

CITY OF LAKE CHARLES, LOUISIANA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the  
Fiscal Year Ended  
September 30, 2008



Prepared by  
Department of Finance

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

Release Date 4/1/09

**CITY OF LAKE CHARLES**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

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## CITY OF LAKE CHARLES

RANDY ROACH  
MAYOR

326 Pujoe Street P.O. Box 3706  
Lake Charles, LA 70602-3706  
337-491-1251 • FAX 337-491-1225

DEPARTMENT OF FINANCE  
KAREN D. HARRELL, DIRECTOR

March 23, 2009

Honorable Randy Roach, Mayor  
Members of the City Council

Dear Mayor and City Council Members:

In accordance with requirements of the City's Charter and applicable state law, I am pleased to submit the Comprehensive Annual Financial Report of the City of Lake Charles for the fiscal year ended September 30, 2008. This report has been prepared by the City's Finance Department in conformity with generally accepted accounting principles (GAAP), and the basic financial statements contained herein have been independently audited in accordance with generally accepted auditing standards. However, the completeness and reliability of all information presented in this report remains the responsibility of the City's management. McElroy, Quirk, and Burch (APC), a firm of licensed certified public accountants, have audited the City of Lake Charles's financial statements. The purpose of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion on these financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board (GASB) requires certain government-wide statements as well as the fund financial statements. The purposes and contents of these financial statements are further explained in Management's Discussion and Analysis (MD&A) which follows the independent auditor's report and should be read in conjunction with this letter of transmittal for a more complete understanding of the City's financial condition and activity.

### City Profile

The City of Lake Charles was incorporated in 1867 and is the principal city and trade center of southwestern Louisiana. As of the 2000 census, the corporate limits of the City included 43 square miles and had a population of 71,757. It is designated as the central city of a census-defined urbanized area of 132,977 and a metropolitan statistical area (Calcasieu and Cameron Parishes) of 193,568 population in 2000.

The City operates under a mayor-council form of government pursuant to a 1961 home rule charter, and provides a full range of traditional municipal services, as well as specialized facilities such as a municipal golf course, a civic center coliseum and theater complex, and two art centers. All of these activities are integral parts of the city government and are included in this report. Certain components of the judicial function are legally separate entities which are discretely presented in these statements as "component units."

The City adopts an annual operating budget and a project-based capital budget in accordance with procedures established by its charter and by state statute. Although the budget document is comprehensive, covering all funds under the City's control, legal control of expenditures is exercised primarily at the department level for the General Fund and for each Special Revenue Fund pursuant to charter and statutory requirements. Budget-to-actual comparisons for major funds of these types are included in this report.

The City also maintains an internal control framework designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of

financial records for preparing financial statements. An evaluation of internal controls and legal compliance is required by federal law in connection with the independent audit, and the auditor's reports thereon are included in a separately issued "single audit" report.

### Economic Environment

Lake Charles is a deep water port with a 30-mile ship channel to the Gulf of Mexico, and has developed an economic base dominated by petrochemical manufacturing and refining since the 1940's. Southwest Louisiana has diversified its economy as is evident when you consider the following major economic drivers. The Port of Lake Charles is the 12<sup>th</sup> largest port in the United States. Chennault Industrial Airpark and the Lake Charles Regional Airport support a growing aviation industry. Several nearly completed liquefied natural gas facilities within the area will provide as much as a quarter of the nation's natural gas supplies. Riverboat Gaming was introduced in 1993 and has provided funding for major capital improvements since that time. Retail businesses within the City provide goods and services to a five parish regional area. Annual art events and festivals provide entertainment to both locals and visitors.

According to the 2008 Year-end Business and Industry Location/Expansion Report provided by The Southwest Louisiana Economic Development Alliance the following are recent and current development projects:

- Global Modular Solutions, LLC announced in 2008 the building of a \$120 million manufacturing plant for modules and components for nuclear power plants in Lake Charles on property at the Port of Lake Charles. Expected project completion is mid-2009 with 1,400 new jobs and 450 construction jobs.
- Lake Charles Cogeneration, LLC will soon begin construction of a \$1.3 billion gasification plant along the Calcasieu Ship Channel at the Port of Lake Charles. Construction completion is expected in 2011 with more than 1,900 local jobs indirectly created to support the plant and 3,000 estimated construction jobs.
- Pinnacle Entertainment's plans for a new casino resort have been expanded to \$407 million compared to their original design estimate of \$350 million. It is anticipated that construction will begin within the next few months. This facility will be adjacent to their highly successful L'Auberge du Lac Casino Resort and will create 2,000 new permanent jobs.
- Dynamic Industries, Inc. announced the location of its \$5 million East Yard Development facility that will provide services for the oil and gas industry. Project start date was August 2008. New jobs reported 400.
- Pelican Refining Company, LLC has a \$20 million expansion project that began in September 2008 and reported 30 new jobs and 300 construction jobs.
- Overall the Alliance's 2008 report had announced capital investments of \$1,124,043,507; announced new permanent jobs of 2,221; and announced construction jobs of 2,150.

Many of the projects listed above and other types of industries in the area are taking advantage of the Gulf Opportunity Zone Act, which offers tax-based incentives for individuals and companies. This program is part of Louisiana's effort to recover from the 2005 hurricanes and was expanded to assist in the recovery of 2008's Hurricanes Gustav and Ike.

The State of Louisiana and specifically Lake Charles is faring better than most areas during this national recession. Sales tax revenues, which account for the majority of the City's revenue and serve as a strong economic indicator, have increased nearly 2 percent in the past 4 months compared to the same period in the prior year. Gaming revenues have continued to increase over previous year's collections. Unemployment in December was at 4.8 percent in Calcasieu Parish compared to a 7.2 percent nationwide unemployment. Although single family home sales have been reduced from the prior year's sales, the reduction is much less than that across the nation. The City is encouraged by the new industry coming to our area and has joined forces across our region to encourage businesses to locate here and to foster continued economic development initiatives.

### Current and Future Financial Plans

The City issued \$35 million in bonds in May 2007 for Phase 1 of the \$90 million capital improvement plan that was approved by Lake Charles voters. To date the City has spent \$18 million of the bond proceeds and has an additional \$13 million in outstanding construction commitments related to the bond issue. Local road projects, water and sewer extensions and recreation improvements make up the majority of the spending.

Downtown development is the hottest topic in the Lake Charles area, and \$18 million of the bond issue was allocated for that initiative. In 2007, the city voters gave approval to shape the future of the City's lakefront by allowing commercial and residential development in that area. A project of this magnitude evolves over time, and the City has been diligent in working with planners to insure that development will be sustainable for generations to come. Smaller projects such as striping, minor landscaping and infrastructure improvements that are needed to support development are currently underway.

Accumulated fund balances and revenues not needed to repay the bonded debt will be used to provide for previously authorized and future city projects that were not included in the bond proposition. Below are highlights of current city bond and other capital improvement projects:

#### Bond Projects:

- Power Center Parkway road extension - \$5.5 million under contract to be completed May 2009
- McNeese Street road extension - \$6.7 million bid recently accepted to be completed November 2010
- Lake Street improvements - \$12 million estimate design phase completed, work to begin mid 2009
- Enterprise Boulevard Extension - \$12 million estimate design phase completed, currently acquiring right of way, work projected to begin by end of 2009
- Water and sewer projects - \$2.2 million completed projects; \$6.5 million under construction to be completed in 2009
- Recreation 7 Parks Improvement Project - \$2.1 million under contract to be completed May 2009
- Civic Center improvements - \$1.6 million center section under contract to be completed May 2009
- Marina project - \$1.7 million bid recently received to be completed early 2010

#### Capital Projects:

- Hollyhill Road improvements - \$3.1 million under contract to be completed April 2009
- Mallard Cove clubhouse rebuild - \$1.8 million under contract to be completed June 2009
- Lakefront Promenade - \$3.7 million bid recently received to be completed early 2010
- Various recreation projects including ball fields, swimming pool renovation and construction of 2 spray pads - \$1.4 million under contract to be completed July 2009
- Water plant ground storage tank - \$1.3 million bid accepted
- Final phase of Plant D sewer plant affluent line - \$1.5 million under contract to be completed May 2009
- Transit Facility - City purchased existing building and property in 2008. Design phase is underway for renovations to exterior and interior. Construction should begin June 2009.

The City has experienced major cost increases in construction projects since Hurricane Rita in 2005. Pre-disaster cost for road projects compared to current cost reflect increases of 150 to 200 percent. The City will pursue funding from the American Recovery and Reinvestment Act of 2009 to assist in funding for current projects.

### Other Financial Activity

#### Long-term financial planning:

The unreserved, undesignated fund balance in the General Fund is \$28.8 million which is 50 percent of the 2009 budgeted expenditures and non-capital transfers. The City's policy maintains that 35 percent is the minimum fund balance target for the General Fund. The recent hurricanes have demonstrated the need for cash reserves during emergency times.

#### Cash management and investment:

Funds under the control of the City are held in an interest-bearing cash pool from which investments are made in accordance with statutory restrictions and locally-adopted investment policy. The City's investments are restricted to securities issued by the U. S. Government and its agencies and instrumentalities, and to participation in a statewide local governmental investment pool which operates on the same basis as a money market fund. The City's fiscal year 2008 total interest and investment earnings of \$4.9 million was a 15 percent decrease over earnings in fiscal year 2007.

#### Risk Management:

The City maintains self-funded programs for casualty and liability risks and employee health benefits, which are accounted for in two internal service funds. These programs include third-party claims administration and varying levels of excess risk coverage, typically ranging from \$100,000 to \$300,000 per claim depending on risk category. Additional information for these programs is included in the financial statements and notes thereto.

#### Pension and other post-employment benefits:

The City participates in three cost-sharing state-sponsored retirement systems which together cover virtually all of the City's full-time employees. Employees other than fire and police civil service personnel also participate in the federal social security system, and a voluntary deferred compensation program is also available to all employees under Section 457 of the U. S. Internal Revenue Code. All of the state-sponsored retirement systems covering City employees are subject to annual adjustment of actuarially determined employer contribution rates. City contribution rates have declined over the last several years.

The City's previous locally-administered police personnel and firemen's pension funds were merged into the state-sponsored systems in 1983 and 1987, and the balance of the resulting merger obligation was refunded in 1998. Additional data concerning this debt and current pension contributions can be found in the notes to the financial statements.

The City also makes health benefit coverage available on a voluntary basis to retirees, but does not contribute to the cost. All benefit costs for both current and former employees are funded through the Employee Insurance Internal Service Fund.

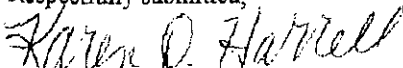
#### Awards and Acknowledgements:

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Lake Charles for its comprehensive annual financial report for the fiscal year ended September 30, 2007. The City also received this award for its reports of the preceding twenty-three years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current report continues to meet Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire Finance Department staff. We also wish to acknowledge the continued interest and support of the City's elected officials in maintaining an effective financial management and reporting program.

Respectfully submitted,



Karen D. Harrell  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lake Charles  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2007

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



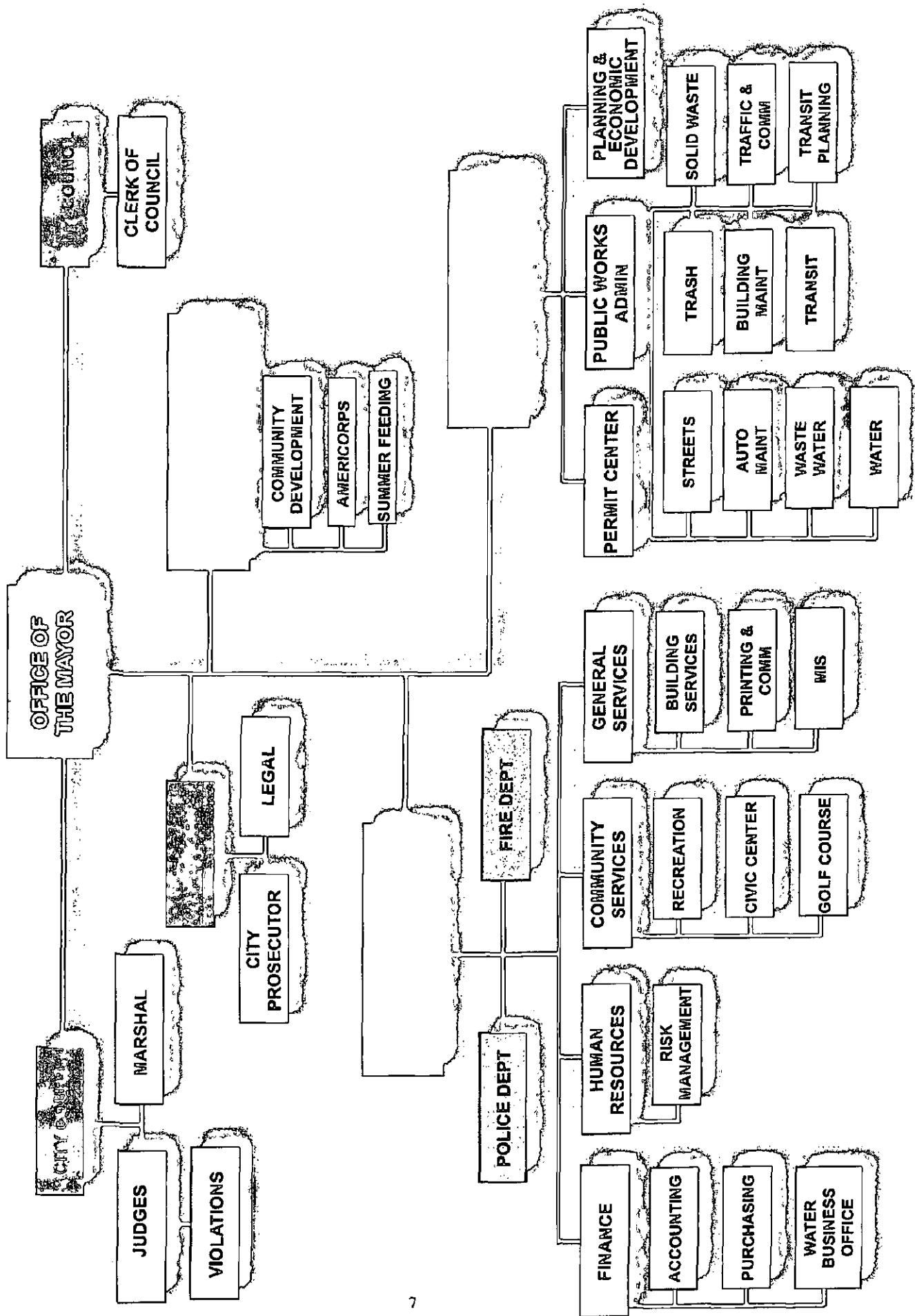
President

Executive Director



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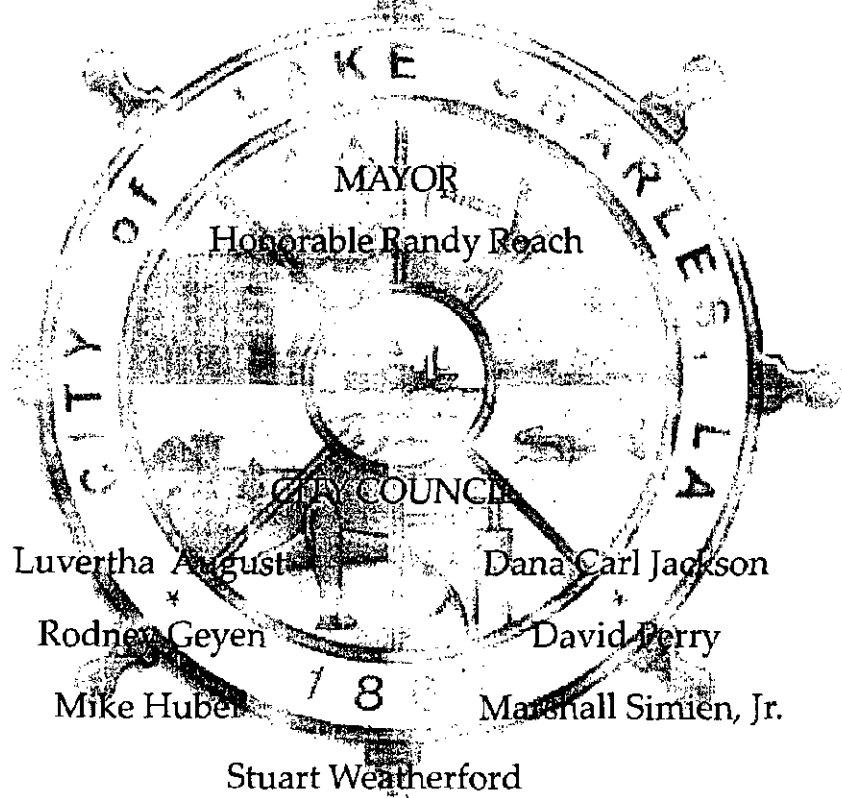
# ORGANIZATIONAL CHART City of Lake Charles, Louisiana



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# CITY OF LAKE CHARLES

Lake Charles, Louisiana



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# McELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1925  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
337 433-1063 • Fax 337 436-6618 • Web page: [www.mqb-cpa.com](http://www.mqb-cpa.com)  
Audit 9/30/2008 Auditor Report

Carl W. Comeaux, CPA  
Gus W. Schram, III, CPA, CVA  
Robert M. Gani, CPA, MT  
Mollie C. Broussard-Duncan, CPA  
Jason L. Guillory, CPA  
Greg P. Naquin, CPA, CFP™  
Billy D. Fisher, CPA  
Joe G. Peshoff, II, CPA, CVA

Michael N. McGee, CPA  
David M. DesOrmeaux, CPA



Otray J. Woods, Jr., CPA, Inactive  
Robert F. Cargile, CPA, Inactive  
William A. Mancuso, CPA, Inactive  
Barbara Hutson Gonzales, CPA, Retired  
Judson J. McCann, Jr., CPA, Retired  
Martin L. Chelotsky, CPA, CFE

CFE - Certified Fraud Examiner  
MT - Masters of Taxation  
CVA - Certified Valuation Analyst  
CFP - Certified Financial Planner

## REPORT OF INDEPENDENT AUDITORS

City of Lake Charles  
PO Box 900  
Lake Charles LA 70602-0900

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lake Charles, Louisiana's management. Our responsibility is to express an opinion 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 applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America and the respective budgetary comparison information for the General Fund and the Major Special Revenue Funds.

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2009, on our consideration of the City of Lake Charles, Louisiana's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 13 through 22, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the financial statements that comprise the City of Lake Charles, Louisiana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balances – budget and actual, schedules of capital assets used in operation of governmental funds and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balances – budget and actual, and schedules of capital assets used in operation of governmental funds have been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Mc Elroy, Quirk & Burch*

Lake Charles, Louisiana  
March 23, 2009

## **CITY OF LAKE CHARLES, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis seeks to provide an overview of the financial activity and performance of the City of Lake Charles for the fiscal year ended September 30, 2008, and accompanies the basic financial statements beginning on page 24 of this report. The transmittal letter on pages 1 - 4 of this report provides further information from a broader perspective, and should be consulted in conjunction with this discussion and the financial statements themselves for a more complete understanding of the City's financial condition and economic environment.

### **Financial Highlights**

- The City's net assets increased by \$19 million or 5.6 percent during the year to a total of \$358 million. Unrestricted financial assets comprise 13.6 percent of this total. Most of the increase is related to the City's ongoing investment in capital assets.
- Capital assets increased by \$20.2 million, net of depreciation, representing an increase of 7.1 percent from 2007. Increases in completed projects include \$6.3 million for streets and sewer improvements; \$1.9 million for water line improvements, most of which were paid for with bond funds; \$3.6 million for improvements to the civic center facility; and \$1 million for a new irrigation system for the golf course.
- The City currently has \$74.5 million in construction in progress, which accounts for the remainder of the increase in capital assets. Work on several of the City's bond issue projects, such as Power Center Parkway road project and the 7 Parks Improvement Project are nearing completion. Development of a new wastewater treatment plant continues and has been ongoing for several years. Work should be completed in fiscal year 2009. Major renovations to George West Water Plant are nearing completion and bids have just been received for a \$1.3 million ground storage tank at the facility. Renovations to the center section of the civic center are nearing completion as is the rebuilding of the club house at the golf course.
- Total revenue from both governmental and business-type activities was \$111 million, an increase of 6 percent from the previous year total of \$104.5 million. Charges for services increased by 13 percent primarily due to increased collections for water and wastewater user fees. Sales tax revenues increased by nearly 2 percent in 2008 from the prior year. Riverboat revenues increased to \$8.4 million in 2008. Parish-wide gaming revenues continue to increase and the City recognized a full year of parish-wide pooled gaming revenues versus only 5 months in fiscal year 2007. Due to current market conditions, interest earnings decreased by 15 percent in 2008.
- The 2008 governmental fund expenditures of \$90 million are an increase of 9.6 percent from the \$82 million spent in 2007. Capital expenditures increased to \$19 million as the City moves forward with bond issue projects, primarily on roads, parks, water and sewer projects. The increase in the Debt Service Fund expenses is due to principal and interest payments on the \$35 million bonds issued in fiscal year 2007.
- Total governmental fund balances remained unchanged at \$115 million. The General Fund transferred \$4 million to other funds for capital improvements but still retains a strong fund balance of \$32 million.

### **The Financial Statements**

This report encompasses a series of financial statements consisting of the following components:

1. Government-wide financial statements, which are designed to provide an organization-wide overview similar in nature to the form of reporting used for private-sector businesses. The two components of this presentation are:



## MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Statement of Net Assets, which is roughly equivalent to a private business balance sheet, summarizing all of the City's assets and liabilities and reporting the difference between the two as "net assets." Changes in net assets over time may provide an indication of either an improving or declining financial position.
- The Statement of Activities is an organization-wide operating statement, which accounts for changes in net assets during the City's 2008 fiscal year. This statement takes into account all revenues and expenses accrued for that year, regardless of when cash is received or paid.

The government-wide statements presented on pages 24 - 25 of this report are a result of the financial reporting model established by Governmental Accounting Standards Board Statement No. 34. These statements also distinguish governmental activities, which are those city functions principally supported by taxes and intergovernmental revenues, from business-type activities which are intended to recover a significant portion of their costs through user fees and charges. The City's governmental activities include such functions as public safety (fire and police) and public works (principally streets, sanitation and sewerage), while its business-type activities consist of a civic center, golf course, transit system, and water utility.

The government-wide statements also include two component units, City Court and the Ward Three Marshal, which are legally separate entities with financial dependency on the City as "primary government." They do not include other legally separate local entities which are financially and operationally independent of the City. This discussion and analysis pertains only to the City as primary government.

