget at least two weeks after publication of the call for the hearing.
- 4). After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 5). Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
- 6). All budgetary appropriations lapse at the end of each fiscal year.
- 7). The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except for depreciation, amortization, and bad debts expense, which are not considered. The budget for the Capital Projects Fund is adopted on a project by project basis. Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. Such amendments were not material in relation to the original appropriations.

**Investments** – Investments, are stated at market value.

**Inventories** – Inventory of supplies is immaterial in the dollar amount and all supplies are expensed when purchased.

**Bad Debts** – Uncollectible amounts due for ad valorem taxes and customers' utility receivables are expensed when the debt becomes uncollectible, which is not materially different from generally accepted accounting principles. The City considers any utility receivable where service has been disconnected to be uncollectible. All utility receivables with service are considered collectible. As of May 31, 1999, \$23,825 was considered uncollectible.

**Prepaid Expense** – Payments made, which will benefit periods beyond May 31, 1999, are recorded as prepaid expense.

**Accumulated Unpaid Vacation Benefits** – For the governmental fund types, the City's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. For the proprietary fund type, the liability has been accrued within that fund.

**Comparative Data** – Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to read.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Statement of Cash Flows** – For purposes of the statement of cash flows, the Utility Enterprise Fund considers all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased to be cash equivalents.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

The carrying amount of the City's deposits, including certificates of deposit, with financial institutions as of May 31, 1999, was \$5,009,187 and the bank balance was \$5,431,043. The bank balance is categorized as follows:

Amount insured by FDIC (Category 1)	\$ 200,402
Amounts collateralized with securities held by trust departments of banks other than the fiscal agent. (Category 2)	\$5,230,641
Amounts uninsured and unsecured	<u>          --</u>
	<b><u>\$5,431,043</u></b>

Statutes authorize the City to invest in United States bonds, treasury notes or certificates, time certificates of deposit of Louisiana state banks and national banks having the principal office in the State of Louisiana, or any other federally insured investments.

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name. As of May 31, 1999, investments consisted of the following:

	<u>Categories</u>		<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>Amount</u>	<u>Value</u>
U.S. Government Securities	\$ --	\$ 405,626	\$ 405,626	\$ 405,626
LAMP Funds	<u>          --</u>	<u>          --</u>	<u>9,398,840</u>	<u>9,398,840</u>
Total Investments	\$ --	\$ 405,626	\$9,804,466	\$9,804,466

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 3 – AD VALOREM TAXES**

Ad valorem taxes attaches an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October, and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Ascension Parish.

For the year ended May 31, 1999, taxes of 11.10 mills were levied on property with assessed valuations totaling \$42,659,350 and were dedicated as follows:

Debt service	2.55 mills
General corporate purposes	5.28 mills
Fire department	3.27 mills

Total taxes levied were \$473,519. At May 31, 1999, only a minor amount of taxes were uncollected and adjudicated to the City.

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES**

Interfund receivables and payables consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 368,506	\$ --
Debt Service Fund	37,179	426,309
Capital Projects Fund	114,310	9,932
Proprietary Fund	426,309	70,655
Agency Fund (Sales Tax)	--	439,408
	<u>\$ 946,304</u>	<u>\$ 946,304</u>

**NOTE 5 – RESTRICTED ASSETS**

Restricted assets at May 31, 1999, were applicable to the following:

	<u>Util. Fund</u>
Customer Deposits	\$ 121,568

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 6 – CONCENTRATION OF CREDIT RISK – PROPRIETARY FUND**

Accounts receivable from utility customers were comprised of the following sources: residential –60%; commercial –38%; other governmental agencies – 2%. Outstanding balances are partially secured by deposits made when service is requested.