2. Fund financial statements report financial data for individual funds into which the City's accounts are organized to maintain compliance with finance-related legal and contractual requirements. This report includes two categories of funds, governmental and proprietary. (The City has no fiduciary funds.)

The governmental fund financial statements generally cover the same functions as the governmental activities in the government-wide statements but differ in their focus on near-term spendable resources rather than longer-term measurement of all net assets. A comparison of the fund and government-wide statements with respect to governmental functions is useful in gaining a longer-term perspective than that provided solely by the near-term focus of governmental fund statements, and reconciliation is provided in the governmental fund statements to support such comparison.

The City maintains twelve individual governmental funds, seven of which are classified as major and are separately displayed in the governmental fund statements beginning on page 26 of this report. The remaining five funds are aggregated into a single display on those statements but are individually presented in the combining statements referred to below.

The proprietary fund financial statements cover business-type activities in which external customers are charged for services, as well as internal service activities funded by charges to other city funds and operating units. The enterprise fund category in these statements corresponds to the business-type activities reported in the government-wide statements. The internal service category consists of two funds which account for risk financing and employee group medical benefits. All proprietary fund statements are reported on the accrual basis of accounting as used in the government-wide statements and in private-sector business.

3. Notes to the financial statements provide additional information and explanation necessary for full understanding of the government-wide and fund financial statements and are presented on pages 42 - 64 of this report.
4. Other information, consisting of the combining statements for the five non-major governmental funds and two internal service funds, is presented immediately following the notes to the financial statements.
5. The statistical section contains primarily trend data and non-financial information about the City's various activities.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## City-wide Financial Analysis

As shown on the government-wide financial statements, the City's net assets at the end of 2008 were \$357,397,680, with 75 percent of this total consisting of capital assets, i.e., physical plant, equipment, and infrastructure, less related outstanding debt. An additional 12 percent of net assets are externally restricted by law or contract, leaving 13 percent as unrestricted net assets which are generally available for use at the City's discretion. Year-end assets, liabilities, and net assets are summarized below. It should be noted that the investment in capital assets is not available as a financial resource for payment of related debt, other liabilities, or future costs, which will require the use of either existing financial resources or future revenues. Also note that capital assets are reported net of accumulated depreciation, and that the infrastructure portion of these reported assets includes only those projects completed since 1975.

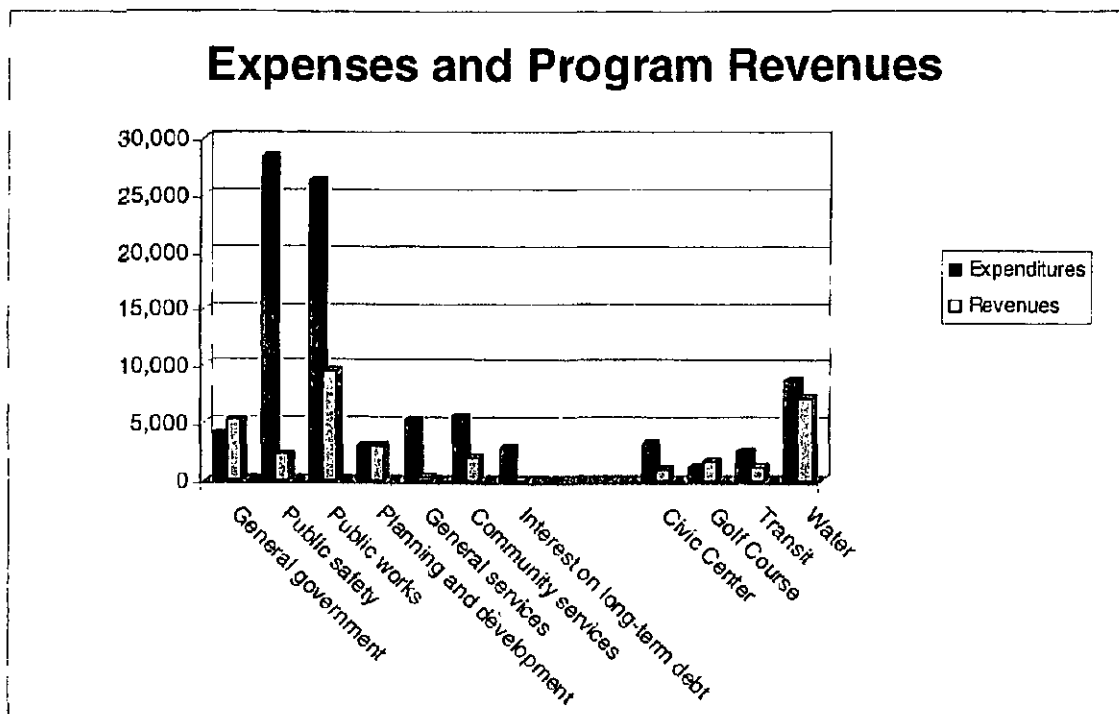
## NET ASSETS (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$136,404	\$137,688	\$ 3,287	\$ 8,459	\$139,691	\$146,147
Capital assets	237,934	224,816	66,241	59,165	304,175	283,981
Total assets	374,339	362,504	69,528	67,624	443,867	430,128
Long-term liabilities	68,903	73,452	541	548	69,444	74,000
Current and other liabilities	14,834	15,578	2,191	2,194	17,025	17,772
Total liabilities	83,737	89,030	2,732	2,742	86,469	91,772
Net assets:						
Invested in capital assets, net of debt	200,193	193,793	66,241	59,165	266,434	252,958
Restricted	42,220	48,486	-	-	42,220	48,486
Unrestricted	48,188	31,195	555	5,716	48,743	36,911
Total net assets	\$290,601	\$273,474	\$ 66,796	\$ 64,881	\$357,397	\$338,355

Net assets increased by \$19,042,529 or 5.6 percent for the City as a whole during the 2008 fiscal year. The change in net assets for governmental activities was a 6.3 percent increase, while business-type activities experienced a 3 percent increase. Most of the change is related to increases in capital assets.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart summarizes expenses and related program revenues for the various governmental and business-type functions displayed in the financial statements. The significance of this comparison is that the portion of each function's expenses not offset by program revenues is left to be covered by general revenues, namely taxes and other unrestricted sources.



On an overall basis, the City's total costs in 2008 were \$75.6 million for governmental activities and \$15.9 million for business-type activities. The portions not covered by program revenues, or net costs funded by taxes and other general revenues, were \$52.7 million for governmental activities and \$4.6 million for business-type activities. The public safety function (fire and police) historically accounts for the largest share of net cost, with \$26 million in excess expenses over program revenues during 2008. Total expenses of \$91.5 million are a 3.7 percent increase over 2007 expenses of \$88.2 million. The costs of insurance, materials, supplies and fuel account for a large portion of the increase. The cost of emergency preparedness measures for Hurricanes Gustav and Ike account for nearly \$1 million of additional expenses. Although most employees received a pay increase in fiscal year 2007, total salary and fringe benefit cost did not increase due to reduced retirement contribution rates and consistent unfilled positions throughout all city departments.

The City's total revenue for 2008 was \$111 million, compared to 2007 revenues which were \$104.5 million. This total, covering both governmental and business-type activities, represents a 6 percent increase from 2007. Program revenues increase by nearly 14 percent during 2008. Increased collection for utility user fees accounts for the large increase in the public work's function. Operating grants and contributions increased due to reimbursement from FEMA for disaster recovery work.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Activities for 2008 categorizes the City's revenues as either program revenues, which are service charges or grants and contributions for specific governmental or business-type functions, and general revenues which include most taxes and other revenue sources of a government-wide nature. Major components of program and general revenues, together with total expenses and the resulting change in net assets, are summarized below for the 2008 fiscal year.

## CHANGES IN NET ASSETS

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program revenues:						
Charges for services	\$14,088	\$11,787	\$8,922	\$8,346	\$23,010	\$ 20,133
Operating grants & contributions	5,921	3,969	1,157	1,272	7,078	5,241
Capital grants & contributions	2,917	4,472	1,214	257	4,131	4,729
General revenues:						
Property taxes	6,613	6,537	-	-	6,613	6,537
Sales taxes	45,585	44,710	-	-	45,585	44,710
Utility franchise taxes	6,842	5,822	-	-	6,842	5,822
Riverboat gaming taxes	8,400	6,961	-	-	8,400	6,961
Other general revenues	8,761	8,548	137	1,855	8,898	10,403
Total revenues	99,127	92,806	11,430	11,730	110,557	104,536
Expenses:						
General government	4,158	4,102	-	-	4,158	4,102
Public safety	28,401	28,708	-	-	28,401	28,708
Public works	26,341	24,450	-	-	26,341	24,450
Planning and development	3,011	2,730	-	-	3,011	2,730
General services	5,201	5,901	-	-	5,201	5,901
Community services	5,658	5,815	-	-	5,658	5,815
Interest in long-term debt	2,851	1,997	-	-	2,851	1,997
Civic Center	-	-	3,274	3,102	3,274	3,102
Golf Course	-	-	1,248	1,299	1,248	1,299
Transit	-	-	2,541	1,997	2,541	1,997
Water	-	-	8,830	8,145	8,830	8,145
Total expenses	75,621	73,703	15,893	14,543	91,514	88,246
Excess before transfers	23,506	19,103	(4,463)	(2,813)	19,043	16,290
Transfers	(6,378)	(2,125)	6,378	2,125	-	-
Increase (decrease) net assets	\$17,128	\$16,978	\$1,915	\$(688)	\$19,043	\$ 16,290

As indicated by the above table and the following chart, sales taxes are the City's largest single revenue source, accounting for 41.2 percent of all government-wide revenue in 2008, with a 2 percent increase from 2007. Revenues are still below the 2006 collections that resulted from the City's recovery from Hurricane Rita. Forecasts of the 2009 revenues do not reflect an increase from actual 2007 collection. Although the current collections have remained near budget, the City is ever mindful of the effect that the national economic conditions could have on our local economy.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

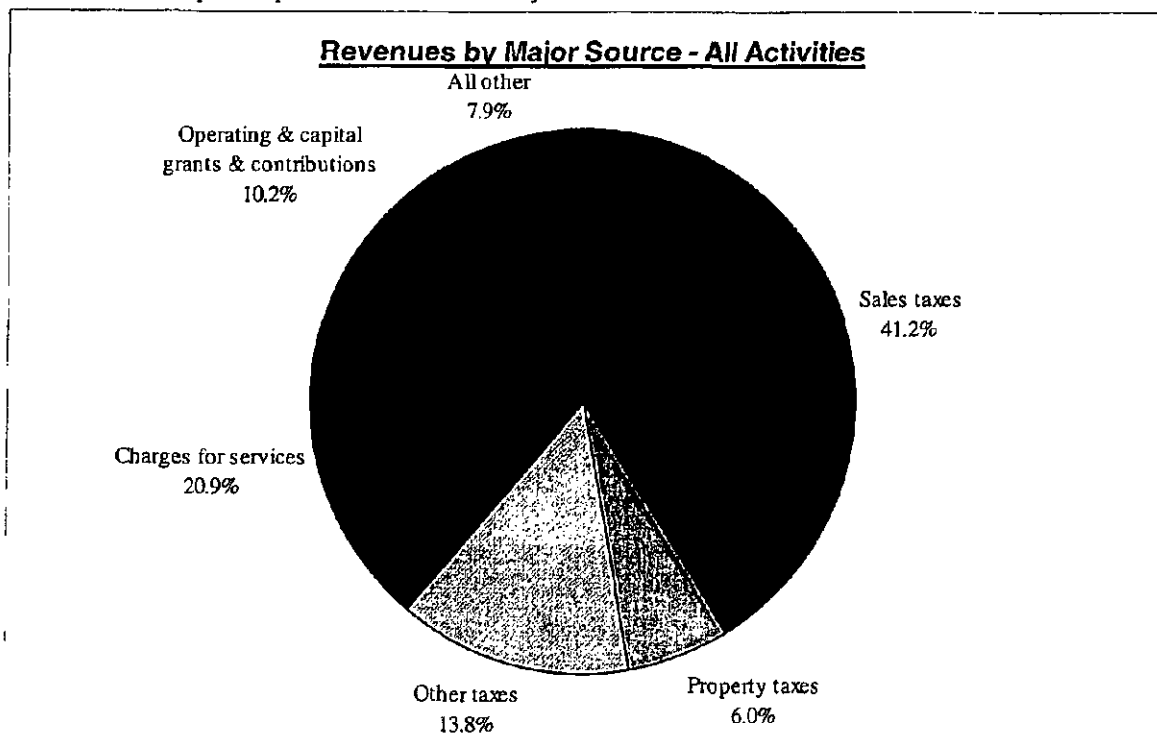
Charges for services are increased due to improved collections and increased rates in utility user fees. Operating grants and contributions increased due to anticipated reimbursements from the federal government for disaster recovery related to Hurricanes Gustav and Ike.

Most of the decrease in other general revenue is due to the reduction in interest earnings. For the entirety of the fiscal year 2007, the Federal Reserve federal funds rate was 5.25 percent. Federal fund rates were drastically reduced during fiscal year 2008 and resulted in much lower investment income.

Riverboat gaming taxes were reduced in 2006 due to the closure of the two Harrah's riverboat casinos which sustained damages in Hurricane Rita. The City of Lake Charles and the Calcasieu Parish Police Jury created the Calcasieu Parish Gaming Revenue District and in April 2007 entered into a cooperative endeavor agreement to pool most gaming revenues received parish-wide. Revenues for fiscal year 2008 reflect an entire year of pooled gaming compared to 2007. This agreement and a strong gaming industry resulted in a 20.7 percent increase from 2007 collections.

Total expenses increased by 3.7 percent. Pay raises for all employees other than firefighters were effective October 1, 2007. Increased costs of fuel, materials and supplies account for the increase in areas such as Public Works, Transit and Water Funds. Interest cost in long term debt increased due to additional debt incurred in 2007.

Transfers from governmental funds to proprietary funds increased due to General Fund transfers for capital improvements. Capital expenditures of bond funds for Water and Civic Center projects account for an additional \$2.6 million transfer from the Capital Project Fund to the proprietary funds. \$1.4 million was transferred to the Golf Course Fund for capital improvements to that facility.



### Analysis of Fund Financial Statements

This discussion pertains to the financial statements for the various funds into which the City's accounts are divided to comply with legal requirements. As previously noted, the two fund classifications represented in these statements are governmental and proprietary funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's governmental funds had a combined fund balance of \$115,260,640 at the end of fiscal year 2008, only \$8,559 more than fiscal year end 2007. Although there were changes in individual funds, such as a 54 percent increase in the Wastewater fund balance, the decreases in other funds provided an offset. Increased spending in the Capital Project Fund was offset by additional transfers from both the General and Riverboat Gaming Funds, resulting in a half a million dollar reduction of fund balance.

The City's proprietary funds' net assets increased from \$64,881,392 in 2007 to \$66,796,469 in 2008. The most notable change is the decrease in unrestricted net assets. The \$5 million reduction is a result of reserve funds being used for major renovations to the civic center, golf course and water plant resulting in an increase of 10.7 percent in capital assets.

### General Fund Summary

The General Fund is the City's principal operating fund, accounting for over half of all revenue received by the City and 59 percent of all governmental activities.

During the 2008 fiscal year, the General Fund expenditure and transfer budget was amended by a total of \$4.4 million, representing a 7.9 percent increase from the original adopted budget. Operating expenses increased by \$1.4 million. Vacant positions allowed for an overall reduction in salaries but did not cover the increases in fuel and supply costs. The Public Works Department budget was also increased for machinery and equipment purchases that were reappropriated from the 2007 budget as well as solid waste disposal fees. Use of General Fund reserves increased to fund transfers for capital improvement projects in the Water, Golf Course and Capital Project Funds.

Actual General Fund operating expenditures of \$48,858,508 were \$4 million less than the final budgeted amount. This represents a 1 percent increase over prior year expenditures. Revenues of \$57,199,696 exceeded the final budget by \$2.8 million, a 2 percent increase compared to 2007 figures. The General Fund's 2008 transfers to other funds of \$7.7 million included \$4 million for transfer to other funds for capital acquisitions and improvements. This was made possible by the unexpected \$3.8 million surplus in the General Fund in 2007. The total increase in fund balance was \$623,602, as opposed to the final budgeted reduction of \$6 million. This favorable variance is largely due to factors such as staffing vacancies, budgeted equipment purchases not completed during the year, and higher than expected revenue growth. The City will use a portion of the increase in revenue growth to make capital contributions to other funds in 2009.

The General Fund's ending balance in 2008 was \$32,110,080, which represents 57 percent of total expenditures and transfers made from the fund that year.

### Other Major Fund Summary

The Riverboat Gaming Special Revenue Fund revenues of \$9 million represent an 18 percent increase compared to 2007. However, due to business interruptions during the last month of the City's fiscal year caused by Hurricanes Gustav and Ike, revenues were less than budgeted. The increased revenue is a result of a strong gaming industry and 12 months collection of the parish-wide gaming agreement that was entered into during fiscal year 2007. Budgeted operating transfers out were greater than current revenue resulting in the reduction of fund balance by \$772,012.

A Disaster Recovery Special Revenue Fund was established at year end 2005 to account for Hurricane Rita recovery costs and related disaster relief and insurance revenues. This fund was used to account for unbudgeted emergency expenditures that were the result of Hurricanes Gustav and Ike, both of which hit our area in September 2008. Corresponding revenue receivables were recorded for anticipated FEMA reimbursements of the city emergency preparedness costs. Damage to physical city property was minor for these disasters, and the City does not expect damages to exceed our current property insurance deductibles. The City still has outstanding FEMA appeals for reimbursement for Hurricane Rita, the outcome of which is unpredictable.

The Waste Water Special Revenue Fund revenues increased by 22 percent over prior year. This was due to an 8 percent increase in rates in addition to aggressive collections. As has been the practice in the last several years,

## MANAGEMENT'S DISCUSSION AND ANALYSIS

funds were transferred to the Capital Project Fund for major sewer rehabilitation projects. Fund balance in the fund increased by \$1.2 million.

The Capital Projects Fund accounts for nearly 20 percent of all governmental fund expenditures. Increases in those expenditures are related to contract and design costs for city bond projects as well as other capital project expenditures. The increase in transfers out of the fund reflects capital asset expenditures that are recorded in the Enterprise Funds of \$2.4 million.

The business-type activities had a \$1.9 million increase in total net assets. Increased program revenue in the Civic Center and Golf Course Funds reflect receipts from FEMA for reimbursement to hurricane damaged facilities. These reimbursements will continue into fiscal year 2009. The Civic Center continued major repairs and improvements in 2008, spending \$2 million in capital funds and \$1 million in bond funds. Repairs continue into fiscal year 2009. The Golf Course net assets increased by \$1.8 million as a result of the completion of a \$1 million irrigation system and construction in progress on a new \$1.9 million clubhouse. The Transit Fund had a decrease in net assets due to the decision to find an alternate location for the new transit facility. The building that was originally purchased for this purpose was transferred to the governmental fund.

### Capital Assets

The City's total investment in capital assets at the end of the 2008 fiscal year was \$304.2 million, net of accumulated depreciation. The increase in capital assets during the year was \$20.2 million, including \$16.3 million increase in construction in progress in all areas. The City has many projects under construction such as road projects, sewer plants and water plant renovations, water and sewer projects as well as the projects just discussed in the business-type activity section.

The voters of Lake Charles approved a \$90 million bond issue in November 2006. Riverboat gaming revenue, sales tax revenues and funds from sewer user fees will be used to repay the debt. Proceeds from the loan will be used for improving streets and roads, park and recreation facilities, water and waste water systems, downtown and/or lakefront development infrastructure and economic development facilities within the City.

The City issued \$35 million in bonds in May 2007 for Phase I of the \$90 million public improvement project. As of September 30, 2008 the City had spent \$12 million on bond projects. Smaller water and sewer projects had been completed, but larger projects such as \$5 million for the Power Center Parkway extension are ongoing. Many projects are in the design stage and will be under contract by the end of fiscal year 2009.

This influx of revenue will allow the City to complete projects that were included in the tax proposal while continuing to spend accumulated capital project funds for previously authorized projects. Funds not needed for repayment of the new debt will continue to be authorized for future projects not included in the bond proposal.

Major capital asset events during the current year included the following:

- Local road completion – Lincoln & Sallye Mae Streets (\$1 million)
- Local road under construction -- includes Hollyhill, Cline, Fourth, Winterhalter, Kirkman, Highway 14 and others (\$1.9 million)
- City wide striping projects (\$238,000)
- Various sewer line rehabilitation projects (\$4.2 million)
- Wastewater plant rehabilitation (\$486,000)
- Ongoing improvements to George West water plant and other water utility projects (\$4.3 million)
- Civic center improvements/repairs – meeting rooms and coliseum ceiling (\$1.7 million)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- Golf course irrigation system and clubhouse rebuild (\$1.6 million)
- Various recreation site improvements (\$290,000)
- Bond project current year expenses are as follows:

Local roads – primarily Power Center Parkway (\$4.2 million)

Water projects – primarily E. Prien Lake, Weaver and Ryan Roads (\$1.2 million)

Sewer projects – primarily E McNeese and Country Club (\$1.8 million)

Recreation projects – Adventure Cove and 7 Parks Improvement (\$1.4 million)

Civic Center improvements – Center section and bathrooms (\$1.1 million)

Downtown Development (\$750,000)

Components of the City's capital assets are summarized in the following table. As previously noted, reported value for infrastructure is limited to projects completed since 1975. Additional detail is provided by the financial statements and notes thereto (Note 4-C).

Capital Assets as of September 30, 2008  
(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 12,282	\$ 11,846	\$ 1,297	\$ 1,734	\$ 13,579	\$ 13,580
Buildings	8,849	9,537	2,496	3,048	11,345	12,585
Improvements other than buildings	6,551	6,894	46,507	41,491	53,058	48,385
Equipment	9,168	9,581	2,879	3,354	12,047	12,935
Infrastructure	139,648	138,351	-	-	139,648	138,351
Construction in progress	61,436	48,607	13,062	9,538	74,498	58,145
Total	<u>\$237,934</u>	<u>\$ 224,816</u>	<u>\$66,241</u>	<u>\$59,165</u>	<u>\$304,175</u>	<u>\$283,981</u>
<u>Debt Administration</u>						

As of September 30, 2008, the City had \$69 million in non-current liabilities compared to \$74 million the previous year. Over 89 percent of the total is bonded debt, all of which is payable from future annual appropriations. Approximately 49 percent of the outstanding bond principal is due within ten years.

The City paid its final payment of \$2,726 for the 10 year Sales Tax Increment Reimbursement Agreement with Prien Lake Mall in October 2008. The maximum liability was \$4 million. The City paid \$441,941 in fiscal year 2008 but retired the remainder of the liability of \$909,937.

The City has no outstanding general obligation debt to which a bond rating can be assigned. Two outstanding bond issues (2003 LCDA loan and 1998 Refunding Bonds) are insured and therefore rated "AAA" by Standard and Poor's.

The City underwent a formal bond rating process for the first time in recent history in early 2007. They received a rating of "A+" from Fitch and a rating of "A" from Standard and Poor's. The 2007 LCDA bond issue had the afore-



## MANAGEMENT'S DISCUSSION AND ANALYSIS

mentioned underlying rating but is insured by AMBAC so is therefore rated "AAA". Statutory debt limits are not applicable to any of the City's current outstanding debt.

Additional information regarding long-term debt and liabilities is provided in the financial statements and accompanying notes (Note 4-G).

### Economic Outlook and Next Year's Budget

The following information was obtained from *Southwest Louisiana Economic Indicators*, dated February 16, 2009 McNeese State University College of Business, Dr. Mitchell Adrian, Dean; H.C. Drew Center for Economic Development Information Services, Dr. Douglas W. McNiel, Director

- Taxable Sales: Calcasieu Parish sales and use tax rose to a record \$4.59 billion in the year 2008, an increase of \$118 million or 2.6 percent. City of Lake Charles collections for the first 4 months of the current fiscal year have a cumulative increase of 1.6 percent compared to the same period in the previous fiscal year.
- Gaming industry: Riverboat and racetrack casinos in Calcasieu Parish had an increase in Adjusted Gross Receipts of 10.2 percent for October through December 2008 compared to the same period of 2007. L'Auberge du lac Riverboat Casino which opened in 2005 continues to rank as the highest grossing riverboat in the State.
- Nonfarm employment: A monthly household survey provides estimates of nonfarm unemployment in December 2008 at 4.8 percent in Calcasieu Parish. The statewide unemployment rate was 5.9 percent, and the nationwide unemployment rate was 7.2 percent.
- Real Estate: Single family home sales accounted for almost 79 percent of the total dollar volume of all real estate transactions reported in 2009. 10.8 percent fewer homes were sold in 2008 compared to the previous year. The average sales price fell by 2.1 percent to \$149,149 in 2008 from \$152,300. By comparison, nationwide in 2008 the number of single family homes sold dropped by about 12 percent and the average sale price fell by about 9 percent.

The above items and other economic indicators were considered when preparing the budget for the 2009 fiscal year.

The City adopted a 2009 General Fund budget which is projected to need to draw down \$1,076,137 of its previously accumulated fund balance to cover the difference between projected revenues and operating expenditures and transfers to other funds. An additional \$2,000,000 of fund balance will be transferred to other funds for capital expenditures and bond reserve funds. Revenues are projected to increase by 5 percent while operating expenses were projected to increase by 3 percent compared to the amended 2008 budget. Included in the 2009 adopted budget was a pay increase for all city employees. The City completed 2008 with a General Fund balance in excess of \$32 million which is well in excess of the minimum fund balance target of 35 percent of budgeted expenditures and non-capital transfers.

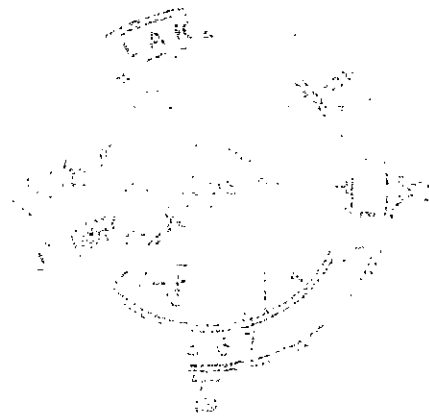
Increased water and sewer user fee rates went into effect in January 2009. Increases in fees are necessary to cover continued operating costs increases and to fund needed maintenance of plant facilities. Rates on rentals of our Civic Center facility have increased and were justified by the extensive renovations to the facility and continued increases in operational costs.

The City is moving forward with the projects that were approved in the bond proposition for improvements to roads, recreation facilities, water and waste water systems, and downtown development. The City projects to spend Phase 1 funds within the current calendar year and will proceed to issue additional bonds by 2010. The Capital Project budget also includes the spending of funds that were previously accumulated for roads and other projects that were not included in the bond projects.

### Requests for Information

This report is intended to provide interested parties with a general overview of the finances of the City of Lake Charles. Questions or requests for further financial information should be addressed to the Department of Finance, City of Lake Charles, P. O. Box 3706, Lake Charles, Louisiana 70602.

# BASIC FINANCIAL STATEMENTS



# CITY OF LAKE CHARLES, LOUISIANA

## Statement of Net Assets

September 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	City Court	City Marshal
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,352,013	\$ 1,175,529	\$ 22,527,542	\$ 765,485	\$ 556,700
Investments	97,556,047	1,529,139	99,085,186	-	-
Receivables (net of allowance for uncollectables)	13,947,726	2,016,550	15,964,276	130,514	14,007
Internal balances	2,480,185	(2,480,185)	-	-	-
Inventories	206,414	304,279	510,693	-	-
Prepays	862,171	-	862,171	-	-
Restricted assets:					
Cash and cash equivalents	-	741,981	741,981	668,384	-
Capital assets (net of accumulated depreciation)					
Land	12,282,124	1,297,682	13,579,806	-	-
Building	8,848,800	2,495,712	11,344,512	-	-
Improvements other than buildings	6,550,637	46,506,705	53,057,342	-	-
Equipment	9,167,891	2,878,785	12,046,676	30,692	137,484
Infrastructure	139,648,399	-	139,648,399	-	-
Construction in progress	61,435,896	13,062,124	74,498,020	-	-
Total assets	<u>374,338,303</u>	<u>69,528,301</u>	<u>443,866,604</u>	<u>1,595,075</u>	<u>708,191</u>
<b>LIABILITIES</b>					
Accounts payable & other current liabilities	8,110,829	1,448,927	9,559,756	51,291	2,380
Liabilities payable from restricted assets	-	741,547	741,547	-	-
Claims payable within one year	5,404,640	-	5,404,640	-	-
Claims payable in more than one year	1,318,373	-	1,318,373	-	-
Noncurrent liabilities:					
Due within one year	4,350,220	5,000	4,355,220	-	-
Due in more than one year	64,553,028	536,358	65,089,386	-	-
Total liabilities	<u>83,737,090</u>	<u>2,731,832</u>	<u>86,468,922</u>	<u>51,291</u>	<u>2,380</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	200,193,141	66,241,008	266,434,149	30,692	137,484
Restricted for:					
Capital projects	35,019,767	-	35,019,767	-	-
Debt service	3,703,608	-	3,703,608	-	-
Other purpose - Waste Water	3,496,321	-	3,496,321	-	-
Unrestricted	48,188,374	555,461	48,743,835	1,513,092	568,327
Total net assets	<u>\$290,601,211</u>	<u>\$ 66,796,469</u>	<u>\$ 357,397,680</u>	<u>\$1,543,784</u>	<u>\$ 705,811</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF LAKE CHARLES, LOUISIANA

## Statement of Activities

For the Year Ended September 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				Component Units	
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	City Court	City Marshal
			Grants and Contributions	Contributions						
<b>Primary government:</b>										
Governmental activities:										
General government	\$ 4,158,299	\$ 4,855,947	\$ 473,763	\$ -		\$ 1,171,411	\$ -	\$ 1,171,411	\$ -	\$ -
Public safety	28,400,481	116,804	2,170,076	16,000		(26,097,601)	-	(26,097,601)	-	-
Public works	26,341,091	8,066,296	754,103	818,247		(16,702,445)	-	(16,702,445)	-	-
Planning and development	3,011,317	563,200	1,272,677	1,294,366		118,926	-	118,926	-	-
General services	5,201,297	43,961	7,700	365,283		(4,784,353)	-	(4,784,353)	-	-
Community services	5,658,398	441,949	1,242,570	423,782		(3,550,097)	-	(3,550,097)	-	-
Interest in long-term debt	2,850,831	-	-	-		(2,850,831)	-	(2,850,831)	-	-
Total governmental activities	75,621,714	14,088,157	5,920,889	2,917,678		(52,694,990)	-	(52,694,990)	-	-
<b>Business-type activities</b>										
Civic center	3,274,154	915,970	-	179,550		-	(2,178,634)	(2,178,634)	-	-
Golf Course	1,247,986	985,883	-	693,622		-	431,519	431,519	-	-
Transit	2,540,820	83,792	1,157,412	-		-	(1,299,616)	(1,299,616)	-	-
Water	8,829,630	6,936,227	-	340,495		-	(1,552,908)	(1,552,908)	-	-
Total business-type activities	15,892,590	8,921,872	1,157,412	1,213,667		-	(4,599,639)	(4,599,639)	-	-
Total primary government	\$ 91,514,304	\$ 23,010,029	\$ 7,078,301	\$ 4,131,345		\$ (52,694,990)	\$ (4,599,639)	\$ (57,294,629)	\$ -	\$ -
<b>Component units:</b>										
City Court	\$ 365,821	\$ 302,034	\$ 228,640						\$ 164,853	\$ -
City Marshal	263,739	431,072	-						-	167,333
Total component units	\$ 629,560	\$ 733,106	\$ 228,640	\$ -					164,853	167,333
<b>General revenues:</b>										
Property taxes						6,612,603	-	6,612,603	-	-
Sales taxes						45,584,783	-	45,584,783	-	-
Franchise taxes						6,842,265	-	6,842,265	-	-
Riverboat taxes						8,399,666	-	8,399,666	-	-
Grants and contributions not restricted to specific programs						195,018	200,000	395,018	-	-
Interest and investment earnings						4,781,799	181,262	4,963,061	26,220	-
Miscellaneous						3,717,359	252,500	3,969,859	248,053	-
Gain (loss) on sales of capital assets						67,296	(497,393)	(430,097)	-	-
Transfers						(6,378,347)	6,378,347	-	-	-
Total general revenues and transfers						69,822,442	6,514,716	76,337,158	274,273	-
Change in net assets						17,127,452	1,915,077	19,042,529	439,126	167,333
Net assets - beginning						273,473,759	64,881,392	338,355,151	1,104,658	538,478
Net assets - ending						\$ 290,601,211	\$ 66,796,469	\$ 357,397,680	\$ 1,543,784	\$ 705,811

The notes to the financial statements are an integral part of this statement.

# CITY OF LAKE CHARLES, LOUISIANA

## Balance Sheet Governmental Funds September 30, 2008

	General	Riverboat Gaming Special Revenue	Community Development Special Revenue	Disaster Recovery Special Revenue
<b>ASSETS</b>				
Cash (Note 4-A)	\$ 6,901,530	\$ 605,597	\$ -	\$ -
Investments (Note 4-A)	23,424,696	558,457	-	-
Receivable (net of allowance for uncollectable)				
Accounts (Note 4-B)	5,704,553	337,929	18,350	239,110
Special Assessments	-	-	-	-
Accrued interest	118,721	-	-	-
Intergovernmental (Note 4-B)	67,864	-	454,434	2,766,724
Due from other funds (Note 4-F)	245,798	48,144	22,201	193,956
Inventory	206,414	-	-	-
Prepaid items	6,841	-	150	-
Total assets	<u>\$ 36,676,417</u>	<u>\$ 1,550,127</u>	<u>\$ 495,135</u>	<u>\$ 3,199,790</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,792,781	\$ -	\$ 435,654	\$ 2,357,990
Contracts payable	-	-	-	-
Escrow	537,146	-	52,625	-
Due to other funds	2,222,197	82,144	-	-
Deferred revenues	-	-	-	-
Other liabilities	14,213	-	-	-
Total liabilities	<u>4,566,337</u>	<u>82,144</u>	<u>488,279</u>	<u>2,357,990</u>
<b>FUND BALANCES</b>				
Reserved for inventory	206,414	-	-	-
Reserved for prepaid items (Note I-D)	6,841	-	-	-
Reserved for encumbrances (Note 3-B)	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, designated for, reported in:				
Subsequent year's expenditures in General Fund	3,076,137	-	-	-
Subsequent year's expenditures in Special Revenue	-	877,410	-	-
Designated in Capital Projects	-	-	-	-
Unreserved, undesignated reported in:				
General Fund	28,820,688	-	-	-
Special revenue funds	-	590,573	6,856	841,800
Total fund balances	<u>32,110,080</u>	<u>1,467,983</u>	<u>6,856</u>	<u>841,800</u>
Total liabilities and fund balances	<u>\$ 36,676,417</u>	<u>\$ 1,550,127</u>	<u>\$ 495,135</u>	<u>\$ 3,199,790</u>

The notes to the financial statements are an integral part of this statement.

Wastewater Special Revenue	Debt Service	Capital Projects	Other Special Revenue Governmental Funds	Total Governmental Funds
\$ 1,633,759	\$ 5,207,599	\$ 3,983,804	\$ 1,275,312	\$ 19,607,601
891,511	1,419,511	59,749,930	4,581,792	90,625,897
1,336,882	-	702,551	145,995	8,485,370
-	552,044	-	-	552,044
-	2,600	665,224	9,321	795,866
-	-	276,693	87,270	3,652,985
-	316,443	1,686,140	149,648	2,662,330
-	-	-	-	206,414
-	-	-	13,979	20,970
<u>\$ 3,862,152</u>	<u>\$ 7,498,197</u>	<u>\$ 67,064,342</u>	<u>\$ 6,263,317</u>	<u>\$ 126,609,477</u>
\$ 265,899	\$ 128,580	\$ 1,005,825	\$ 177,367	\$ 6,164,096
-	-	1,197,923	-	1,197,923
-	21,389	-	1,951	613,111
99,932	21,470	340,000	101,511	2,867,254
-	441,634	50,606	-	492,240
-	-	-	-	14,213
<u>365,831</u>	<u>613,073</u>	<u>2,594,354</u>	<u>280,829</u>	<u>11,348,837</u>
-	-	-	13,979	220,393
-	-	-	-	6,841
-	-	13,384,049	-	13,384,049
-	6,885,124	-	-	6,885,124
-	-	-	-	3,076,137
1,135,924	-	-	989,469	3,002,803
-	-	51,085,939	-	51,085,939
-	-	-	-	28,820,688
2,360,397	-	-	4,979,040	8,778,666
<u>3,496,321</u>	<u>6,885,124</u>	<u>64,469,988</u>	<u>5,982,488</u>	<u>115,260,640</u>
<u>\$ 3,862,152</u>	<u>\$ 7,498,197</u>	<u>\$ 67,064,342</u>	<u>\$ 6,263,317</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.

237,920,302

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.

492,240

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

5,831,277

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.

(68,903,248)

Net assets of governmental activities

\$ 290,601,211

**CITY OF LAKE CHARLES, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For Fiscal Year Ended September 30, 2008**

	General	Riverboat Gaming Special Revenue	Community Development Special Revenue	Disaster Recovery Special Revenue
<b>Revenues:</b>				
Taxes	\$ 43,280,285	\$ 8,399,666	\$ -	\$ -
Licenses and permits	7,635,503	-	-	-
Intergovernmental	1,828,542	-	2,267,721	1,752,731
Charges for services	2,120,291	-	-	-
Fines and forfeitures	306,694	-	-	-
Miscellaneous	2,028,381	668,372	18,350	88,590
Total revenues	<u>57,199,696</u>	<u>9,068,038</u>	<u>2,286,071</u>	<u>1,841,321</u>
<b>Expenditures:</b>				
Current operating:				
General government	2,445,167	-	-	4,624
Finance	1,350,748	-	-	1,611
Human Resources	287,532	-	-	1,192
Fire	12,503,046	-	-	131,107
Police	13,514,968	-	-	277,084
Public works	13,303,461	-	-	609,477
Planning and development	1,424,365	-	1,097,009	1,890
Community services	-	-	-	48,350
General services	4,029,221	-	-	1,525,548
Capital projects	-	-	1,296,366	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>48,858,508</u>	<u>-</u>	<u>2,393,375</u>	<u>2,600,883</u>
Excess (deficiency) of revenues over expenditures	<u>8,341,188</u>	<u>9,068,038</u>	<u>(107,304)</u>	<u>(759,562)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	94,710	164,142
Transfers out	(7,717,586)	(9,840,050)	-	-
Total other financing sources (uses)	<u>(7,717,586)</u>	<u>(9,840,050)</u>	<u>94,710</u>	<u>164,142</u>
Net change in fund balances	623,602	(772,012)	(12,594)	(595,420)
Fund balance at beginning of year	<u>31,486,478</u>	<u>2,239,995</u>	<u>19,450</u>	<u>1,437,220</u>
Fund balance at end of year	<u>\$ 32,110,080</u>	<u>\$ 1,467,983</u>	<u>\$ 6,856</u>	<u>\$ 841,800</u>

The notes to the financial statements are an integral part of this statement.

<u>Wastewater Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Special Revenue Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,207,800	\$ -	\$ 5,613,649	\$ 2,362,428	\$ 62,863,828
-	-	-	-	7,635,503
-	-	2,028,078	1,540,357	9,417,429
7,990,656	-	-	121,510	10,232,457
-	-	-	-	306,694
78,532	201,796	2,960,875	555,722	6,600,618
<u>11,276,988</u>	<u>201,796</u>	<u>10,602,602</u>	<u>4,580,017</u>	<u>97,056,529</u>
-	-	-	-	2,449,791
-	-	-	-	1,352,359
-	-	-	-	288,724
-	-	-	-	12,634,153
-	-	-	302,471	14,094,523
6,735,169	-	-	-	20,648,107
-	-	-	281,744	2,805,008
-	-	-	4,614,539	4,662,889
-	-	-	-	5,554,769
87,403	-	17,716,814	35,476	19,136,059
-	3,637,281	-	-	3,637,281
-	2,905,960	-	-	2,905,960
<u>6,822,572</u>	<u>6,543,241</u>	<u>17,716,814</u>	<u>5,234,230</u>	<u>90,169,623</u>
<u>4,454,416</u>	<u>(6,341,445)</u>	<u>(7,114,212)</u>	<u>(654,213)</u>	<u>6,886,906</u>
-	6,680,966	9,770,919	900,176	17,610,913
<u>(3,230,000)</u>	-	<u>(3,201,624)</u>	<u>(500,000)</u>	<u>(24,489,260)</u>
<u>(3,230,000)</u>	<u>6,680,966</u>	<u>6,569,295</u>	<u>400,176</u>	<u>(6,878,347)</u>
1,224,416	339,521	(544,917)	(254,037)	8,559
<u>2,271,905</u>	<u>6,545,603</u>	<u>65,014,905</u>	<u>6,236,525</u>	<u>115,252,081</u>
<u>\$ 3,496,321</u>	<u>\$ 6,885,124</u>	<u>\$ 64,469,988</u>	<u>\$ 5,982,488</u>	<u>\$ 115,260,640</u>



**CITY OF LAKE CHARLES, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For Fiscal Year Ended September 30, 2008**

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Amounts reported for governmental activities in the statement of activities  
different because:

Net change in fund balances - total governmental funds	\$ 8,559
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	13,123,600
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(40,947)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,548,448
Internal service funds are used by management to charge the costs of insurance to individual funds. The net expenses of certain activities of internal service funds is reported within the governmental activities.	<u>(512,208)</u>
Change in net assets of governmental activities	<u>\$ 17,127,452</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF LAKE CHARLES, LOUISIANA

## General Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008	Variance with
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Taxes	\$ 39,618,323	\$ 42,348,323	\$ 43,280,285	\$ 931,962
Licenses and permits	9,733,200	6,743,200	7,635,503	892,303
Intergovernmental	1,694,150	1,772,150	1,828,542	56,392
Charges for services	1,868,011	1,868,011	2,120,291	252,280
Fines and forfeitures	284,100	284,100	306,694	22,594
Miscellaneous	1,643,350	1,408,350	2,028,381	620,031
Total revenues	<u>54,841,134</u>	<u>54,424,134</u>	<u>57,199,696</u>	<u>2,775,562</u>
<b>Expenditures:</b>				
Current:				
General government	2,715,103	2,715,103	2,445,167	269,936
Finance	1,566,126	1,566,126	1,350,748	215,378
Human Resources	324,919	324,919	287,532	37,387
Fire	12,778,289	13,168,289	12,503,046	665,243
Police	13,883,806	14,159,806	13,514,968	644,838
Public works	13,979,922	14,564,922	13,303,461	1,261,461
Planning	1,877,455	1,877,455	1,424,365	453,090
General services	4,267,060	4,452,060	4,029,221	422,839
Total expenditures	<u>51,392,680</u>	<u>52,828,680</u>	<u>48,858,508</u>	<u>3,970,172</u>
Excess (deficiency) of rev over exp	<u>3,448,454</u>	<u>1,595,454</u>	<u>8,341,188</u>	<u>6,745,734</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(4,747,872)</u>	<u>(7,768,172)</u>	<u>(7,717,586)</u>	<u>50,586</u>
Total other financing sources (uses)	<u>(4,747,872)</u>	<u>(7,768,172)</u>	<u>(7,717,586)</u>	<u>50,586</u>
Net change in fund balances	<u>(1,299,418)</u>	<u>(6,172,718)</u>	<u>623,602</u>	<u>6,796,320</u>
Fund balance at beginning of year	<u>31,486,478</u>	<u>31,486,478</u>	<u>31,486,478</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,187,060</u>	<u>\$ 25,313,760</u>	<u>\$ 32,110,080</u>	<u>\$ 6,796,320</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Riverboat Gaming Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2008**

	<u>Budgeted Amounts</u>		<u>2008</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Taxes	\$8,515,000	\$8,515,000	\$8,399,666	\$ (115,334)
Miscellaneous	637,230	637,230	668,372	31,142
Total revenues	<u>9,152,230</u>	<u>9,152,230</u>	<u>9,068,038</u>	<u>(84,192)</u>
<b>Expenditures:</b>				
Other services and charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>9,152,230</u>	<u>9,152,230</u>	<u>9,068,038</u>	<u>(84,192)</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(9,702,230)</u>	<u>(9,840,050)</u>	<u>(9,840,050)</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,702,230)</u>	<u>(9,840,050)</u>	<u>(9,840,050)</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(550,000)</u>	<u>(687,820)</u>	<u>(772,012)</u>	<u>(84,192)</u>
Fund balance at beginning of year	<u>2,239,995</u>	<u>2,239,995</u>	<u>2,239,995</u>	<u>-</u>
Fund balance at end of year	<u>\$1,689,995</u>	<u>\$1,552,175</u>	<u>\$1,467,983</u>	<u>\$ (84,192)</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF LAKE CHARLES, LOUISIANA

## Community Development Special Revenue Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008	Variance with
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 1,385,542	\$ 2,896,567	\$ 2,267,721	\$ (628,846)
Miscellaneous	-	-	18,350	18,350
Total revenues	1,385,542	2,896,567	2,286,071	(610,496)
<b>Expenditures:</b>				
Current:				
Personal services	169,948	169,948	165,078	4,870
Contract and operational	13,791	763,501	13,643	749,858
Material and supplies	1,373	5,243	5,249	(6)
Special current	548,247	118,420	913,039	(794,619)
Capital outlay	698,893	1,917,415	1,296,366	621,049
Total expenditures	1,432,252	2,974,527	2,393,375	581,152
Excess (deficiency) of revenues over expenditures	(46,710)	(77,960)	(107,304)	(29,344)
<b>Other financing sources:</b>				
Transfers in	46,710	77,960	94,710	16,750
Total other financing sources	46,710	77,960	94,710	16,750
Excess (deficiency) of rev and other sources over exp and other uses	-	-	(12,594)	(12,594)
Fund balance at beginning of year	19,450	19,450	19,450	-
Fund balance at end of year	\$ 19,450	\$ 19,450	\$ 6,856	\$ (12,594)

The notes to the financial statements are an integral part of this statement.