**NOTE 7 – FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<b>Balance</b>			<b>Balance</b>
	<b><u>5-31-98</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>5-31-99</u></b>
Land	\$ 261,308	\$ 200,000	\$ --	\$ 461,308
Buildings	2,017,979	216,878	--	2,114,062
Improvements other than buildings	6,132,520	579,560	--	6,712,080
Equipment	1,085,520	127,364	--	1,212,884
Vehicles	<u>502,171</u>	<u>101,245</u>	<u>72,114</u>	<u>531,302</u>
Totals	<b>\$9,999,498</b>	<b>\$1,104,252</b>	<b>\$ 72,114</b>	<b>\$11,031,636</b>

A summary of proprietary fund type property, plant, and equipment at May 31, 1999 follows:

Land	\$ 118,828
Storage buildings	22,474
Lines, meters, and plants	26,964,015
Equipment	302,545
Vehicles	<u>192,963</u>
Total	<b>\$27,600,825</b>
 Less accumulated depreciation	 <u>- 6,513,470</u>
	 <b>\$21,087,355</b>

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 8 – CHANGES IN LONG-TERM DEBT**

The following is a summary of bond transactions of the City of Gonzales for the year ended May 31, 1999:

	<u>General Obligation</u>	<u>Utility</u>	<u>Total</u>
Bonds payable, June 1, 1998	\$ 320,000	\$ 3,919,547	\$ 4,239,547
Debt issued	--	2,192,995	2,192,995
Debt matured	<u>-75,000</u>	<u>--</u>	<u>- 645,000</u>
Bonds payable, May 31, 1999	\$ 245,000	\$5,542,542	\$5,787,542

Debts payable at May 31, 1999, are comprised of the following individual issues:

General obligation bonds:

\$750,00 Public improvement bonds dated October 1, 1977, due in annual installments of \$55,000 - \$60,000 through April 1, 2002; interest at 5.75% (This is secured by collection of sales tax). 170,000

\$1,250,000 Sewer improvement bonds dated October 1, 1977, due in annual installments of \$10,000 through October 1, 2002; interest at 5.75% (This is secured by levy and collection of ad valorem taxes). 30,000

\$810,000 General obligation refunding issued dated September 1, 1991, due in annual installments of \$15,000 through March 1, 2002; interest at 6.2%-6.4% (This issue is secured by levy and collection of ad valorem taxes). 45,000

Total General Obligation \$ 245,000

Utility obligation bonds:

\$7,500,000 Sewer improvement bonds dated May 28, 1997, due in annual installments of \$280,000 to \$485,000 through March 1, 2017; interest at 2.95% (This is secured by collection of sales tax). \$5,542,542

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 8 – CHANGES IN LONG-TERM DEBT (continued)**

The annual requirements to amortize all debts outstanding as of May 31, 1999, including interest payments of \$23,238 are as follows (This information does not include the Sewer improvement bonds dated May 28, 1997, because the obligation amount has not yet been determined):

<b>Years ending <u>May 31</u></b>	<b>General <u>Obligation</u></b>
2000	\$ 92,467
2001	87,798
2002	87,973
Thereafter	<u>    --</u>
	<b>\$ 268,238</b>

**NOTE 9 - DEDICATION OF PROCEEDS AND FLOW OF FUNDS – 1 ½% SALES  
AND USE TAX**

Bonds resolution of August, 1977 requires that the proceeds of the special 1 ½% sales and use tax now being levied and collected by the City be deposited with the City's regularly designated fiscal agent bank in a Sales Tax Fund, which is considered an Agency Fund. Fixed monthly payments are required to be made from the Sales Tax Fund to the Sales Tax Bond Sinking Fund presently in the amount of \$5,398. The 1977 bond issue required payments to be made into a "Bond Reserve Fund" until such time as \$104,164 was accumulated. The money in this reserve fund is to be retained solely for the purpose of paying the principal and the interest on the bonds payable from the aforesaid sinking fund as to which there would otherwise be default. Any monies remaining in the Sales Tax Fund after making the required payments into the Bond Sinking Fund for the current month and for prior months, during which the required payments may not have been made, shall be considered as surplus.

Such surplus may be transferred to the General Fund for the purpose of paying all or any portion of the necessary costs and expensed of collecting the tax, the cost of constructing, acquiring, improving and/or extending any of the capital improvements or any other purpose for which the tax is authorized, or for the purpose of retiring bonds herein authorized in advance of their maturities either by purchase of bonds then outstanding at prices not greater than the then redemption prices of said bonds or by retiring such bonds at the prices and in the manner set forth in said resolution of August 22, 1977.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 10 - PENSION PLAN**

Substantially all employees of the City of Gonzales are members of the following statewide retirement systems. Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Municipal Employees Retirement System of Louisiana (System)**

**Plan Description.** The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City in this System are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 10 – PENSION PLAN (continued)**

**Funding Policy.** Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Gonzales is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and City of Gonzales are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions of the City of Gonzales to the System under Plan A for the year ending May 31, 1999, were \$89,681.