# CITY OF LAKE CHARLES, LOUISIANA

## Disaster Recovery Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>2008</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Intergovernmental				
(net of allowance for uncollectable)	\$ -	\$ -	\$ 1,752,731	\$ 1,752,731
Miscellaneous	200,000	200,000	88,590	(111,410)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>1,841,321</u>	<u>1,641,321</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	4,624	(4,624)
Finance	-	-	1,611	(1,611)
Human Resources	-	-	1,192	(1,192)
Fire	6,380	6,380	131,107	(124,727)
Police	-	-	277,084	(277,084)
Public works	46,748	46,748	609,477	(562,729)
Planning and development	-	-	1,890	(1,890)
Community services	41,588	41,588	48,350	(6,762)
General services	105,284	105,284	1,525,548	(1,420,264)
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>2,600,883</u>	<u>(2,400,883)</u>
Excess (deficiency) of rev over exp	<u>-</u>	<u>-</u>	<u>(759,562)</u>	<u>759,562</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	164,142	(164,142)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>164,142</u>	<u>(164,142)</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>-</u>	<u>-</u>	<u>(595,420)</u>	<u>(595,420)</u>
Fund balance at beginning of year	<u>1,437,220</u>	<u>1,437,220</u>	<u>1,437,220</u>	<u>-</u>
Fund balance at end of year	<u><u>\$1,437,220</u></u>	<u><u>\$ 1,437,220</u></u>	<u><u>\$ 841,800</u></u>	<u><u>\$ (595,420)</u></u>

# CITY OF LAKE CHARLES, LOUISIANA

## Waste Water Special Revenue Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008 Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Sales tax revenue	\$ 3,120,000	\$ 3,120,000	\$ 3,207,800	\$ 87,800
Intergovernmental	-	-	-	-
Charges for services	6,360,650	6,960,650	7,990,656	1,030,006
Miscellaneous	70,750	70,750	78,532	7,782
Total revenues	<u>9,551,400</u>	<u>10,151,400</u>	<u>11,276,988</u>	<u>1,125,588</u>
<b>Expenditures:</b>				
Personal services	2,337,079	2,337,079	2,238,520	98,559
Contractual and operational services	2,867,569	2,867,569	2,818,758	48,811
Materials & supplies	718,678	993,678	926,596	67,082
Special Current Charges	757,053	757,053	751,294	5,759
Capital outlay	91,052	91,052	87,403	3,649
Total expenditures	<u>6,771,431</u>	<u>7,046,431</u>	<u>6,822,572</u>	<u>223,859</u>
Excess (deficiency) of rev over exp	2,779,969	3,104,969	4,454,416	1,349,447
<b>Other financing sources (uses):</b>				
Transfers out	<u>(3,396,000)</u>	<u>(3,230,000)</u>	<u>(3,230,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,396,000)</u>	<u>(3,230,000)</u>	<u>(3,230,000)</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	(616,031)	(125,031)	1,224,416	1,349,447
Fund balance at beginning of year	<u>2,271,905</u>	<u>2,271,905</u>	<u>2,271,905</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,655,874</u>	<u>\$ 2,146,874</u>	<u>\$ 3,496,321</u>	<u>\$ 1,349,447</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF LAKE CHARLES, LOUISIANA

## Statement of Net Assets

### Proprietary Funds

September 30, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Civic Center	Golf Course	Public Transit	Water Utility	Totals 2008	
<b>ASSETS</b>						
Current assets:						
Cash	\$ 897,637	\$ -	\$ 277,892	\$ -	\$ 1,175,529	\$ 1,744,412
Investments	377,974	-	312,297	838,868	1,529,139	6,930,150
Restricted cash:						
Customer deposits	-	-	-	741,981	741,981	-
Accounts receivable (net of allowance for uncollectible)	44,078	-	221	613,619	657,918	456,170
Accrued interest receivable	-	-	-	703	703	5,291
Intergovernmental receivables	179,550	693,622	232,894	251,863	1,357,929	-
Due from other funds	200,000	126,586	74,241	40,000	440,827	500,386
Inventories	20,767	62,212	-	221,300	304,279	-
Prepaid items	-	-	-	-	-	841,201
Total current assets	<u>1,720,006</u>	<u>882,420</u>	<u>897,545</u>	<u>2,708,334</u>	<u>6,208,305</u>	<u>10,477,610</u>
Capital assets:						
Land	-	1,065,697	-	231,985	1,297,682	-
Buses	-	-	1,497,590	-	1,497,590	-
Buildings and structures	18,768,595	397,195	-	638,540	19,804,330	-
Improvements	12,596,086	2,099,832	-	56,356,092	71,052,010	-
Construction in Progress	1,342,246	724,603	-	10,995,275	13,062,124	-
Equipment, furniture and fixtures	3,274,176	829,746	21,039	1,702,500	5,827,461	42,550
Total capital assets	<u>35,981,103</u>	<u>5,117,073</u>	<u>1,518,629</u>	<u>69,924,392</u>	<u>112,541,197</u>	<u>42,550</u>
Less accumulated depreciation	<u>22,024,053</u>	<u>1,206,735</u>	<u>1,260,449</u>	<u>21,808,952</u>	<u>46,300,189</u>	<u>29,105</u>
Total capital assets (net of accumulated depreciation)	<u>13,957,050</u>	<u>3,910,338</u>	<u>258,180</u>	<u>48,115,440</u>	<u>66,241,008</u>	<u>13,445</u>
Total assets	<u>15,677,056</u>	<u>4,792,758</u>	<u>1,155,725</u>	<u>50,823,774</u>	<u>72,449,313</u>	<u>10,491,055</u>

**Business-type Activities-Enterprise Funds**

	<b>Civic Center</b>	<b>Golf Course</b>	<b>Public Transit</b>	<b>Water Utility</b>	<b>Totals 2008</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>LIABILITIES</b>						
Current liabilities :						
Accounts payable	78,541	265,170	25,948	541,195	910,854	67,319
Contracts payable	9,450	30,918	-	379,836	420,204	-
Customer deposits payable	-	-	-	741,547	741,547	-
Escrow	107,797	10,072	-	-	117,869	-
Due to other funds	701,690	95	46	34,361	736,192	98
Accrued insurance claims	-	-	-	-	-	5,079,640
Incurred-not reported claims	-	-	-	-	-	325,000
Total current liabilities	<u>897,478</u>	<u>306,255</u>	<u>25,994</u>	<u>1,696,939</u>	<u>2,926,666</u>	<u>5,472,057</u>
Non-current liabilities:						
Compensated absences	114,058	49,740	53,140	324,420	541,358	54,168
Accrued insurance claims-noncurrent	-	-	-	-	-	1,318,373
Total non-current liabilities	<u>114,058</u>	<u>49,740</u>	<u>53,140</u>	<u>324,420</u>	<u>541,358</u>	<u>1,372,541</u>
Total liabilities	<u>1,011,536</u>	<u>355,995</u>	<u>79,134</u>	<u>2,021,359</u>	<u>3,468,024</u>	<u>6,844,598</u>
<b>NET ASSETS</b>						
Invested in capital assets	13,957,050	3,910,338	258,180	48,115,440	66,241,008	13,445
Unrestricted	<u>708,470</u>	<u>526,425</u>	<u>818,411</u>	<u>686,975</u>	<u>2,740,281</u>	<u>3,633,012</u>
Total net assets	<u>\$ 14,665,520</u>	<u>\$4,436,763</u>	<u>\$1,076,591</u>	<u>\$48,802,415</u>	<u>68,981,289</u>	<u>\$ 3,646,457</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(2,184,820)	
Change in net assets of business-type activities					<u>\$66,796,469</u>	

The notes to the financial statements are an integral part of this statement.



**CITY OF LAKE CHARLES, LOUISIANA**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2008**

	<u>Business-type</u>	
	<u>Civic Center</u>	<u>Golf Course</u>
Operating revenues:		
Charges for services	\$ 915,217	\$ 984,933
Other	753	950
Total operating revenues	<u>915,970</u>	<u>985,883</u>
Operating expenses:		
Personal services	966,338	573,369
Materials and supplies	218,721	286,992
Maintenance	149,060	25,171
Heat, light and power	407,794	45,451
Transportation	-	-
General and administration	255,909	119,888
Claims and losses paid	-	-
Depreciation	1,245,244	187,668
Total operating expenses	<u>3,243,066</u>	<u>1,238,539</u>
Operating income (loss)	<u>(2,327,096)</u>	<u>(252,656)</u>
Nonoperating revenues (expenses):		
Operating grants-governmental agencies	200,000	-
Interest	53,525	3,852
Gain (loss) on retirement or transfer of fixed assets	-	-
Other - governmental disaster recovery	179,550	693,622
Total nonoperating revenues	<u>433,075</u>	<u>697,474</u>
Income (loss) before operating transfers	<u>(1,894,021)</u>	<u>444,818</u>
Capital contributions and transfers:		
Capital contributions		
Developer	-	-
Transfers out	(615,000)	-
Transfers in	2,465,334	1,400,000
Total capital contributions and transfers	<u>1,850,334</u>	<u>1,400,000</u>
Change in net assets	<u>(43,687)</u>	<u>1,844,818</u>
Net assets at beginning of year	14,709,207	2,591,945
Net assets at end of year	<u>\$ 14,665,520</u>	<u>\$ 4,436,763</u>

The notes to the financial statements are an integral part of this statement.

Activities-Enterprise Funds			Governmental
Public Transit	Water Utility	Totals 2008	Activities - Internal Service Funds
\$ 74,936	\$ 6,809,832	\$ 8,784,918	\$ 9,907,857
8,856	126,395	136,954	87,406
83,792	6,936,227	8,921,872	9,995,263
590,383	2,837,506	4,967,596	431,942
13,158	1,388,302	1,907,173	8,480
84,867	269,453	528,551	-
1,070	1,025,438	1,479,753	-
300,369	-	300,369	-
801,740	1,774,266	2,951,803	3,258,690
-	-	-	8,007,928
174,239	1,322,717	2,929,868	5,792
1,965,826	8,617,682	15,065,113	11,712,832
(1,882,034)	(1,681,455)	(6,143,241)	(1,717,569)
1,157,412	340,495	1,697,907	-
14,089	109,796	181,262	291,770
(911,279)	-	(911,279)	-
-	-	873,172	-
260,222	450,291	1,841,062	291,770
(1,621,812)	(1,231,164)	(4,302,179)	(1,425,799)
-	252,500	252,500	-
-	-	(615,000)	-
1,022,362	2,105,651	6,993,347	500,000
1,022,362	2,358,151	6,630,847	500,000
(599,450)	1,126,987	2,328,668	(925,799)
1,676,041	47,675,428		4,572,256
\$ 1,076,591	\$ 48,802,415		\$ 3,646,457

Adjustments to reflect the consolidation of  
internal service fund activities related  
to enterprise funds  
Change in net assets of business-type activities

(413,591)  
\$ 1,915,077

# CITY OF LAKE CHARLES, LOUISIANA

## Statement of Cash Flows

### Proprietary Funds

Fiscal Year Ended September 30, 2008

	<u>Civic Center</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 891,832
Payments to employees	(957,278)
Payments to suppliers	(1,487,170)
Internal activity - payments to other funds	595,562
Net cash provided by operating activities	<u>(957,054)</u>
<b>Cash flow from noncapital financing activities:</b>	
Operating subsidies	844,861
Shared revenue from governmental agencies	200,000
Net cash provided by noncapital financing activities	<u>1,044,861</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchases of capital assets	(2,162,617)
Contracts payable	-
Capital transfers	(65,000)
Net cash provided (used for) capital and related financing activities	<u>(2,227,617)</u>
<b>Cash flow from investing activities:</b>	
Purchase of investment securities	(11,824)
Proceeds from sale and maturities of investment securities	99,469
Interest on investments	54,176
Net cash provided (used for) investing activities	<u>141,821</u>
Net increase (decrease) in cash and cash equivalents	(1,997,989)
Cash and cash equivalents at beginning of year	2,895,626
Cash and cash equivalents at end of year	<u>\$ 897,637</u>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	<u>\$ (2,327,096)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	1,245,244
(Increase) decrease in accounts receivable	(24,138)
(Increase) decrease in due from other funds	(106,128)
(Increase) decrease in inventories	(3,222)
(Increase) decrease in prepaid items	16,477
Increase (Decrease) in accounts payables	(534,664)
Increase (Decrease) in miscellaneous payables	69,768
Increase (Decrease) in customer deposit account	-
Increase (Decrease) in compensated absences payable	5,015
Increase (Decrease) in due to other funds	701,690
Total adjustments	<u>1,370,042</u>
Net cash provided (used) by operating activities	<u>\$ (957,054)</u>

#### Noncash investing and capital activities:

Assets transferred out cost \$455,894 and had accumulated depreciation of \$19,373. Net loss equaled \$436,521.

Assets retired costs \$613,264 and had accumulated depreciation of \$138,506. Net loss equaled \$474,758.

Capital expenditures of \$2,426,124 were paid from governmental funds but the asset is recorded in the enterprise funds.

Donated developer constructed water system extensions of \$252,500 were recorded as retained earnings.

Change in the fair value of investments resulted in an unrealized gain of \$3,770 at year end 2008 and an unrealized gain of \$81,544 at year end 2007.

The notes to the financial statements are an integral part of this statement.

**Business-type Activities - Enterprise Funds**

<b>Golf Course</b>	<b>Transit</b>	<b>Water Utility</b>	<b>Totals 2008</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 985,945	\$ 84,366	\$ 7,233,217	\$ 9,195,360	\$ 9,558,854
(578,754)	(588,388)	(2,832,693)	(4,957,113)	(417,716)
(243,915)	(1,237,375)	(4,260,484)	(7,228,944)	(10,483,916)
(204,655)	152,658	(118,368)	425,197	49,786
(41,379)	(1,588,739)	21,672	(2,565,500)	(1,292,992)
59,000	1,022,362	-	1,926,223	500,000
-	1,159,779	179,160	1,538,939	-
59,000	2,182,141	179,160	3,465,162	500,000
(1,621,155)	(60,758)	(4,393,816)	(8,238,346)	-
-	-	(44,890)	(44,890)	-
1,341,000	-	750,000	2,026,000	-
(280,155)	(60,758)	(3,688,706)	(6,257,236)	-
-	(300,543)	(58,436)	(370,803)	(6,320,968)
-	-	2,220,640	2,320,109	4,686,795
3,852	14,089	120,978	193,095	336,778
3,852	(286,454)	2,283,182	2,142,401	(1,297,395)
(258,682)	246,190	(1,204,692)	(3,215,173)	(2,090,387)
258,682	31,702	1,946,673	5,132,683	3,834,800
\$ -	\$ 277,892	\$ 741,981	\$ 1,917,510	\$ 1,744,413
\$ (252,656)	\$(1,882,034)	\$ (1,681,455)	\$ (6,143,241)	\$ (1,717,569)
187,668	174,239	1,322,717	2,929,868	5,792
62	574	220,330	196,828	(436,409)
(126,586)	152,612	(40,000)	(120,102)	49,688
(18,410)	-	(5,382)	(27,014)	-
110	200	1,790	18,577	664,683
222,684	(37,169)	206,600	(142,549)	47,226
30,059	-	-	99,827	91,740
-	-	83,652	83,652	-
(6,241)	2,793	(8,212)	(6,645)	1,759
(78,069)	46	(78,368)	545,299	98
211,277	293,295	1,703,127	3,577,741	424,577
\$ (41,379)	\$(1,588,739)	\$ 21,672	\$ (2,565,500)	\$ (1,292,992)

## NOTES TO FINANCIAL STATEMENTS

### CITY OF LAKE CHARLES, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2008

### 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The City of Lake Charles, Louisiana (the City) was incorporated in 1867, and operates under a home rule charter, which became effective in 1961. The City utilizes the Mayor-Council form of government and provides a full range of municipal services under a centralized system of administration.

The accounting and financial reporting policies of the City conform to generally accepted accounting principles as applicable to governments. Such policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units. Following is a summary of the more significant accounting policies.

The accompanying financial statements include all funds, which are directly controlled by the City, and which constitute the primary government as defined for financial reporting purposes. In accordance with generally accepted accounting principles, this report also includes component units, which are legally separate from the City but considered to be fiscally dependent on the primary government. Component units are discretely presented in this report, are reported for periods and balance sheet dates which differ from the City's, and have been separately audited. Further disclosures concerning such units are provided below.

#### Discretely Presented Component Units

Financial data of component units is displayed on the Statement of Net Assets and Statement of Activities. The reported component units are as follows:

##### City Court of Lake Charles:

This entity is created by state statutes, which provide for its governance by independently elected officials and has a jurisdictional area extending beyond the corporate limits of the City. Although legally separate, City Court is fiscally dependent upon the government because of the statutory requirements that the City provide and maintain the physical facilities necessary for its operation. The relationship between the City and City Court is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for the City Court component unit is from its separately audited financial statements for the fiscal year ended December 31, 2007.

##### Ward Three Marshal - City Court:

The office of Ward Three Marshal, which is governed by an independently elected official, is created in the same statutory manner as City Court and has a corresponding area of jurisdiction. Although legally separate, the office of Ward Three Marshal is fiscally dependent upon the government because of the statutory requirements that the City provide and maintain the physical facilities necessary for its operation. The relationship between the Marshal and the City is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for this component unit are from its separately audited financial report for the year ended December 31, 2007. Complete financial statements of the individual component units are available from the City of Lake Charles at 326 Pujo Street, Lake Charles, Louisiana 70601.

## NOTES TO FINANCIAL STATEMENTS

### B. Government-wide and Fund Financial Statement

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and the intergovernmental revenues, are reported separately from business-type activities, which rely primarily on charges for services for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The 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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual so they have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City of Lake Charles reports the following major governmental funds:

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.

Riverboat Gaming Special Revenue Fund - This fund accounts for receipt and subsequent expenditure or transfer of revenue from casino riverboat admissions taxes, development contributions and related City-owned parking.

## NOTES TO FINANCIAL STATEMENTS

Community Development Special Revenue Fund -- This fund accounts for the receipt and subsequent expenditure of federal funds received from the Department of Housing and Urban Development for housing and community development purposes, including related revenues which are restricted to such purposes by grant agreements. The principal revenue source accounted for within this fund is the Community Development Block Grant Program.

Disaster Recovery Fund -- This fund accounts for the receipt of intergovernmental and miscellaneous revenue and subsequent expenditure of such funds necessary to recover from disasters.

Waste Water Fund -- This fund accounts for the receipt and subsequent expenditure of sewer use charges, dedicated taxes, and other current charges dedicated to operations, maintenance and improvement of the City's sanitary sewerage system.

Debt Service Fund -- This fund is used to account for the accumulation of resources and the payments made for principal, interest, and related costs on long-term debt obligations of governmental funds.

Capital Projects Fund -- This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

The City of Lake Charles reports the following proprietary funds:

Civic Center -- This fund accounts for the activities of the Lake Charles Civic Center.

Golf Course -- This fund accounts for the activities of Mallard Cove Golf Course.

Transit Fund -- This fund accounts for the operation of the City's transit system.

Water Fund -- This fund accounts for the operation of the City's water system.

The City reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the insurance needs provided to other departments of the City, or to other governments, on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in

## NOTES TO FINANCIAL STATEMENTS

connection with a proprietary fund's principal ongoing operations. The intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and are reported as program revenues.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as nonoperating revenues and expenses.

### **D. Assets, Liabilities and Net Assets or Equity**

#### **1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investment program is authorized and limited by state statute and city ordinances to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool equivalent to a money market fund. LAMP invests in short-term instruments permitted by statute.

Investments for the government, its component units and for LAMP are reported at fair value.

#### **2. Receivables and payables**

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables, including those for grass cutting and demolition assessments in the governmental funds and water and sewer charges in the enterprise funds, are shown net of an allowance for uncollectables. The allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water and sewer user fees in the Waste Water Special Revenue Fund and the Water Utility Enterprise Fund. The City's ability to collect the amounts due from the users of the City water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

The City property taxes must be levied by December 1st of each year. Property taxes are due by December 31st and are delinquent by January 1st. Delinquent property taxes are assessed interest at one and one-quarter percent per month for the period of delinquency. Property owners with taxes still delinquent by March 1st are notified by certified mail that they have twenty days to pay delinquent property taxes. The lien date is the date in which the tax assessor files the tax roll with the Clerk of Court, which is the same as the levy date. Sale of delinquent properties is held each year as soon as possible after May 1st. Most taxes are collected in December, January and February.

#### **3. Inventories and prepaid items**

Inventory is valued at average cost. Inventory in the General Fund consists of materials and supplies held for consumption, and are accounted for under the consumption method where expenditures are recorded when the goods are used. Inventories are also held in the enterprise funds. These consist of concession supplies held for sale to the public and materials held for water system maintenance and improvements.



## NOTES TO FINANCIAL STATEMENTS

Payments made to vendors for services that will benefit subsequent periods are recorded as prepaid items in both governmental-wide and fund financial statements.

### 4. Restricted assets

Customer deposits in the Water Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited to repayment of deposits to qualified customers or upon termination of service.

### 5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Historically, capital assets constructed during the past 30 years had been financed on a pay-as-go basis. However, the City incurred debt in 2003 for the construction of a new sewer treatment facility and issued bonds in 2007 to fund capital improvements, such as roads, water, sewer, recreation and downtown development activities.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements other than buildings	20
Public Domain infrastructure	10 – 50
System infrastructure	10 – 50
Machinery and equipment	7

### 6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. An amount that would be recorded in governmental fund statements is the amount of unused vacation accruals payable to employees who had terminated as of the end of the fiscal year; however, no such current liability existed on September 30, 2008.

Vacation is based on the number of years service and is earned as follows:

First four years	10 days
Five to nine years	15 days
Ten to nineteen years	20 days
Nineteen years and over	25 days

## NOTES TO FINANCIAL STATEMENTS

Sick pay is based on the number of years service and is carried as follows:

First three years	8 hours per month
Four years and over	12 hours per month

Sick pay is not vested except at retirement, where accumulated sick pay hours up to six hundred (600) are payable to non-civil service retirees. The termination payment liability was calculated by developing a ratio based on historical data of sick leave paid at termination compared with sick leave accumulated and by applying that ratio to the sick leave accumulated by the current employee population as of September 30, 2008. Current sick pay benefits recorded in the governmental fund statements would be the amount of unreimbursed sick leave payable to employees who had terminated their employment as of the end of the fiscal year; however no such liability existed on September 30, 2008. The entire estimated termination payment liability is recorded in the government-wide and proprietary fund financial statements.

City employees may receive compensatory time off with pay in lieu of overtime pay for work in excess of regular scheduled hours. Accumulation of unused compensatory time is limited, and any unused or unpaid portion is payable upon separation from employment. Compensatory time is accrued when incurred in the government-wide and proprietary funds financial statements. A current portion of compensatory time would be recorded in the governmental fund statement that would equal the amount of reimbursable leave payable to employees who had terminated their employment as of September 30, 2008; however there was no current portion at that time.

At September 30, 2008 the total liability reported on the Statement of Net Assets for accrued vacation, sick and compensatory time was \$2,626,992 for Governmental Activities, which includes \$54,168 from the Internal Service Funds. The amount recorded in Business-Type Activities equaled \$541,358.

### 7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types recognize principal payments during the current period. The face amount of debt issued is reported as other financing sources.

### 8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for specific purposes. Designations of fund balance represent tentative management plans that could be subject to change.

The fund financial statements show reservations of fund balance for inventory, prepaid items, encumbrances and debt service. There are also unreserved designations for subsequent year's expenditures and capital projects. All of these items are included as elements of net assets on the government wide statement.

## NOTES TO FINANCIAL STATEMENTS

### 2. Reconciliation of Government-wide Financial Statements

#### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains “long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$68,903,248 difference are as follows:

2003 LCDA Bonds payable	\$21,010,000
2007 LCDA Bonds payable	33,370,000
Premium on 2007 LCDA Bonds payable (to be amortized over the life of the debt)	1,029,081
Pension refunding bonds	5,915,000
Sales tax increment financing agreement	2,726
Cooperative endeavor-Sales Tax Dist. No.3	4,114,492
Compensated absences	2,572,824
Scars building installment loan	700,000
Police benefits guarantee	189,125
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets -governmental activities	<u>\$68,903,248</u>

#### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$13,123,600 are as follows:

Capital outlays	\$21,962,836
Depreciation expense	(8,719,962)
Loss on retirement of capital assets	( 119,274)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$13,123,600</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net assets.” The details of this \$4,548,448 are as follows:

Principal repayment:	
Pension refunding bonds	\$ 860,000
LCDA demand bonds	870,000
2007 LCDA public improvement bonds	1,110,000
Police benefit guarantees	47,365
Sales tax increment financing agreement	1,351,878
Compensated absences	( 95,924)
Cooperative endeavor-Sales Tax Dist No 3	350,000
Proceeds from premium on 2007 LCDA Public Improvement Bonds (to be amortized as interest over life of debt)	<u>55,129</u>
Net adjustment to decrease net changes in fund balances – total governmental Funds to arrive at changes in net assets of governmental activities	<u>\$ 4,548,448</u>

## NOTES TO FINANCIAL STATEMENTS

### C. Explanation of certain differences between the proprietary fund statement of net assets and the governmental-wide statement of net assets.

The proprietary fund statements of net assets include reconciliation between net assets – total enterprise funds and net assets of business-type activities as reported in the governmental-wide statements of net assets. The description of the sole element of that reconciliation is "Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds." The details of this \$(2,184,820) are as follows:

Internal payable representing costs in excess of charges to the business-type activities – prior year	\$( 1,771,229)
Internal payable representing costs in excess of charges to the business-type activities – current year	<u>( 413,591)</u>
Net adjustment to decrease net assets – enterprise funds to arrive at net assets – business-type activities	<u><u>\$(2,184,820)</u></u>

### 3. Stewardship, Compliance, and Accountability

#### A. Budgetary information

The City annually adopts and implements an operating and capital budget in accordance with requirements of the City Charter and applicable state law for the General Fund and all Special Revenue and Proprietary Funds. The Capital Projects Fund's budget is a project based capital budget. Policies and procedures with respect to budget adoption and budgetary control are as follows:

1. The Mayor submits the proposed operating budget for the fiscal year commencing October 1 to the City Council no later than August 15. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget and notices of public hearing are published in accordance with statutory requirements.
3. The proposed budget is subject to one or more public hearings before the City Council prior to adoption by ordinance, which must occur no later than September 15. The City Charter requires a two-thirds vote of the City Council to amend the proposed budget submitted by the Mayor.
4. Expenditures are legally restricted to budgetary appropriations at the department level within the General Fund and at the fund level for Special Revenue Funds, which are not departmentalized. Revisions, which alter the total expenditures of any such department or fund, must be approved by budget amendment ordinance adopted by the City Council at the request of the Mayor. Transfers of budgeted amounts between expenditure objects or programs within the same department and fund are authorized to be made administratively by the Director of Finance.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Fund, which is budgeted on a project basis. Formal budgetary integration is not employed in the Debt Service Funds because effective budgetary control is alternatively achieved through the respective bond indentures and provisions.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Comparisons of budgeted and actual results of operation are presented for the General Fund and Special Revenue Funds in the accompanying financial statements. The Capital Projects Fund is not included in this budget and actual comparison, as the capital budget which encompasses that fund is presented on the basis of cumulative as opposed to annual budget amounts.

## NOTES TO FINANCIAL STATEMENTS

7. All budgetary appropriations except capital project budgets lapse at the end of each fiscal year.
8. Budgeted amounts are as originally adopted, or as amended by the City Council. The originally adopted General Fund budget was \$56,140,552. Amendments in the amount of \$4,456,300 resulted in the final General Fund budget of \$60,596,852 as presented in the accompanying statements. Amendments were necessary for reauthorization for Public Works Department equipment budgeted in prior fiscal year, increases in solid waste disposal fees, and various operating cost increases such as fuel and automotive parts.

The originally adopted amount of all Special Revenue Funds was \$27,976,921. Amendments in the amount of \$2,009,095 resulted in the final total Special Revenue Fund budget of \$29,986,016. An annual amendment is necessary in response to grant awards and grant balance carry-overs involving Special Revenue Funds, primarily the Community Development Fund.

### **B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds.

In accordance with generally accepted accounting principles, outstanding encumbrances at year end for which goods or services are received are reclassified to expenditures and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year end and are either canceled or are included as reappropriations of fund balance for the subsequent year. Encumbrances at year-end in funds that are budgeted on a project basis, including Enterprise Fund construction projects, are carried forward along with their related appropriations and are not subject to an annual cancellation and reappropriation.

### **C. Excess of Expenditures Over Appropriations and Deficit Fund Equity**

The Disaster Recovery Fund was established in 2005 to account for recovery costs related to Hurricane Rita. The original fiscal year 2008 budget reflected the ongoing anticipated expenditures for that disaster. The City was impacted by Hurricanes Gustav and Ike in the final weeks of September 2008. Unanticipated expenditures of \$2,600,883 exceeded the budgeted amount of \$200,000 by \$2,400,883 due to the state of emergency.

### **D. Unfavorable Revenue Variance in Special Revenue Funds**

The Riverboat Gaming Special Revenue Fund revenues were \$84,192 less than budget due to the substantial reduction in September's revenues due to Hurricanes Gustav and Ike. The intergovernmental revenue of the Community Development Special Revenue Fund was \$2,286,071 which was \$610,496 less than the \$2,896,567 budgeted amount. This unfavorable variance is attributable to variances in grant program revenues, which are budgeted on the basis of grant awards but actually received as expenditure reimbursements in that fund. The Grant Special Revenue Fund revenues were \$1,503,546 which was \$321,460 less than the \$1,825,006 budgeted amount. This unfavorable variance is attributable to variances in grant program revenues, which are budgeted on the basis of grant award but revenues are actually received as expenditure reimbursement in that fund.

## NOTES TO FINANCIAL STATEMENTS

### 4. Detailed Notes on All Funds

#### A. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet within "cash and investments" or "restricted cash and investments" where applicable. Legal and contractual provisions with respect to deposits and investments are substantially the same for all funds and fund types.

Demand deposits of the City are maintained under a banking agreement in which account balances are collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve Bank in the City's name. The bank balance of such deposits at September 30, 2008 was \$22,506,966 (carrying amount \$17,383,268).

The total includes restricted cash in the amount of \$741,981 from customer deposits in the Water Utility Enterprise Fund. The amounts do not include petty cash of \$23,775 or \$3,945,791 that is on deposit with a third party for bond reserves and the administration of the City's insurance claims. It also does not include a cash overdraft of \$383,345 reported as accounts payable in the Community Development Special Revenue Fund, \$1,303,225 cash overdraft reported as accounts payable in the Disaster Recovery Special Revenue Fund, \$70,772 cash overdraft reported as accounts payable in the Golf Course Proprietary Fund and \$159,347 cash overdraft reported as accounts payable in the Water Proprietary Fund.

The carrying amounts of cash deposits for component units at their respective balance sheet dates were \$765,485 for City Court and \$556,700 for the Ward Three Marshal. These amounts were fully covered by federal deposit insurance.

#### Investments

As of September 30, 2008 the City had the following investments and maturities:

Investment type	Maturity	Fair Value
U.S. agencies callable	Less than 1 year	\$2,505,780
U.S. agencies callable	1 - 5 year	26,375,894
U.S. agencies callable	6 - 10 year	1,003,642
Repurchase agreement - bond funds		28,241,346
Louisiana Asset Management Pool		40,958,524
		<u>\$99,085,186</u>

The City's investment program is authorized and limited by state statute and city policy to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit local government money-market type (2a-7-like) investment pool sponsored by the State of Louisiana. This pool is rated AAAM by Standard & Poor's. Security investments are carried at fair value; investment in LAMP is carried at cost, which approximates market. With the exception of LAMP, all of the City's investments are held in the City's name by its custodial bank. The City's investment policy does not specifically limit investment maturities, except for a general requirement that funds used for operation be invested within a three-year final maturity range. This policy assumes that callable investments will not be called. The City's investment policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

The City does not directly invest in commercial paper, which are permitted by state statute. However, such investments are made by LAMP, subject to concentration and maturity limitations of its investments policy.

## NOTES TO FINANCIAL STATEMENTS

Investments as of September 30, 2008 were concentrated with the following issuers:

Issuer	Fair Value
Federal Home Loan Bank	\$10,322,596
Federal Home Loan Mortgage Corporation	10,063,133
Federal National Mortgage Association	8,494,385
Federal Farm Credit Bank	1,000,000

All of the above listed investment instruments have a Standard and Poor's rating of AAA. The City's investment policy does not specifically limit concentration with individual issuers.

### B. Receivables

Receivables as of year end for the City of Lake Charles's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectable accounts are as follows:

Governmental-type Activities	General	Riverboat Gaming	Community Development	Disaster Recovery
Receivables:				
Accounts	\$2,126,690	\$ 0	\$ 18,350	\$ 239,110
Taxes	2,714,831	337,929	0	0
Property standards & special assesmnt	1,634,812	0	0	0
Interest	118,721	0	0	0
Intergovernmental	67,864	0	454,434	5,453,506
Gross receivables	6,662,918	337,929	472,784	5,692,616
Less: allowance for uncollectable	(771,780)	0	0	(2,686,782)
Net total receivables	5,891,138	337,929	472,784	3,005,834

Governmental-type Activities (continued)	Waste Water	Debt Service	Capital Projects	Nonmajor & Other Funds	Total Governmental Activities
Receivables:					
Accounts	\$1,423,411	\$ 0	\$ 266,667	\$477,627	\$ 4,551,855
Taxes	249,077	0	435,884	124,538	3,862,259
Property standards & special assessment	0	1,104,087	0	0	2,738,899
Interest	0	2,600	665,224	14,612	801,157
Intergovernmental	0	0	276,693	87,270	6,339,767
Gross receivables	1,672,488	1,106,687	1,644,468	704,047	18,293,937
Less: allowance for uncollectible	(335,606)	(552,043)	0	0	(4,346,211)
Net total receivables	1,336,882	554,644	1,644,468	704,047	13,947,726

# NOTES TO FINANCIAL STATEMENTS

Business-type Activities	Civic Center	Golf Course	Public Transit	Water	Total Business-Type Activities	Total Government
Receivables:						
Accounts	\$ 44,078	\$ 0	\$ 221	\$949,152	\$ 993,451	\$5,545,306
Taxes	0	0	0	0	0	3,862,259
Property standards & special assessment	0	0	0	0	0	2,742,575
Interest	0	0	0	703	703	801,860
Intergovernmental	179,550	693,622	232,894	251,863	1,357,929	7,697,696
Gross receivables	223,628	0	233,115	1,201,717	2,352,083	20,649,696
Less: allowance for uncollectable	0	0	0	(335,533)	(335,533)	(4,685,420)
Net total receivables	\$223,628	\$693,622	\$233,115	\$ 866,185	\$2,016,550	\$15,964,276

Intergovernmental receivables consisted of the following:

<b>Governmental type activity:</b>	
Calcasieu Parish Police Jury	\$ 64,327
Terrabone Parish Policy Jury	25,991
U.S. Department of Justice	12,618
Community Development Grant	274,049
LA Department of Treasury	26,809
LA Commission on Law Enforcement and Admin. of Criminal Justice Grant	13,355
Environmental Protection Agency	24,125
LA Department of Military Affairs	5,441,415
Housing & Urban Development Disaster Recovery Grants	276,693
Housing & Urban Development Emergency Grants	180,385
Total Governmental-type activities	6,339,767
<b>Business-type activity:</b>	
Mass Transit Operating Assistance Grant	220,408
LA Department of Military Affairs	873,172
LA Department of Transportation	264,349
Total Business-type activities	1,357,929
Total primary government	\$7,697,696



# NOTES TO FINANCIAL STATEMENTS

## C. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2008 was as follows:

### Primary Government

Governmental Activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$11,845,603	\$ 436,521	\$ 0	\$12,282,124
Construction in progress	48,606,682	14,305,952	(1,476,738)	61,435,896
Total capital assets, not being depreciated	60,452,285	14,742,473	(1,476,738)	73,718,020
Capital assets being depreciated:				
Buildings	20,115,828	0	( 4,512)	20,111,316
Improvements	23,193,430	292,879	( 1,195)	23,485,114
Machinery & Equipment	25,681,610	2,130,123	(1,489,746)	26,321,987
Infrastructure	210,540,341	6,274,098	0	216,814,439
Total capital assets being depreciated	279,531,209	8,697,100	(1,495,453)	286,732,856
Less accumulated depreciation for:				
Buildings	(10,578,400)	( 688,628)	4,512	(11,262,516)
Improvements	(16,300,008)	( 634,862)	393	(16,934,477)
Machinery & Equipment	(16,100,196)	(2,425,174)	1,371,274	(17,154,096)
Infrastructure	(72,188,950)	(4,977,090)	0	(77,166,040)
Total accumulated depreciation	(115,167,554)	(8,725,754)	1,376,179	(122,517,129)
Total capital assets, being depreciated, net	164,363,655	(28,654)	( 119,274)	164,215,727
Governmental activities capital assets, net	\$224,815,940	\$14,713,819	\$(1,596,012)	\$237,933,747

The assets of the Internal Service Funds are included in the table for assets related to governmental-type activities. Total assets are \$42,550 with accumulated depreciation of \$29,105. Remaining value of assets at September 30, 2008 equaled \$13,445 and this total is included in net asset statement for the Governmental-type activities.

# NOTES TO FINANCIAL STATEMENTS

## Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,734,203	\$ 0	\$ (436,521)	\$ 1,297,682
Construction in progress	9,537,746	7,354,167	(3,829,789)	13,062,124
Total capital assets, not being depreciated	11,271,949	7,354,167	(4,266,310)	14,359,806
Capital assets being depreciated:				
Buildings	19,804,330	0	0	19,804,330
Improvements	64,293,259	6,783,676	(24,925)	71,052,010
Machinery & Equipment	7,402,381	233,124	(310,454)	7,325,051
Total capital assets being depreciated	91,499,970	7,016,800	(335,379)	98,181,391
Less accumulated depreciation for:				
Buildings	(16,756,703)	(551,915)	0	(17,308,618)
Improvements	(22,801,779)	(1,743,526)	0	(24,545,305)
Machinery & Equipment	(4,048,249)	(634,428)	236,410	(4,446,266)
Total accumulated depreciation	(43,606,731)	(2,929,868)	236,410	(46,300,189)
Total capital assets, being depreciated, net	47,893,239	4,086,932	(98,969)	51,881,202
Governmental activities capital assets, net	\$59,165,188	\$ 11,441,099	\$(4,365,279)	\$66,241,008

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

Governmental activities:	
General government	\$ 21,550
Public safety	1,382,185
Public works	6,221,290
Planning and development	33,130
General services	264,257
Community services	797,550
Capital assets held by the government's internal service funds are charges to the various functions based on their usage of the assets	5,792
Total depreciation expense – governmental activities	\$8,725,754
Business-type activities:	
Civic Center	\$1,245,244
Golf Course	187,668
Transit	174,239
Water	1,322,717
Total depreciation expense – business-type activities	\$2,929,868

# NOTES TO FINANCIAL STATEMENTS

## D. Discretely presented component units

Capital asset activity for the year ended December 31, 2007 was as follows for City Court:

	Balance 1/01/2007	Additions	Deletions	Balance 12/31/2007
<b>Governmental activities:</b>				
Equipment	\$323,086	\$13,866	\$ 0	\$336,952
Furniture and fixtures	15,073	0	0	15,073
<b>Totals at historical cost</b>	<b>338,159</b>	<b>13,866</b>	<b>0</b>	<b>352,025</b>
<b>Less accumulated depreciation:</b>				
Equipment	(293,071)	(15,820)	0	(308,891)
Furniture and fixtures	(12,057)	(385)	0	(12,442)
<b>Total accumulated depreciation</b>	<b>(305,128)</b>	<b>(16,205)</b>	<b>0</b>	<b>(321,333)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 33,031</b>	<b>\$(2,339)</b>	<b>\$ 0</b>	<b>\$ 30,692</b>

Capital asset activity for the year ended December 31, 2007 was as follows for City Marshal:

	Balance 1/01/2007	Additions	Deletions	Balance 12/31/2007
<b>Governmental activities:</b>				
Equipment	\$188,020	\$98,205	\$ 0	\$286,225
Furniture and fixtures	8,476	0	0	8,476
<b>Totals at historical cost</b>	<b>196,496</b>	<b>98,205</b>	<b>0</b>	<b>294,701</b>
<b>Less accumulated depreciation:</b>				
Equipment	( 116,982)	(32,492)	0	(149,474)
Furniture and fixtures	( 7,497)	(246)	0	(7,743)
<b>Total accumulated depreciation</b>	<b>(124,479)</b>	<b>( 32,738)</b>	<b>0</b>	<b>(157,217)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 72,017</b>	<b>\$ 65,467</b>	<b>\$ 0</b>	<b>\$ 137,484</b>

## E. Construction commitments

The City had total commitments of \$15,011,773 with contractors for unfinished construction projects as of September 30, 2008, categorized as follows:

Project type	Expended to Date	Remaining Commitment
Streets and storm drainage	\$ 3,705,858	\$ 6,728,669
Sanitary sewer rehabilitation	4,028,470	4,320,082
Water system improvements	8,122,848	492,167
Civic Center Renovations	932,500	562,200
Mallard Cove Renovations	460,051	1,233,306
Recreation Facilities	759,181	1,251,534
Other Governmental Facilities	0	423,815
<b>Total</b>	<b>\$18,008,908</b>	<b>\$15,011,773</b>

All remaining commitments are financed from City revenues previously received.

# NOTES TO FINANCIAL STATEMENTS

## F. Interfund receivables, payables and transfers

The composition of interfund balances as of September 30, 2008 is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Wastewater Fund	\$ 98,618
	Non-major Governmental Funds	51,612
	Civic Center	62,725
	Water Fund	32,843
Community Development Fund	General Fund	22,201
Debt Service Fund	General Fund	16,443
	Capital Projects Fund	300,000
Disaster Recovery Fund	General Fund	190,555
	Internal Service Fund	98
	Wastewater Fund	1,313
	Transit Fund	46
	Civic Center	215
	Golf Course Fund	95
	Water Fund	1,104
	Nonmajor Governmental Fund	529
Riverboat Fund	Nonmajor Governmental Fund	48,144
Capital Project Fund	General Fund	1,025,920
	Civic Center	638,750
	Debt Service Fund	21,470
Nonmajor Governmental Funds	General Fund	66,278
	Nonmajor Governmental Fund	1,226
	Riverboat Fund	82,144
Civic Center Fund	General Fund	200,000
Water Fund	Capital Projects Fund	40,000
Golf Course	General Fund	126,586
Public Transit Fund	General Fund	74,241
Risk Management Internal Service Fund	General Fund	499,973
	Water Fund	414
Total		\$3,603,543

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and the payments between funds are made.

# NOTES TO FINANCIAL STATEMENTS

## Interfund transfers:

Transfer out:	General Fund	Riverboat Fund	Wastewater Fund	Civic Center Fund	Non-major Governmental	Capital Project Fund
Transfer in:						
Community Development	\$94,710	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Recovery	164,142	0	0	0	0	0
Debt Service	784,416	2,821,050	2,300,000	0	0	775,500
Capital Projects	3,525,919	4,700,000	930,000	615,000	0	0
Non-major Governmental	681,176	219,000	0	0	0	0
Civic Center	1,044,861	350,000	0	0	0	1,070,473
Golf Course	300,000	600,000	0	0	500,000	0
Transit	622,362	400,000	0	0	0	0
Water	0	750,000	0	0	0	1,355,651
Internal Service	500,000	0	0	0	0	0
Total	\$7,717,586	\$9,840,050	\$3,230,000	\$615,000	\$500,000	\$ 3,201,624

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due. Unrestricted general fund revenues are transferred to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and proprietary fund operations.