**B. Municipal Police Employees Retirement System of Louisiana (System)**

**Plan Description.** All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary of each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

**Funding Policy.** Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Gonzales is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Gonzales are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions of the City of Gonzales for the year ending May 31, 1999, were \$93,399.

**CITY OF GONZALES, LOUISIANA**

**NOTES TO FINANCIAL  
MAY 31, 1999**

**NOTE 11 – CONTRIBUTED CAPITAL-PROPRIETARY FUND**

During the year ended May 31, 1999, the City's Capital Project Fund expended \$3,198,014, for the benefit of the Proprietary (Utility) Fund. These expenditures were \$3,154,382 for improvements to the sewer and water systems and \$43,632 for equipment. The expenditures were capitalized with a corresponding increase in contributed capital.

**NOTE 12 – CONTINGENCIES**

Litigation - Various Lawsuits are pending against the City. In the opinion of City management, the potential loss on lawsuits will not be material to the City's general purpose financial statements.

**NOTE 13 – SEWER IMPROVEMENT**

The City committed to building an environmental enhancement facility (sewer treatment plant). The cost of the plant and pump station improvements is projected to have a limit of \$7,500,000. The cost is to be funded by a loan from the Louisiana Department of Environmental Quality Municipal Facilities Revolving Loan Fund.

**CITY OF GONZALES, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS - ACTUAL COMPARED TO  
BUDGETARY BASIS- PROPRIETARY FUND TYPE- ENTERPRISE FUND  
YEAR ENDED MAY 31, 1999**

	<u>ACTUAL</u>		<u>ADJUSTMENT TO BUDGETARY BASIS</u>
<b>OPERATING REVENUES:</b>			
Charges for utility services:			
Gas sales	\$ 845,451		\$ -
Sewer service charges	613,753		-
Water sales	513,290		-
Miscellaneous	56,853		-
Sales taxes	424,505		-
Total operating revenues	<u>2,453,852</u>		<u>-</u>
<b>OPERATING EXPENSES:</b>			
Gas department	672,837		-
General and Administrative	279,474		-
Depreciation and amortization	542,133	(1)	(542,133)
Sewer treatment	385,841		-
Water department	321,634		-
Sewer department	128,179		-
Provision for bad debts	23,825	(2)	(23,825)
Total operating expenses	<u>2,353,923</u>		<u>(565,958)</u>
<b>OPERATING INCOME</b>	99,929		565,958
<b>NON-OPERATING REVENUES (EXPENSE):</b>			
Interest income	111,098		-
Interest on bonds payable	(134,505)		-
Net non-operating expense	<u>(23,407)</u>		<u>-</u>
<b>NET INCOME</b>	76,522		565,958
<b>DEPRECIATION TRANSFERRED TO CONT.</b>	542,133	(1)	(542,133)
<b>RETAINED EARNINGS, AT JUNE 1, 1998</b>	<u>4,369,463</u>		<u>-</u>
<b>RETAINED EARNINGS, AT MAY 31, 1999</b>	<u>\$ 4,988,118</u>		<u>\$ 23,825</u>

(1) The City does not budget depreciation expense.

(2) The City does not budget bad debts.

The accompanying notes are an integral part of this statement.

<u>ACTUAL ON BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 845,451	\$ 913,000	\$ (67,549)
613,753	545,000	68,753
513,290	470,000	43,290
56,853	80,000	(23,147)
424,505	-	424,505
<u>2,453,852</u>	<u>2,008,000</u>	<u>445,852</u>
672,837	730,200	57,363
279,474	417,820	138,346
-	-	-
385,841	382,400	(3,441)
321,634	309,800	(11,834)
128,179	167,780	39,601
-	-	-
<u>1,787,965</u>	<u>2,008,000</u>	<u>220,035</u>
665,887	-	665,887
111,098	-	111,098
(134,505)	-	(134,505)
<u>(23,407)</u>	<u>-</u>	<u>(23,407)</u>
642,480	-	642,480
-	-	-
<u>4,369,463</u>	<u>4,369,463</u>	<u>-</u>
<u>\$ 5,011,943</u>	<u>\$ 4,369,463</u>	<u>\$ 642,480</u>