## G. Long-Term Debt

Bonds payable as of September 30, 2008 are comprised of the following individual issues and are entirely related to governmental activities:

<u>\$3,600,000</u> Series 1998A Tax-exempt Pension Refunding Bonds due in annual amounts of \$370,000 in 2010 and \$1,030,000 to \$1,125,000 from 2011 through 2013; interest rates at 4.55% to 4.70%	\$ 3,600,000
<u>\$9,055,000</u> Series 1998B Taxable Pension Refunding Bonds due in annual amounts of \$540,000 to \$910,000 through 2010 and \$805,000 in 2014; interest rates of 7.77% to 6.55%	2,315,000
<u>\$25,000,000</u> Variable rate demand bonds – LCDA for construction of sewer treatment facility due in amounts of \$715,000 to \$1,560,000 through 2022 and \$4,125,000 in 2023; On 4/1/08 interest rate was locked at 4.45% for two years.	21,010,000
<u>\$34,480,000</u> 2007 Fixed rate Revenue Bonds – LCDA for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in annual amounts of \$1,110,000 to \$2,205,000 through 2024 and \$7,310,000 in 2027; interest rates of 4% to 5%.	33,370,000
Total bonds payable	<u>\$60,295,000</u>

# NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity of the bonds are as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2009	2,995,000	2,371,108	5,366,108
2010	3,140,000	2,240,843	5,380,843
2011	3,290,000	2,111,138	5,401,138
2012	3,430,000	1,987,148	5,417,148
2013	3,570,000	1,857,380	5,427,380
2014	3,350,000	1,721,685	5,071,685
2015	2,655,000	1,582,768	4,237,768
2016	2,765,000	1,492,878	4,257,878
2017	2,875,000	1,399,288	4,274,288
2018	3,010,000	1,285,898	4,295,898
2019	3,150,000	1,167,078	4,317,078
2020	3,300,000	1,042,578	4,342,578
2021	3,435,000	930,668	4,365,668
2022	3,575,000	814,198	4,389,198
2023	6,240,000	672,888	6,912,888
2024	2,205,000	475,750	2,680,750
2025	2,320,000	365,500	2,685,500
2026	2,435,000	249,500	2,684,500
2027	2,555,000	127,750	2,682,750
Total	\$ 60,295,000	\$ 23,896,044	\$ 84,191,044

## Changes in long-term liabilities:

Long-term liability activity for the year ended September 30, 2008 was as follows:

	Balance 10/01/2007	Additions	Reductions	Balance 9/30/2008	Due within one year
<b>Governmental activities:</b>					
Bonds payable:					
Variable rate demand bonds- LCDA	\$21,880,000	\$ 0	\$(870,000)	\$21,010,000	\$ 910,000
Pension refunding bonds payable	6,775,000	0	(860,000)	5,915,000	910,000
Revenue Bonds LC Public Imp	34,480,000	0	(1,110,000)	33,370,000	1,175,000
Deferred amount of revenue bonds	1,084,210	0	(55,129)	1,029,081	55,129
Total bonds payable	64,219,210	0	(2,895,129)	61,324,081	3,050,129
Compensated absences	2,476,900	327,747	(231,823)	2,572,824	200,000
Police Benefit Guarantee	236,490	0	(47,365)	189,125	47,365
Sales tax increment financing agreement	1,354,604	0	(1,351,878)	2,726	2,726
Cooperative endeavor-Sales Tax Dist 3	4,464,492	0	(350,000)	4,114,492	350,000
Sears Building Installment loan	700,000	0	0	700,000	700,000
Long-term liabilities	\$73,451,696	\$327,747	\$(4,876,195)	\$68,903,248	\$4,350,220
<b>Business-type activities:</b>					
Compensated absences	\$600,412	\$ 40,139	\$ (45,259)	\$ 595,292	\$ 5,000

## NOTES TO FINANCIAL STATEMENTS

### 5. Other Information

#### A. Risk Management

As of July 1, 1986 the City became self-insured with regard to workmen's compensation, auto liability, general liability, and a portion of police professional liability risk. The Risk Management Fund was established as an internal service fund at that date to account for all claims, expenses and administrative costs related to these self-insured and retained risks. The fund uses a third party administrator to service and estimate claim losses, and uses both in-house legal staff and outside counsel for defense of self-insured claims. Excess risk or stop-loss coverages are used to limit retained risk where feasible, and the cost of such coverages is also paid through the Risk Management Fund.

As an internal service activity, the Risk Management Fund is a proprietary fund in which both current and long-term liabilities for claims and losses are recognized and reported when the liability is incurred. Financial resources are provided to the fund primarily through internal service charges that are distributed among other departments and funds in proportion to estimated risk and prior loss experience. A portion of the fund's accumulated resources is designated for catastrophic losses as provided by authorizing ordinance. All remaining fund equity is reserved for subsequent workmen's compensation and liability claims on an aggregate basis.

Total net assets at September 30, 2008 were \$728,321. Specific ordinance authorization is required for payment of any claim in excess of \$100,000, or for any reduction or use of the amount designated for catastrophic losses. However, all estimable claims are accrued as current or long-term liabilities when incurred, without regard to the level of authorization required for payment.

The Risk Management Fund also accounts for payment of hazard insurance premiums and third party claims administration services under a comprehensive risk limitation and insurance program. Under this program, the City's retained risk for all covered forms of loss exposure is generally limited to a maximum of \$250,000 per claim or loss. Within the last six years there have been no settlements that have exceeded insurance coverage.

The City established a self-insurance program for employee health benefits as of January 1, 1993 and accounts for this program through a separate internal service fund. Total net assets of that fund at September 30, 2008 were \$2,918,136. The amount of risk retained by the fund during 2008 was limited to \$100,000 per claimant through use of purchased stop-loss coverage.

Changes in the balances of claims liabilities during the past year are as follows:

	Risk Management	Employee Insurance	Totals
Unpaid claims, beginning of fiscal year 2007:	\$4,545,800	\$1,250,000	\$5,795,800
Incurred and adjusted claims	4,180,532	4,959,657	9,140,189
Claim payment	(3,445,059)	(4,859,657)	(8,304,716)
Unpaid claims, beginning of fiscal year 2008:	5,281,273	1,350,000	6,631,273
Incurred and adjusted claims	3,018,656	5,081,013	8,099,669
Claim payments	(2,991,916)	(5,016,013)	(8,007,929)
Total unpaid claims September 30, 2008	\$5,308,013	\$1,415,000	\$6,723,013

## NOTES TO FINANCIAL STATEMENTS

### B. Property Tax

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Calcasieu Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2008 and 2007:

Tax	Fiscal year 2008	Fiscal year 2007
General Alimony	6.07	6.07
Special recreation	1.87	1.87
Employee salary	5.61	5.61
Special street improvement	2.54	2.54
Totals	16.09	16.09

### C. Contingencies and Commitments

The City has outstanding a number of contracts, the breach of any of which could result in a liability to the City. The amount of the liability to the City at September 30, 2008, if any, is not estimable.

### D. Other Post-employment Benefits – Police Benefit Guarantee

In connection with a 1983 merger of the former Lake Charles Police Pension and Relief Fund into the state-administered Municipal Police Employees Retirement System (MPERS), the City contractually guaranteed the continued availability of early retirement benefits to merged police employees with twenty or more years of service, for transitional benefit payments to those electing to terminate employment prior to attainment of the then-existing normal retirement age for commencement of MPERS pension benefits. As a result of subsequent liberalization of MPERS benefits, relatively few of the eligible participants have elected to receive the temporary City benefit prior to normal retirement under MPERS.

As of September 30, 2008, the City was paying post-employment benefits to two participants and had a potential liability for future benefits to two remaining active employees. Total payments during the year then ended were \$47,365; the maximum liability for subsequent payments was established at \$189,125 that is recorded as a long-term liability. Payments are funded on a cash basis through a related debt service fund, which is supported by periodic General Fund transfers. The balance available in the debt service fund as of September 30, 2008 was \$202,919, which exceeds the maximum future liability.

### E. Retirement Commitments

The City participates in three state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City's full-time employees: Municipal Employees' Retirement System, Municipal Police Employees' Retirement System and Firefighters' Retirement System of the State of Louisiana. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the City's participation in these systems are provided below.



## NOTES TO FINANCIAL STATEMENTS

### Municipal Employees' Retirement System

This system covers full-time municipal employees who are not eligible to participate in other state-administered defined benefit plans. Membership is generally mandatory for such employees of participating municipalities. The City of Lake Charles participates in "Plan B" of this system, in which employees are subject to federal social security coverage. A member of Plan B may retire at any age with 30 years of creditable service or at age 60 with 10 years of service. Benefits vest after 10 years of service, and are generally equal to two percent of the member's final three-year average salary times the number of years of creditable service. Active plan members are required to contribute 5 percent of regular earnings and the City is required to contribute at an actuarially determined rate, which was 9.75 percent of covered payroll at fiscal year end 2006 and 6.75 percent at the end of fiscal year end 2007. The City is currently contributing 6.75 percent of covered payroll.

The City of Lake Charles and their employees contributed to Plan B of Municipal Employees Retirement System a total of \$1,667,672, \$1,779,164, and \$1,813,404, for the years ended September 30, 2008, 2007 and 2006 respectively, which equals the required contribution for each year.

The Municipal Employees Retirement System issues a publicly available financial report, which may be obtained by writing to that system at 9737 Office Park Boulevard, Baton Rouge, LA 70809.

### Municipal Police Employees' Retirement System

This system, which covers full-time police personnel in participating municipalities provides a pension benefit of three and one-third percent of average final salary for each year of service, with normal retirement eligibility ranging from age 55 with 12 years of service to any age with 25 years of service. Active plan members are required to contribute 7.5 percent of covered earnings and the City is required to contribute an actuarially determined rate, which was 9.5 percent of covered payroll at fiscal year end 2008, 13.75 percent at fiscal year end 2007 and 15.5 percent at fiscal year end 2006.

The City of Lake Charles and their employees contributed a total of \$1,342,644, \$1,450,662, and \$1,540,736, to the Municipal Police Employees Retirement System for fiscal years ended September 30, 2008, 2007 and 2006 respectively, which equals the required contributions for each year. The financial report issued by this system may be obtained from Municipal Police Employees Retirement System, 8401 United Plaza Boulevard Suite 270, Baton Rouge, LA 70809-7017.

### Firefighters' Retirement System of the State of Louisiana

This system, which covers full-time fire department employees who are not members of other retirement systems, has the same contribution requirements and major benefits provisions as the Municipal Police Employees' Retirement System described above. Employees are required to contribute 8 percent of covered earnings, and the City is required to contribute an actuarially determined rate, which was 12.5 percent at fiscal year end. The City was contributing 13.75 percent of covered payroll at fiscal year end 2007 and 15.5 percent of covered payroll at fiscal year end 2006.

The City of Lake Charles' employee and employer contributions to this plan were \$1,432,375, \$1,518,347, and \$1,553,064 for the years ended September 30, 2008, 2007 and 2006 respectively, which equals the required contributions for each year. The financial report for this system may be obtained from Firefighters Retirement System, P.O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095.

### **F. Federally Assisted Grant Programs**

The City participates in a number of federally assisted grant programs, with the principal grantor agencies being the U.S. Department of Transportation, the Department of Housing and Urban Development and the U.S. Department of Military Affairs. These programs are subject to compliance audits by the grantors or their representatives, and the City's compliance with applicable grant requirements for the year ended September 30, 2008 will be established at some future date. The amount, if any, of expenditures which may be

## NOTES TO FINANCIAL STATEMENTS

disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Federal and state governmental units represent an important source of supplemental funding used to finance housing, construction programs, and other activities beneficial to the City. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative using standards established under the Single Audit Act of 1984 and OMB Circular A-133. The compliance audit report is not included within this report but will be issued as a separate supplementary report.

During fiscal year 2008 the following amounts were recorded in the accompanying financial statements under various federal and state pass-through entitlements:

Fund	Fiscal year 2008
Community Development	2,267,721
Disaster Recovery Fund	1,752,731
Grant Fund	1,491,178
Capital Projects Fund	376,686
Civic Center Fund	179,550
Golf Course Fund	693,622
Transit Enterprise Fund	1,157,412

### **G. Dedication of Proceeds and Flow of Funds - Two Percent Sales and Use Tax**

#### One Percent Sales and Use Tax:

Proceeds of the one percent sales tax levied by the City of Lake Charles (2008 collections \$20,048,716; 2007 collections \$19,604,922; 2006 collections \$21,069,476;) are collected by the General Fund and may be used for virtually any capital or operating needs of the City of Lake Charles. This tax levy was originally authorized in 1965, and has been re-authorized for an additional 25 years from March 1, 1990.

#### Additional Dedicated One Percent Sales Tax:

In November 1986, a sales tax election was held and the City of Lake Charles was authorized to collect an additional dedicated one percent sales tax levy for a period of five years commencing January 1, 1987. This tax has since been reauthorized for periods of five years extending through 1996, and then for ten years through 2006. This tax was re-authorized in 2006 for an additional 10 years through 2016. Proceeds of this additional one percent sales tax levied by the City of Lake Charles (2008 collections \$20,048,779; 2007 collections \$19,604,747; 2006 collections \$21,069,476) were deposited directly to the funds for which they are dedicated on a percentage basis as follows:

General Fund	
Public safety purposes	20%
Public works purposes	28%
Waste Water Special Revenue Fund	
Waste water or sanitary sewerage services or facilities	16%
Recreation Special Revenue Fund	
Recreation	8%
Capital Project Fund	
Certain types of capital improvements	28%

## NOTES TO FINANCIAL STATEMENTS

### Additional One-Quarter Percent Sales Tax:

The voters approved an additional sales tax levy of one-quarter of one percent in January 1995 for the purpose of increasing the pay and starting salaries of City employees. This tax levy is authorized for a period of ten years from its effective date of April 1, 1995. This tax has been reauthorized for ten years, extending through 2015. Prior to fiscal year 2003, the sales tax was recorded directly into the funds where the payroll costs are incurred: General Fund, Waste Water and Recreation Special Revenue Funds, Civic Center, Golf Course, Transit and Water Enterprise Funds. Beginning in fiscal year 2003 the revenue was recorded exclusively in the General Fund. Collections for September 30, 2008 totaled \$5,012,194; \$4,901,540 in fiscal year 2007 and 2006 collections were \$5,267,376.

### **H. Schedule of Compensation Paid to Governing Board**

	Salary	Per Diem	Mileage Reimbursement	Total
<b>Mayor:</b>				
Randy Roach	\$ 82,909	\$ 0	\$ 0	\$82,909
<b>Councilmen:</b>				
Luvertha August	6,400	0	0	6,400
A. B. Franklin	2,800	0	0	2,800
Rodney Geyen	9,600	64	87	9,751
Michael Huber	9,600	0	0	9,600
Dana Jackson	9,600	0	0	9,600
David Perry	9,600	0	0	9,600
Marshall Simien	9,600	128	0	9,728
Stuart Weatherford	9,600	44	230	9,874
<b>Total</b>	<b>\$149,709</b>	<b>\$236</b>	<b>\$317</b>	<b>\$150,262</b>

### **I. Subsequent Events**

Various current and former fire and police employees have filed suit against the City seeking additional supplemental pay. In regards to the firefighter's case, in March 2007 the Louisiana Supreme Court denied the City's writ application with respect to rulings of both the trial Court and the Third Circuit Court of Appeals which hold that the City of Lake Charles violated pertinent State law when it discontinued payment of "separate monthly payments" to firefighters in accordance with the terms of collective bargaining agreements between the firefighters/firefighter's Union and the City. Recent events have substantially changed the status of the litigation. Even though the court has not determined the validity of the City's defenses other than with respect to those issues upon which the ruling was made, the City has chosen to attempt to compromise the firefighters' claims against the City. The City Council, on March 18, 2009 authorized the Mayor to do so for the sum of \$2,955,901.90, if at least 97 percent of the firefighter plaintiffs agree to the compromise, and under certain other conditions. The City's counsel is presently working with attorneys for the firefighters on fulfillment of those conditions.

Although the police litigation involves some similar issues and a similar number of potential claimants, there has been neither a determination of liability nor a firm assessment of the dollar value of the claims in that lawsuit. Moreover, there are issues in the police litigation regarding the propriety of class certification which did not exist in the firefighter litigation. Therefore a specific amount of liability cannot be reported at this time.

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Grant Fund** – Accounts for funds received and expended for various categorical grant programs, including law enforcement grants and summer food service program.

**Recreation Fund** – Accounts for the operation and maintenance of recreational programs and facilities other than the Civic Center and Golf Course, and for the receipt and subsequent expenditure of dedicated taxes, user fees and other funds received for recreational services.

**Central School Fund** – Accounts for receipt and subsequent expenditure of funds for operation, maintenance and improvements of the Central School Arts and Humanities Center.

**Special Event Fund** – Accounts for receipt and subsequent expenditure of funds for special events and exhibit costs.

**Facility Renewal Fund** – Accounts for funds transferred from other sources to provide for long-term accumulation of funds for future maintenance and repair needs.

# CITY OF LAKE CHARLES, LOUISIANA

## Combining Balance Sheet Nonmajor Governmental Funds September 30, 2008

						Total Nonmajor Governmental Funds
<b>ASSETS</b>	<b>Grants</b>	<b>Recreation</b>	<b>Central School</b>	<b>Special Events</b>	<b>Facility Renewal</b>	
Cash (Note 1-G)	\$ 122,866	\$ 408,946	\$ 251,711	\$ (13,771)	\$ 505,560	\$ 1,275,312
Investments (Note 1-G)	57,751	76,572	53,421	-	4,394,048	4,581,792
Receivable (net of allowance for uncollectable)						
Accounts (Note 1-I)	-	124,561	21,434	-	-	145,995
Accrued interest	-	-	-	-	9,321	9,321
Intergovernmental (Note 7-C)	87,270	-	-	-	-	87,270
Due from other funds (Note 7-B)	66,792	712	-	82,144	-	149,648
Prepaid items	-	-	-	13,979	-	13,979
Total assets	<u>\$ 334,679</u>	<u>\$ 610,791</u>	<u>\$ 326,566</u>	<u>\$ 82,352</u>	<u>\$ 4,908,929</u>	<u>\$ 6,263,317</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 64,342	\$ 96,313	\$ 6,381	\$ 10,331	\$ -	\$ 177,367
Escrow	-	1,951	-	-	-	1,951
Due to other funds	52,794	529	-	48,188	-	101,511
Total liabilities	<u>117,136</u>	<u>98,793</u>	<u>6,381</u>	<u>58,519</u>	<u>-</u>	<u>280,829</u>
<b>FUND BALANCES</b>						
Reserved for prepaid items (Note 1-K)	-	-	-	13,979	-	13,979
Unreserved:	-	-	-	-	-	-
Designated for subsequent year's exp	104,469	-	-	-	885,000	989,469
Undesignated	113,074	511,998	320,185	9,854	4,023,929	4,979,040
Total fund balances	<u>217,543</u>	<u>511,998</u>	<u>320,185</u>	<u>23,833</u>	<u>4,908,929</u>	<u>5,982,488</u>
Total liabilities and fund balances	<u>\$ 334,679</u>	<u>\$ 610,791</u>	<u>\$ 326,566</u>	<u>\$ 82,352</u>	<u>\$ 4,908,929</u>	<u>\$ 6,263,317</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended September 30, 2008**

	<b>Special Revenue Funds</b>					<b>Total Nonmajor Governmental Funds</b>
	<b>Grants</b>	<b>Recreation</b>	<b>Central School</b>	<b>Special Events</b>	<b>Facility Renewal</b>	
<b>Revenues:</b>						
Taxes	\$ -	\$ 2,362,428	\$ -	\$ -	\$ -	\$ 2,362,428
Intergovernmental	1,491,178	1,429	-	47,750	-	1,540,357
Charges for services	-	121,510	-	-	-	121,510
Miscellaneous	12,368	47,065	104,532	194,212	197,545	555,722
Total revenues	<u>1,503,546</u>	<u>2,532,432</u>	<u>104,532</u>	<u>241,962</u>	<u>197,545</u>	<u>4,580,017</u>
<b>Expenditures:</b>						
Current operating:						
General government	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	302,471	-	-	-	-	302,471
Public works	-	-	-	-	-	-
Planning and development	281,744	-	-	-	-	281,744
Community services	950,316	3,098,260	128,834	437,129	-	4,614,539
General services	-	-	-	-	-	-
Capital projects	-	35,476	-	-	-	35,476
Total expenditures	<u>1,534,531</u>	<u>3,133,736</u>	<u>128,834</u>	<u>437,129</u>	<u>-</u>	<u>5,234,230</u>
Excess (deficiency) of revenues over expenditures	<u>(30,985)</u>	<u>(601,304)</u>	<u>(24,302)</u>	<u>(195,167)</u>	<u>197,545</u>	<u>(654,213)</u>
<b>Other financing sources (uses):</b>						
Transfers in	79,872	601,304	-	219,000	-	900,176
Transfers out	-	-	-	-	(500,000)	(500,000)
Total other financing sources (uses)	<u>79,872</u>	<u>601,304</u>	<u>-</u>	<u>219,000</u>	<u>(500,000)</u>	<u>400,176</u>
Net change in fund balances	48,887	-	(24,302)	23,833	(302,455)	(254,037)
Fund balance at beginning of year	<u>168,656</u>	<u>511,998</u>	<u>344,487</u>	<u>-</u>	<u>5,211,384</u>	<u>6,236,525</u>
Fund balance at end of year	<u>\$ 217,543</u>	<u>\$ 511,998</u>	<u>\$ 320,185</u>	<u>\$ 23,833</u>	<u>\$ 4,908,929</u>	<u>\$ 5,982,488</u>

# CITY OF LAKE CHARLES, LOUISIANA

## Grant Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008	Variance with
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Intergovernmental:				
Shared grants:				
Federal	\$ 82,000	\$ 376,507	\$ 147,044	\$ (229,463)
State	1,366,329	1,429,999	1,330,545	(99,454)
Local	-	11,000	13,589	2,589
Miscellaneous	-	7,500	12,368	4,868
Total revenues	<u>1,448,329</u>	<u>1,825,006</u>	<u>1,503,546</u>	<u>(321,460)</u>
<b>Expenditures:</b>				
Current:				
Public safety	650,000	525,000	302,471	222,529
Planning & development	331,300	331,300	281,744	49,556
Community services	957,906	1,077,906	950,316	127,590
Total expenditures	<u>1,939,206</u>	<u>1,934,206</u>	<u>1,534,531</u>	<u>399,675</u>
Excess of revenues over expenditures	<u>(490,877)</u>	<u>(109,200)</u>	<u>(30,985)</u>	<u>78,215</u>
<b>Other financing source(uses):</b>				
Transfers in	<u>159,577</u>	<u>190,827</u>	<u>79,872</u>	<u>(110,955)</u>
Total other financing sources (uses)	<u>159,577</u>	<u>190,827</u>	<u>79,872</u>	<u>(110,955)</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(331,300)</u>	<u>81,627</u>	<u>48,887</u>	<u>(32,740)</u>
Fund balance at beginning of year	<u>168,656</u>	<u>168,656</u>	<u>168,656</u>	<u>-</u>
Fund balance at end of year	<u>\$ (162,644)</u>	<u>\$ 250,283</u>	<u>\$ 217,543</u>	<u>\$ (32,740)</u>

# CITY OF LAKE CHARLES, LOUISIANA

## Recreation Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008 Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,330,283	\$ 2,330,283	\$ 2,362,428	\$ 32,145
Intergovernmental	-	-	1,429	1,429
Charges for services	100,500	98,000	121,510	23,510
Miscellaneous	14,000	16,500	47,065	30,565
Total revenues	<u>2,444,783</u>	<u>2,444,783</u>	<u>2,532,432</u>	<u>87,649</u>
<b>Expenditures:</b>				
Personal services	1,994,733	1,961,968	1,819,713	142,255
Contractual and operational	992,466	976,866	819,710	157,156
Materials and supplies	489,490	692,195	458,837	233,358
Capital outlay	116,000	36,660	35,476	1,184
Total expenditures	<u>3,592,689</u>	<u>3,667,689</u>	<u>3,133,736</u>	<u>533,953</u>
Excess (deficiency) of rev over exp	<u>(1,147,906)</u>	<u>(1,222,906)</u>	<u>(601,304)</u>	<u>621,602</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,147,906	1,222,906	601,304	(621,602)
Total other financing sources (uses)	<u>1,147,906</u>	<u>1,222,906</u>	<u>601,304</u>	<u>(621,602)</u>
Excess (deficiency) of rev and other sources over exp and other uses	-	-	-	-
Fund balance at beginning of year	<u>511,998</u>	<u>511,998</u>	<u>511,998</u>	<u>-</u>
Fund balance at end of year	<u>\$ 511,998</u>	<u>\$ 511,998</u>	<u>\$ 511,998</u>	<u>\$ -</u>



# CITY OF LAKE CHARLES, LOUISIANA

## Central School Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>2008</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Miscellaneous	\$ 93,700	\$ 93,700	\$ 104,532	\$ 10,832
Total revenues	<u>93,700</u>	<u>93,700</u>	<u>104,532</u>	<u>10,832</u>
<b>Expenditures:</b>				
Materials and supplies	10,200	8,639	5,341	3,298
Other services and charges	130,233	131,794	123,493	8,301
Total expenditures	<u>140,433</u>	<u>140,433</u>	<u>128,834</u>	<u>11,599</u>
Excess of revenue over expenditures	(46,733)	(46,733)	(24,302)	22,431
Fund balance at beginning of year	<u>344,486</u>	<u>344,486</u>	<u>344,487</u>	<u>-</u>
Fund balance at end of year	<u>\$ 297,753</u>	<u>\$ 297,753</u>	<u>\$ 320,185</u>	<u>\$ 22,431</u>

# CITY OF LAKE CHARLES, LOUISIANA

## Special Event Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008	Variance with
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Charge for services	\$ 500	\$ -	\$ -	\$ -
Intergovernmental	-	47,750	47,750	-
Miscellaneous	55,000	185,930	194,212	8,282
Total revenues	55,500	233,680	241,962	8,282
<b>Expenditures:</b>				
Personal services	24,030	14,018	11,574	-
Materials and supplies	14,750	22,892	19,646	3,246
Other services and charges	263,900	415,770	405,908	9,862
Total expenditures	302,680	452,680	437,129	13,108
Excess of revenue over expenditures	(247,180)	(219,000)	(195,167)	21,390
<b>Other financing sources:</b>				
Transfers in	247,180	219,000	219,000	-
Total other financing sources	247,180	219,000	219,000	-
Excess (deficiency) of rev and other sources over exp and other uses	-	-	23,833	21,390
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 23,833	\$ 21,390

# CITY OF LAKE CHARLES, LOUISIANA

## Facility Renewal Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2008

	Budgeted Amounts		2008 Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest on investments	\$ 152,000	\$ 152,000	\$ 197,545	\$ 45,545
Total revenues	<u>152,000</u>	<u>152,000</u>	<u>197,545</u>	<u>45,545</u>
<b>Expenditures:</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>152,000</u>	<u>152,000</u>	<u>197,545</u>	<u>45,545</u>
<b>Other financing sources:</b>				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>91,091</u>
Total other financing sources	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>91,091</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(348,000)</u>	<u>(348,000)</u>	<u>(302,455)</u>	<u>136,636</u>
Fund balance at beginning of year	<u>5,211,384</u>	<u>5,211,384</u>	<u>5,211,384</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,863,384</u>	<u>\$ 4,863,384</u>	<u>\$ 4,908,929</u>	<u>\$ 136,636</u>

## INTERNAL SERVICE FUNDS

**Risk Management Fund** – Includes coverage for general liability, auto liability and worker's compensation. This fund is used to account for the financing of services provided by the risk management division to other departments of the City.

**Employee Insurance Fund** – Provides a self-insurance program for employee health benefits. This fund is used to account for the financing of services provided to other departments of the City.

# CITY OF LAKE CHARLES, LOUISIANA

## Internal Service Funds Combining Statement of Net Assets September 30, 2008

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2008</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 960,126	\$ 784,286	\$ 1,744,412
Investments	3,330,968	3,599,182	6,930,150
Receivables:			
Accounts	456,170	-	456,170
Accrued interest	2,806	2,485	5,291
Due from other funds	499,973	413	500,386
Prepaid expenses	841,201	-	841,201
Total current assets	<u>6,091,244</u>	<u>4,386,366</u>	<u>10,477,610</u>
Noncurrent assets:			
Capital assets (at cost):			
Machinery & equipment	42,550	-	42,550
Less accumulated depreciation	<u>(29,105)</u>	<u>-</u>	<u>(29,105)</u>
Total capital assets (net of accum. depr.)	<u>13,445</u>	<u>-</u>	<u>13,445</u>
Total assets	<u>6,104,689</u>	<u>4,386,366</u>	<u>10,491,055</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	14,089	53,230	67,319
Due to other funds	98	-	98
Accrued insurance claims	3,814,640	1,265,000	5,079,640
Incurred-not reported claims	<u>175,000</u>	<u>150,000</u>	<u>325,000</u>
Total current liabilities	<u>4,003,827</u>	<u>1,468,230</u>	<u>5,472,057</u>
Long-term liabilities:			
Accrued leave benefits	54,168	-	54,168
Accrued insurance claims - noncurrent	<u>1,318,373</u>	<u>-</u>	<u>1,318,373</u>
Total long-term liabilities	<u>1,372,541</u>	<u>-</u>	<u>1,372,541</u>
Total liabilities	<u>5,376,368</u>	<u>1,468,230</u>	<u>6,844,598</u>
<b>NET ASSETS</b>			
Invested in capital assets	13,445	-	13,445
Unrestricted	714,876	2,918,136	3,633,012
Total net assets	<u>\$ 728,321</u>	<u>\$ 2,918,136</u>	<u>\$ 3,646,457</u>

# CITY OF LAKE CHARLES, LOUISIANA

## Internal Service Funds

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended September 30, 2008

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2008</u>
Operating revenues:			
Charges for services	\$ 4,319,725	\$ 5,588,132	\$ 9,907,857
Subrogation	86,402	1,004	87,406
Total operating revenues	<u>4,406,127</u>	<u>5,589,136</u>	<u>9,995,263</u>
Operating expenses:			
Personal services	420,182	11,760	431,942
Materials and supplies	8,480	-	8,480
General and administration	2,231,383	1,027,307	3,258,690
Depreciation	5,792	-	5,792
Claims and losses paid	2,991,916	5,016,012	8,007,928
Total operating expenses	<u>5,657,753</u>	<u>6,055,079</u>	<u>11,712,832</u>
Operating income (loss)	<u>(1,251,626)</u>	<u>(465,943)</u>	<u>(1,717,569)</u>
Nonoperating revenues:			
Interest	166,347	125,423	291,770
Total nonoperating revenues	<u>166,347</u>	<u>125,423</u>	<u>291,770</u>
Income (loss) before transfers	<u>(1,085,279)</u>	<u>(340,520)</u>	<u>(1,425,799)</u>
Transfer in	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Change in net assets	<u>(585,279)</u>	<u>(340,520)</u>	<u>(925,799)</u>
Net assets - beginning of fiscal year	1,313,600	3,258,656	4,572,256
Net assets - ending of fiscal year	<u>\$ 728,321</u>	<u>\$ 2,918,136</u>	<u>\$ 3,646,457</u>

# CITY OF LAKE CHARLES, LOUISIANA

## Internal Service Fund Combining Statement of Cash Flows For the Fiscal Year Ended September 30, 2008

	Risk Management	Employee Insurance	Totals 2008
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 3,969,718	\$ 5,589,136	\$ 9,558,854
Payments to employees	(417,716)	-	(417,716)
Payments to suppliers and claimants	(4,537,596)	(5,946,320)	(10,483,916)
Internal activity - payments to other funds	50,199	(413)	49,786
Net cash provided by operating activities	<u>(935,395)</u>	<u>(357,597)</u>	<u>(1,292,992)</u>
<b>Cash flow from noncapital financing activities</b>			
Operating subsidies	500,000	-	500,000
Net cash provided by noncapital financing activities	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<b>Cash flow from capital and related financing activities</b>			
Purchase of capital assets	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flow from investing activities:</b>			
Purchase of investment securities	(3,017,265)	(3,303,703)	(6,320,968)
Proceeds from sale and maturities of investment securities	3,538,591	1,148,204	4,686,795
Interest on investments	209,288	127,489	336,778
Net cash provided (used for) investing activities	<u>730,614</u>	<u>(2,028,010)</u>	<u>(1,297,396)</u>
Net increase (decrease) in cash and cash equivalents	295,219	(2,385,607)	(2,090,388)
Cash and cash equivalents at beginning of year	664,907	3,169,893	3,834,800
Cash and cash equivalents at end of year	<u>\$ 960,126</u>	<u>\$ 784,286</u>	<u>\$ 1,744,412</u>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$(1,251,626)	\$ (465,943)	\$ (1,717,569)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,792	-	5,792
(Increase) decrease in accounts receivable	(436,409)	-	(436,409)
(Increase) decrease in due from other funds	50,101	(413)	49,688
(Increase) decrease in prepaid items	664,683	-	664,683
Increase (Decrease) in accounts payables	3,467	43,759	47,226
Increase (Decrease) in accrued insurance claims	26,740	65,000	91,740
Increase (Decrease) in compensated absences payable	1,759	-	1,759
Increase (Decrease) in due to other funds	98	-	98
Total adjustments	<u>316,231</u>	<u>108,346</u>	<u>424,577</u>
Net cash provided by operating activities	<u>\$ (935,395)</u>	<u>\$ (357,597)</u>	<u>\$ (1,292,992)</u>

### Noncash investing, capital and financing activities:

Change in the fair value of investments resulted in an unrealized gain of \$5,165 at year end 2008 and an unrealized gain of \$53,814 at year end 2007.

# CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS





**CITY OF LAKE CHARLES, LOUISIANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Source**  
**September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets		
Land	\$ 12,282,124	\$ 11,845,603
Buildings	20,111,316	20,115,828
Improvements other than buildings	23,485,114	23,193,430
Machinery and Equipment	26,279,437	25,639,061
Infrastructure	216,814,439	210,540,341
Construction in progress	<u>61,435,896</u>	<u>47,746,365</u>
Total general capital assets	<u>\$ 360,408,326</u>	<u>\$ 339,080,628</u>
Property acquired prior to October 1, 1985, excluding infrastructure	\$ 24,346,045	\$ 24,353,506
Property acquired after September 30, 1985 from:		
Federal grants	516,988	516,988
State grants	170,000	170,000
General fund revenues	52,479,863	51,108,333
Capital projects funds	255,730,324	238,997,063
Donations	<u>27,165,106</u>	<u>24,795,055</u>
Total investments in general capital assets	<u>\$ 360,408,326</u>	<u>\$ 339,940,945</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$42,550 at 9/30/2008 and at 9/30/2007 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Schedule of Capital Assets - Governmental Funds**  
**By Function and Activity**  
**September 30, 2008**

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<b>GENERAL GOVERNMENT</b>							
Legislative	\$ -	\$ -	\$ -	\$ 70,671	\$ -	\$ -	\$ 70,671
Executive	-	-	-	45,452	-	-	45,452
Judicial	-	-	-	135,520	-	-	135,520
Total general government	-	-	-	251,643	-	-	251,643
<b>STAFF AGENCIES</b>							
Finance	-	-	-	34,242	-	-	34,242
Planning and development	-	-	-	80,246	-	-	80,246
Human Resources	-	-	-	23,487	-	-	23,487
Public works	214,700	901,195	39,968	1,269,681	-	-	2,425,544
Information Services	-	-	-	188,367	-	-	188,367
General government buildings	2,653,248	5,856,483	1,044,359	336,289	-	-	9,890,379
Total staff agencies	2,867,948	6,757,678	1,084,327	1,932,312	-	-	12,642,265
<b>PUBLIC SAFETY</b>							
Police	67,715	600,263	438,483	4,491,494	-	-	5,597,955
Fire	126,300	6,569,802	527,693	8,630,935	-	-	15,854,730
Permit Center	-	-	-	201,359	-	-	201,359
Total public safety	194,015	7,170,065	966,176	13,323,788	-	-	21,654,044
Streets	-	-	-	3,275,153	188,940,546	12,231,291	204,446,990
Recreation	8,217,204	3,343,740	10,490,019	1,334,665	-	-	23,385,628
Community service	5,000	2,549,579	-	4,060	-	2,312,697	4,871,336
Sanitation and waste	997,957	290,254	10,944,592	6,157,816	27,873,893	46,891,908	93,156,420
	9,220,161	6,183,573	21,434,611	10,771,694	216,814,439	61,435,896	325,860,374
Total capital assets allocated to functions	\$ 12,282,124	\$ 20,111,316	\$ 23,485,114	\$ 26,279,437	\$ 216,814,439	\$ 61,435,896	\$ 360,408,326

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$42,550 9/30/2008 and at 9/30/2007 that are reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the Fiscal Year Ended September 30, 2008**

<b>Function and Activity</b>	<b>General Capital Assets 9/30/2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>General Capital Assets 9/30/2008</b>
<b>GENERAL GOVERNMENT</b>				
Legislative	\$ 64,902	\$ 5,769	\$ -	\$ 70,671
Executive	57,210	-	(11,758)	45,452
Judicial	155,483	-	(19,963)	135,520
Total general government	<u>277,595</u>	<u>5,769</u>	<u>(31,721)</u>	<u>251,643</u>
<b>STAFF AGENCIES</b>				
Finance	37,991	-	(3,749)	34,242
Planning and Development	95,752	18,066	(33,572)	80,246
Human Resources	24,277	-	(790)	23,487
Public Works	2,284,082	205,556	(64,094)	2,425,544
Information Services	212,530	-	(24,163)	188,367
General Government	9,331,913	571,116	(12,650)	9,890,379
Total staff agencies	<u>11,986,545</u>	<u>794,738</u>	<u>(139,018)</u>	<u>12,642,265</u>
<b>PUBLIC SAFETY</b>				
Police	5,501,315	328,890	(232,250)	5,597,955
Fire	15,835,599	77,711	(58,580)	15,854,730
Permit Center	163,330	39,538	(1,509)	201,359
Total public safety	<u>21,500,244</u>	<u>446,139</u>	<u>(292,339)</u>	<u>21,654,044</u>
Streets	193,789,438	12,279,981	(1,622,430)	204,446,989
Recreation	23,004,737	394,005	(13,114)	23,385,628
Community service	2,560,084	2,312,697	(1,445)	4,871,336
Sanitation and waste	85,961,985	8,333,817	(1,139,381)	93,156,421
	<u>305,316,244</u>	<u>23,320,500</u>	<u>(2,776,370)</u>	<u>325,860,374</u>
<b>Total capital assets allocated to functions</b>	<u>\$ 339,080,628</u>	<u>\$ 24,567,146</u>	<u>\$ (3,239,448)</u>	<u>\$ 360,408,326</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$42,550 at 9/30/2008 and at 9/30/2007 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net assets.

# STATISTICAL SECTION

This part of the City of Lake Charles's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's overall financial health.

## Contents

### Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess government's more significant local revenue sources.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provide and the activities it performs.

Sources: Except where noted, the information in these schedules is derived from the City of Lake Charles' comprehensive annual financial reports for the relative year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning that year.

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# CITY OF LAKE CHARLES, LOUISIANA

Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2004	2005	2006	2007	2008
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 152,255	\$ 168,278	\$ 185,082	\$ 160,853	\$ 200,193
Restricted	19,721	12,216	10,597	48,485	42,220
Unrestricted	57,247	64,114	60,816	64,136	48,188
Total governmental activities net assets	<u>\$ 229,223</u>	<u>\$ 244,608</u>	<u>\$ 256,495</u>	<u>\$ 273,474</u>	<u>\$ 290,601</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 51,800	\$ 50,605	\$ 51,436	\$ 59,165	\$ 66,241
Restricted	-	-	-	-	-
Unrestricted	4,661	8,442	14,134	5,716	555
Total governmental activities net assets	<u>\$ 56,461</u>	<u>\$ 59,047</u>	<u>\$ 65,570</u>	<u>\$ 64,881</u>	<u>\$ 66,796</u>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	\$ 204,055	\$ 218,883	\$ 236,518	\$ 220,018	\$ 266,434
Restricted	19,721	12,216	10,597	48,485	42,220
Unrestricted	61,908	72,556	74,950	69,852	48,743
Total governmental activities net assets	<u>\$ 285,684</u>	<u>\$ 303,655</u>	<u>\$ 322,065</u>	<u>\$ 338,355</u>	<u>\$ 357,397</u>

\* Note GASB 34 adopted in 2003.

# CITY OF LAKE CHARLES, LOUISIANA

Change in Net Assets  
Last Five Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,018,106	\$ 3,812,105	\$ 4,024,194	\$ 4,102,319	\$ 4,158,299
Public safety	24,747,219	26,919,170	29,515,842	28,708,138	28,400,481
Public works	21,492,315	20,693,262	28,642,450	24,449,739	26,341,091
Planning and development	2,300,829	2,308,019	2,325,223	2,729,542	3,011,317
General services	3,287,536	3,428,701	6,975,121	5,901,532	5,201,297
Community services	4,564,296	4,928,356	10,314,122	5,814,605	5,658,398
Interest in long-term debt	787,407	1,074,675	1,324,532	1,997,185	2,850,831
Total governmental activities	<u>61,197,708</u>	<u>63,164,288</u>	<u>83,121,484</u>	<u>73,703,060</u>	<u>75,621,714</u>
Business-type activities					
Civic center	2,884,374	2,987,398	2,813,459	3,101,741	3,274,154
Golf Course	1,108,015	1,185,076	1,192,880	1,299,432	1,247,986
Transit	1,472,038	1,481,491	1,662,242	1,996,952	2,540,820
Water	6,844,008	7,045,612	7,757,623	8,144,570	8,829,630
Total business-type activities	<u>12,308,435</u>	<u>12,699,577</u>	<u>13,426,204</u>	<u>14,542,695</u>	<u>15,892,590</u>
Total primary government	<u>\$ 73,506,143</u>	<u>\$ 75,863,865</u>	<u>\$ 96,547,688</u>	<u>\$ 88,245,755</u>	<u>\$ 91,514,304</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 4,214,680	\$ 4,188,998	\$ 4,431,182	\$ 4,874,140	\$ 4,855,947
Public works	4,968,936	5,516,777	5,618,552	5,691,800	8,066,296
Other activities	642,863	804,172	886,296	1,221,578	1,165,914
Operating grants and contributions	3,866,738	5,168,349	15,728,027	3,968,837	5,920,889
Capital grants and contributions	655,627	802,681	5,076,055	4,472,089	2,917,678
Total governmental activity program revenue	<u>14,348,844</u>	<u>16,480,977</u>	<u>31,740,112</u>	<u>20,228,444</u>	<u>22,926,724</u>
Business-type activities:					
Charges for services:					
Civic center	911,255	845,555	533,072	932,746	915,970
Golf Course	1,010,247	1,038,192	1,009,908	1,046,555	985,883
Transit	66,577	73,227	62,086	80,615	83,792
Water	6,691,436	6,898,120	6,379,993	6,286,427	6,936,227
Operating grants and contributions	764,235	798,193	1,287,219	1,272,010	1,157,412
Capital grants and contributions	-	-	5,293,304	256,761	1,213,667
Total business-type activity program revenue	<u>9,443,750</u>	<u>9,653,287</u>	<u>14,565,582</u>	<u>9,875,114</u>	<u>11,292,951</u>
Total primary government program revenues	<u>\$ 23,792,594</u>	<u>\$ 26,134,264</u>	<u>\$ 46,305,694</u>	<u>\$ 30,103,558</u>	<u>\$ 34,219,675</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (46,848,864)	\$ (46,683,311)	\$ (51,381,372)	\$ (53,474,616)	\$ (52,694,990)
Business-type activities	(2,864,685)	(3,046,290)	1,139,378	(4,667,581)	(4,599,639)
Total primary government net expenses	<u>\$ (49,713,549)</u>	<u>\$ (49,729,601)</u>	<u>\$ (50,241,994)</u>	<u>\$ (58,142,197)</u>	<u>\$ (57,294,629)</u>

\* Note GASB 34 adopted in 2003.