**CITY OF GONZALES, LOUISIANA**

**CAPITAL PROJECTS FUND - CAPITAL OUTLAYS  
STATEMENTS OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED MAY 31, 1999**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Sales tax	\$ 1,113,700	\$ 1,415,780	\$ 302,080
Video Poker proceeds	500,000	581,524	81,524
Miscellaneous	-	-	-
Interest	75,000	196,876	121,876
<b>Total revenues</b>	<u>1,688,700</u>	<u>2,194,180</u>	<u>505,480</u>
<b>EXPENDITURES:</b>			
Capital Outlays:			
Street overlay project	500,000	453,088	46,912
Police capital	139,200	122,583	16,617
Street lighting	-	-	-
Street department	145,000	39,884	105,116
Sidewalk construction	90,000	23,054	66,946
Tourist Center	17,100	10,714	6,386
Drainage department	103,500	2,973	100,527
Civic center	46,700	55,239	(8,539)
Recreation capital	474,900	384,199	90,701
Sewer rehabilitation	823,400	391,085	432,315
Utility dept. capital	52,300	39,470	12,830
General administration	51,600	45,660	5,940
<b>Total expenditures</b>	<u>2,443,700</u>	<u>1,567,949</u>	<u>875,751</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(755,000)</b>	<b>626,231</b>	<b>1,381,231</b>
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in	<u>755,000</u>	<u>358,000</u>	<u>(397,000)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<u><u>\$ -</u></u>	<u><u>\$ 984,231</u></u>	<u><u>\$ 984,231</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF GONZALES, LOUISIANA**

**SCHEDULE OF PER DIEM PAID  
YEAR ENDED MAY 31, 1999**

	<u>MONTHLY</u>	<u>ANNUAL</u>
Alvin "Bully" Dragg	\$ 650	\$ 7,800
Frank Gordon	650	7,800
Kenneth Matassa	650	7,800
Larry Savell	650	7,800
Ronald Waguespack	650	7,800
		<u>\$ 39,000</u>

**CITY OF GONZALES, LOUISIANA**

**YEAR 2000 REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED MAY 31, 1999**

The Year 2000 issue consists of two shortcomings that make computer-processing systems unable to year-date data beyond the year 1999. The first shortcoming is many computer programs contain abbreviated dates, which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000, as January 1, 1900, and process data incorrectly or stop processing altogether. The second shortcoming is some computers will be unable to detect the year 2000 is a leap year and may not register the additional day and data calculations may be incorrect.

The City of Gonzales uses the computer in all phases of operational activities, including accounts receivable, accounts payable, general ledger, cash receipts, cash disbursements, payroll, property tax, and police department activity, including communications.

All software, except Lotus 1, 2, 3, 4, has been upgraded and tested for Y2K compliance. Also, the City has received supplies assurances on Y2K compliance box metering devices at the City's water wells and the regulations at the City gate gas supply.

All computer hardware will be upgraded and tested for compliance by November 1, 1999.

# Conrad P. Bourque

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GONZALES, LA 70707-1123  
Office/Fax: (504) 647-3777

CERTIFIED PUBLIC ACCOUNTANT

MEMBER  
AMERICAN INSTITUTE OF CPA's  
SOCIETY OF LOUISIANA CPA's

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

To the Honorable Mr. John A. Berthelot, Mayor  
And the Members of the City Council  
City of Gonzales, Louisiana

I have audited the financial statements of the City of Gonzales, Louisiana, as of the year ended May 31, 1999, and have issued my report dated October 26, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Gonzales, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City of Gonzales, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statement and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the City Council, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

October 26, 1999

*Conrad P. Bourque*

**CITY OF GONZALES, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MAY 31, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Gonzales.
2. There were no reportable conditions during the audit of the general purpose financial statements.
3. There were no instances of noncompliance during the audit of the general purpose financial statements.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**None**

**CITY OF GONZALES, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDING  
YEAR ENDED MAY 31, 1999**

**FINDING**

- Condition:* Former employee was altering receipt records for payments on utility bills and misappropriating cash as a result.
- Recommendation:* Employee should be terminated and full restitution should be recovered.
- Current Status:* Former employee was terminated, full restitution was recovered, and another person was hired as a replacement.