	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental activities:</b>					
Taxes					
Property taxes	\$ 5,888,574	\$ 5,895,575	\$ 5,953,207	\$ 6,536,673	\$ 6,612,603
Sales taxes	36,119,596	38,271,946	47,667,615	44,710,221	45,584,783
Franchise taxes	4,856,252	5,099,288	6,038,709	5,821,514	6,842,265
Riverboat taxes	6,682,497	7,706,108	3,024,702	6,961,367	8,399,666
Grants and contributions not restricted to specific programs	187,044	180,156	205,557	284,017	195,018
Interest and investment earnings	1,636,726	1,680,895	3,465,720	5,258,465	4,781,799
Miscellaneous	1,865,920	8,330,043	2,652,685	2,902,648	3,717,359
Gain (loss) on sales of capital assets	85,290	4,700	28,100	102,703	67,296
Transfers	(1,315,990)	(5,100,256)	(5,767,780)	(2,124,636)	(6,378,347)
Total governmental activities	<u>56,005,909</u>	<u>62,068,455</u>	<u>63,268,515</u>	<u>70,452,972</u>	<u>69,822,442</u>
<b>Business-type activities:</b>					
Grants and contributions not restricted to specific programs	479,765	200,000	190,000	200,000	200,000
Interest and investment earnings	122,601	147,277	362,990	589,768	181,262
Miscellaneous	28,095	184,062	640,010	1,064,948	252,500
Gain (loss) on sales of capital assets	1,647	-	(1,577,138)	-	(497,393)
Transfers	1,315,990	5,100,256	5,767,780	2,124,636	6,378,347
Total business type activities	<u>1,948,098</u>	<u>5,631,595</u>	<u>5,383,642</u>	<u>3,979,352</u>	<u>6,514,716</u>
Total primary government	<u>\$ 57,954,007</u>	<u>\$ 67,700,050</u>	<u>\$ 68,652,157</u>	<u>\$ 74,432,324</u>	<u>\$ 76,337,158</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 9,157,045	\$ 15,385,144	\$ 11,887,143	\$ 16,978,356	\$ 17,127,452
Business-type activities	(916,587)	2,585,305	6,523,020	(688,229)	1,915,077
Total primary government	<u>\$ 8,240,458</u>	<u>\$ 17,970,449</u>	<u>\$ 18,410,163</u>	<u>\$ 16,290,127</u>	<u>\$ 19,042,529</u>



**CITY OF LAKE CHARLES, LOUISIANA****Governmental Activities Tax Revenues by Source**

Last Ten Fiscal Years

(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>One Percent Sales Tax (1965)</u>	<u>Additional One Percent Sales Tax (1987)</u>	<u>Employee's Pay Quarter cent Sales Tax (1995)</u>
1999	\$ 4,851,445	\$ 13,312,712	\$ 13,312,712	\$ 3,270,504
2000	5,155,335	13,100,266	13,100,266	3,268,928
2001	5,373,976	13,913,944	13,913,944	3,455,464
2002	5,559,910	14,232,232	14,232,232	3,546,611
2003	5,755,614	14,738,034	14,738,034	3,680,714
2004	5,888,574	15,935,923	15,935,923	3,962,435
2005	5,895,575	16,905,803	16,905,803	4,226,453
2006	5,953,207	21,069,476	21,069,476	5,267,376
2007	6,536,673	19,604,922	19,604,747	4,901,540
2008	6,612,603	20,048,716	20,048,779	5,012,194

Notes: Harrah's Riverboat closed in September 2005 after sustaining damage from Hurricane Rita.  
Beginning fiscal year 2007, the City has entered into a Cooperative Endeavor Agreement with  
the Calcasieu Parish Policy Jury to pool gaming on a parish-wide basis.

A new cable television franchise agreement was entered into at the beginning of fiscal year 2008.

<b>Riverboat Gaming Tax</b>	<b>Electric Utility Franchise</b>	<b>Gas Utility Franchise</b>	<b>Cable Television Franchise</b>
\$ 5,787,909	\$ 3,018,078	\$ 331,305	\$ 417,689
6,075,000	3,096,916	404,659	420,144
6,075,000	3,938,095	663,156	459,191
6,110,488	3,233,184	398,356	482,724
6,429,373	3,689,830	540,348	499,422
6,682,497	3,816,930	506,134	533,188
7,706,108	4,037,249	515,915	546,124
3,024,702	4,854,764	659,837	524,107
6,961,367	4,521,714	671,183	628,617
8,399,666	5,215,659	632,849	993,758

# **CITY OF LAKE CHARLES, LOUISIANA**

## Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 348,793	\$ 271,147	\$ 251,448	\$ 292,332	\$ 624,873	\$ 267,009	\$ 215,028	\$ 864,493	\$ 1,999,645	\$ 3,289,392
Unreserved	16,997,639	15,977,853	23,010,254	24,264,067	24,036,617	25,481,201	27,722,313	26,835,936	29,486,833	28,820,688
<b>Total General Fund</b>	<b>17,346,432</b>	<b>16,249,000</b>	<b>23,261,702</b>	<b>24,556,399</b>	<b>24,661,490</b>	<b>25,748,210</b>	<b>27,937,341</b>	<b>27,700,429</b>	<b>31,486,478</b>	<b>32,110,080</b>
<b>All other governmental funds</b>										
Reserved	9,047,008	6,653,889	2,548,520	7,496,774	7,485,682	3,876,713	8,525,787	6,437,907	14,060,057	23,285,955
Unreserved, reported in:										
Special revenue funds	5,730,523	6,357,463	10,313,652	8,618,629	10,661,898	9,327,261	9,699,426	10,774,273	10,620,548	8,778,666
Capital projects funds	18,341,236	20,761,670	29,101,826	33,771,557	53,762,855	42,344,021	33,283,507	28,477,469	59,084,997	51,085,939
<b>Total all other governmental funds</b>	<b>33,118,767</b>	<b>33,773,022</b>	<b>41,963,998</b>	<b>49,886,960</b>	<b>71,910,435</b>	<b>55,547,995</b>	<b>51,508,720</b>	<b>45,689,649</b>	<b>83,765,602</b>	<b>83,150,560</b>
<b>Total all governmental funds</b>	<b>\$50,465,199</b>	<b>\$50,022,022</b>	<b>\$65,225,700</b>	<b>\$74,443,359</b>	<b>\$96,571,925</b>	<b>\$81,296,205</b>	<b>\$79,446,061</b>	<b>\$73,390,078</b>	<b>\$115,252,080</b>	<b>\$115,260,640</b>

\* The increases in fund balance in fiscal years 2003 and 2007 are due primarily to unspent bond proceeds from issues during the period for capital projects.

# CITY OF LAKE CHARLES, LOUISIANA

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
<b>Revenues:</b>										
Taxes	\$42,844,069	\$42,920,280	\$48,870,255	\$45,722,277	\$47,714,962	\$50,815,251	\$54,186,267	\$58,915,721	\$60,340,385	\$62,863,828
Licenses and permits	4,190,415	4,400,485	5,442,091	4,539,687	5,219,813	5,502,441	5,589,731	6,760,340	6,710,807	7,635,503
Intergovernmental	6,522,258	5,811,970	4,650,805	4,902,427	7,648,860	4,978,600	6,774,038	18,151,628	5,636,828	9,417,429
Charges for services	3,222,346	3,472,143	3,604,664	4,656,723	6,031,983	6,695,931	7,425,881	7,497,818	8,334,042	10,232,457
Fines and forfeitures	337,943	382,337	405,332	264,816	234,003	253,528	257,762	276,359	306,694	306,694
Miscellaneous	5,171,075	4,445,087	6,072,823	3,536,574	4,419,902	3,283,237	8,280,461	8,508,921	9,886,132	6,600,618
<b>Total revenues</b>	<b>62,288,106</b>	<b>61,432,302</b>	<b>69,045,970</b>	<b>63,622,504</b>	<b>71,269,523</b>	<b>71,528,988</b>	<b>82,514,140</b>	<b>100,091,890</b>	<b>91,184,553</b>	<b>97,036,529</b>
<b>Expenditures:</b>										
<b>Current operating:</b>										
General government	1,862,650	1,960,262	1,933,909	1,929,028	2,152,558	2,251,811	2,240,148	2,280,837	2,298,225	2,449,791
Finance	1,079,025	1,109,145	1,144,619	1,099,504	1,306,851	1,377,726	1,352,825	1,383,033	1,392,804	1,352,358
Human Resources	279,545	311,165	312,725	259,088	274,577	253,787	276,304	308,001	292,767	288,724
Fire	6,139,634	6,943,032	7,132,709	7,400,951	8,714,335	9,659,312	11,535,201	12,577,995	12,579,653	12,634,153
Police	8,469,085	9,127,115	8,983,015	9,943,674	11,504,525	12,765,994	14,119,891	15,026,989	14,371,715	14,094,524
Public works	12,416,759	13,294,908	12,940,959	13,686,621	14,721,471	15,407,571	15,766,960	23,015,679	18,974,532	20,648,106
Planning and development	1,734,142	2,062,355	2,087,068	1,946,772	2,050,593	2,257,639	2,264,326	2,095,331	2,515,448	2,805,009
Community services	3,140,390	3,285,283	3,380,106	3,366,639	3,756,893	3,731,237	3,851,337	9,707,729	5,046,085	4,662,889
General services	2,493,605	2,303,314	2,345,577	2,728,344	2,630,205	2,698,309	2,880,492	6,254,807	3,901,466	5,554,769
Capital projects	18,921,835	17,412,043	9,867,954	9,913,457	23,028,578	31,794,246	21,505,295	23,238,997	16,341,943	19,136,059
Debt service:										
Principal retirement	1,085,235	949,562	921,909	855,861	945,967	1,910,667	2,038,438	2,566,162	2,500,302	3,637,281
Bond issuance costs	-	-	-	-	-	-	-	42,978	621,817	2,905,960
Interest and fiscal charges	606,531	700,878	664,164	629,940	698,206	787,407	1,074,675	1,281,554	1,393,744	-
<b>Total expenditures</b>	<b>58,228,436</b>	<b>59,459,062</b>	<b>51,714,714</b>	<b>53,759,879</b>	<b>71,784,759</b>	<b>84,855,706</b>	<b>78,905,892</b>	<b>99,780,092</b>	<b>82,230,501</b>	<b>90,169,623</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,059,670</b>	<b>1,973,240</b>	<b>17,331,256</b>	<b>9,862,625</b>	<b>(515,236)</b>	<b>(13,326,718)</b>	<b>3,608,248</b>	<b>311,798</b>	<b>8,954,052</b>	<b>6,866,906</b>
<b>Other financing sources (uses):</b>										
Transfers in	30,847,089	28,418,517	28,185,969	12,557,690	10,381,689	13,181,610	11,911,644	12,016,568	15,728,775	17,610,913
Transfers out	(33,498,624)	(30,834,934)	(30,313,547)	(13,202,657)	(12,737,887)	(15,130,612)	(17,370,037)	(19,084,348)	(18,403,411)	(24,489,260)
Issuance of debt	-	-	-	-	25,000,000	-	-	700,000	34,480,000	-
Premium on issuance of debt	-	-	-	-	-	-	-	-	1,102,586	-
Payment to refunded pension obligation	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources(uses)</b>	<b>(2,651,535)</b>	<b>(2,416,417)</b>	<b>(2,127,578)</b>	<b>(644,967)</b>	<b>22,643,802</b>	<b>(1,949,002)</b>	<b>(5,458,393)</b>	<b>(6,367,780)</b>	<b>32,907,950</b>	<b>(6,878,347)</b>
<b>Net change in fund balances</b>	<b>\$ 1,408,135</b>	<b>\$ (443,177)</b>	<b>\$ 15,203,678</b>	<b>\$ 9,217,658</b>	<b>\$22,128,566</b>	<b>\$ (15,275,720)</b>	<b>\$ (1,850,145)</b>	<b>\$ (6,055,982)</b>	<b>\$ 41,862,002</b>	<b>\$ 8,559</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>4.30%</b>	<b>3.93%</b>	<b>3.79%</b>	<b>3.39%</b>	<b>3.36%</b>	<b>5.11%</b>	<b>5.57%</b>	<b>5.16%</b>	<b>7.18%</b>	<b>9.59%</b>

# CITY OF LAKE CHARLES, LOUISIANA

## Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	One Percent Sales Tax (65)	One Percent Sales Tax (87)	Employee's Pay Quarter cent Sales Tax (.95)	Riverboat Gaming Tax	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise
1999	\$ 4,851,445	\$13,312,712	\$13,312,712	\$ 3,270,504	\$ 5,787,909	\$ 3,018,078	\$ 331,305	\$ 417,689
2000	5,155,335	13,100,266	13,100,266	3,268,928	6,075,000	3,096,916	404,659	420,144
2001	5,373,976	13,913,944	13,913,944	3,455,464	6,075,000	3,938,095	663,156	459,191
2002	5,559,910	14,232,232	14,232,232	3,546,611	6,110,488	3,233,184	398,356	482,724
2003	5,755,614	14,738,034	14,738,034	3,680,714	6,429,373	3,689,830	540,348	499,422
2004	5,888,574	15,935,923	15,935,923	3,962,435	6,682,497	3,816,930	506,134	533,188
2005	5,895,575	16,905,803	16,905,803	4,226,453	7,706,108	4,037,249	515,915	546,124
2006	5,953,207	21,069,476	21,069,476	5,267,376	3,024,702	4,854,764	659,837	524,107
2007	6,536,673	19,604,922	19,604,922	4,901,540	6,961,367	4,521,714	671,183	628,617
2008	6,612,603	20,048,716	20,048,779	5,012,194	8,399,666	5,215,659	632,849	993,758

**CITY OF LAKE CHARLES, LOUISIANA**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended	Tax Year	Real Property and Mobile		Personal, Business Industry	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1999	1998	\$ 210,456,270	\$ 2,104,562,700	\$ 76,939,050	\$ 512,927,000
2000	1999	221,014,670	2,210,146,700	79,319,510	528,796,733
2001	2000	229,530,010	2,295,300,100	83,296,660	555,311,067
2002	2001	236,891,890	2,368,918,900	84,699,970	564,666,467
2003	2002	243,210,230	2,432,102,300	91,843,990	612,293,267
2004	2003	246,685,030	2,466,850,300	93,673,820	624,492,133
2005	2004	253,965,820	2,539,658,200	96,107,240	640,714,933
2006	2005	261,268,194	2,612,681,940	98,723,970	658,159,800
2007	2006	286,848,080	2,869,480,800	105,860,810	705,738,733
2008	2007	295,823,700	2,958,237,000	114,102,720	760,684,800

Note:

- (1) Ratios of assessed valuation to actual value are established by state law. Assessment ratios currently applicable to various classes of property are as follows:

10% - Land and residential improvements  
15% - Commercial improvements  
15% - Personal property  
25% - Public Utilities

- (2) All property assessments are made by the Calcasieu Parish Assessor or the Louisiana Tax Commission. Required reassessments of all properties were made in 1996, 2000, 2004 and 2008.

Source: Calcasieu Parish Tax Assessor

Public Utilities		Total all Property		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 17,753,290	\$ 71,013,160	\$ 305,148,610	\$ 2,688,502,860	\$16.14	11.35%
18,278,340	73,113,360	318,612,520	2,812,056,793	16.14	11.33%
18,819,110	75,276,440	331,645,780	2,925,887,607	16.43	11.33%
19,251,490	77,005,960	340,843,350	3,010,591,327	16.43	11.32%
18,862,920	75,451,680	353,917,140	3,119,847,247	16.43	11.34%
17,451,120	69,804,480	357,809,970	3,161,146,913	16.43	11.32%
17,604,920	70,419,680	367,677,980	3,250,792,813	16.09	11.31%
17,693,580	70,774,320	377,685,744	3,341,616,060	16.09	11.30%
18,358,980	73,435,920	411,067,870	3,648,622,453	16.09	11.27%
18,450,920	73,803,680	428,377,340	3,792,725,480	16.09	11.29%

# CITY OF LAKE CHARLES, LOUISIANA

Property Tax Millage Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles			Calcasieu Parish School Board				Calcasieu Parish						
		General and		Debt	General Fund	Debt Service Funds	Total	Parish Police Jury	Road Districts	Gravity Drainage	Recreation and Com Centers	Fire Protection	Airport Harbor & Terminal	Parish Water & Sewer	Parish Total
		Funds	Special Revenue												
1998	1999	16.14		0.00	18.93	14.10	33.03	42.99	3.93	5.79	0.00	11.54	9.07	29.58	102.90
1999	2000	16.14		0.00	18.93	15.00	33.93	42.99	3.93	5.79	0.00	11.54	9.07	26.33	99.65
2000	2001	16.43		0.00	19.56	27.00	46.56	45.40	4.06	5.92	0.00	12.77	9.20	20.74	98.09
2001	2002	16.43		0.00	19.56	25.00	44.56	45.40	4.06	5.92	0.00	12.77	9.20	14.74	92.09
2002	2003	16.43		0.00	19.56	39.50	59.06	45.40	4.06	5.92	0.00	12.77	9.20	15.74	93.09
2003	2004	16.43		0.00	19.56	35.00	54.56	52.84	4.06	5.92	0.00	12.77	9.20	15.14	99.93
2004	2005	16.09		0.00	18.72	36.50	55.22	44.19	3.88	5.77	0.00	12.60	8.80	16.25	91.49
2005	2006	16.09		0.00	18.72	25.00	43.72	44.99	3.88	5.77	7.85	12.60	8.80	18.39	102.28
2006	2007	16.09		0.00	18.72	25.50	44.22	47.21	3.88	5.79	7.40	11.54	8.80	20.39	105.01
2007	2008	16.09		0.00	18.72	27.50	46.22	41.5	3.88	5.79	7.00	11.54	8.80	18.14	96.95

Source: Information obtained from Calcasieu Parish Tax Assessor

Note: Overlapping rates are those of local governmental entities that apply to property owners within the City of Lake Charles. Not all overlapping rates apply to all property owners.

# CITY OF LAKE CHARLES, LOUISIANA

Principal Property Taxpayers

Tax Year December 31, 2007 and December 31, 1998  
for Fiscal Year Ended September 30, 2008 and September 30, 1999

Taxpayer	Type of Business	2008			1999		
		Assessed Valuation 2007	Rank	Percentage of Total Valuation	Assessed Valuation 1998	Rank	Percentage of Total Valuation
PNK (Lake Charles) LLC	Hotel and Casino	\$35,946,860	1	7.37 %	-	-	%
Bell South Telecommunications	Telephone	9,015,720	2	1.85	9,013,698	2	2.83
Wal-Mart Stores	Retail	8,345,010	3	1.71	4,972,090	4	1.56
Entergy Gulf States Inc.	Electric utility	6,492,560	4	1.33	4,237,210	5	1.33
Capital One NA * Hibernia in 1996	Bank	5,643,400	5	1.16	6,286,130	3	1.97
Women's & Children's Hospital	Hospital	4,456,090	6	0.91	-	-	-
Harrah's Entertainment Inc * Players in 1998	Riverboat Casino	3,511,760	7	0.72	13,379,040	1	4.20
Cameron State Bank	Bank	3,415,940	8	0.70	-	-	-
JP Morgan Chase Bank NA * Bank One in 1998	Bank	3,332,480	9	0.68	3,205,520	6	1.01
Firestone Synthetic Rubber	Chemical	3,316,970	10	0.68	-	-	-
US Unwired	Telecommunication	-	-	-	2,709,810	7	0.85
Simon, Melvin & Associates	Shopping mall	-	-	-	2,607,030	8	0.82
Whitney Bank	Bank	-	-	-	1,720,690	9	0.54
Carboline Company	Manufacturer	-	-	-	1,327,900	10	0.42
		<u>\$83,476,790</u>		<u>17.12%</u>	<u>\$49,459,118</u>		<u>15.52%</u>

2007 Total city valuation: \$487,519,852

1998 Total city valuation: \$318,612,520

Source: Calcasieu Parish Tax Collector



# CITY OF LAKE CHARLES, LOUISIANA

## Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Tax Year	Total Tax Levy	Less: Cancellations and Reductions	Net Tax Levy
1999	1998	\$ 4,944,413	\$ 61,418	\$ 4,882,995
2000	1999	5,142,416	46,758	5,095,658
2001	2000	5,448,959	331,803	5,117,156
2002	2001	5,600,075	29,978	5,570,097
2003	2002	5,814,877	36,921	5,777,956
2004	2003	5,878,836	7,942	5,870,894
2005	2004	5,932,879	36,144	5,896,735
2006	2005	8,683,473	2,802,884	5,880,589
2007	2006	9,702,002	47,920	9,654,082
2008	2007	9,454,646	83,620	9,371,026

Source: Calcasieu Parish Tax Assessor

Note: Property damage reductions in 2006 related to Hurricane Rita.

<u>Less:</u> <u>Outstanding</u> <u>Delinquent</u> <u>Taxes</u>	<u>Net Total</u> <u>Taxes</u> <u>Collected</u>	<u>Percent of</u> <u>Net Taxes</u> <u>Collected</u>	<u>Percent of</u> <u>Delinquent</u> <u>Taxes to</u> <u>Net Levy</u>
\$ 58,584	\$ 4,824,411	98.80 %	1.20 %
78,221	5,017,437	98.46	1.54
71,316	5,045,840	98.61	1.39
49,886	5,520,211	99.10	0.90
83,970	5,693,986	98.55	1.45
67,052	5,803,842	98.86	1.14
61,889	5,834,846	98.95	1.05
57,162	5,823,427	99.03	0.97
89,299	9,564,783	99.08	0.92
79,015	9,292,011	99.16	0.84

# CITY OF LAKE CHARLES, LOUISIANA

## Sales Tax Rates

Direct and Overlapping Governments  
Last Ten Fiscal Years

City of Lake Charles										Calcasieu Parish			State of Louisiana		
Calendar Year	Fiscal Year	General Fund	Dedicated 1%				Capital Project	Employee's Pay	School Board			Law Enforcement	Tourism		Total
			General Fund		Waste				General	Salaries	Promotion				
			Public Safety	Public Works	Water	Recreation									
1998	1999	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
1999	2000	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2000	2001	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2001	2002	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2002	2003	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2003	2004	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2004	2005	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2005	2006	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2006	2007	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	8.75%		
2007	2008	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	3.97%	0.03%	9.00%		

Source: Information obtained from Calcasieu Parish Sales and Use Tax office.

# CITY OF LAKE CHARLES, LOUISIANA

## Principal Sales Taxpayers

Tax Year June 30, 2008 and June 30, 2005

for Fiscal Year Ended September 30, 2008 and September 30, 2005

Taxpayer	Type of Business	2008			2005		
		Tax Paid	Rank	Percentage of Total Valuation	Tax Paid	Rank	Percentage of Total Valuation
Wal-Mart Retail	Retail	\$6,423,577	1	14.29% %	\$5,287,093	1	13.77%
LA Dept of Public Safety	Government	2,706,770	2	6.02%	2,541,536	2	6.62%
L'Auberge Du Lac	Hotel and Casino	1,130,368	3	2.52%	-	-	-
Lowes	Building supply	968,283	4	2.15%	744,603	3	1.94%
Kroger Stores	Grocery	848,971	5	1.89%	719,611	4	1.87%
Target Stores	Retail	768,558	6	1.71%	412,551	9	1.07%
Stine Lumber Company	Building supply	740,079	7	1.65%	-	-	-
Christus St Patrick Hospital	Health Care	618,965	8	1.38%	588,432	5	1.53%
Market Basket Food Stores	Grocery	618,850	9	1.38%	498,779	7	1.30%
Academy Sports & Outdoors	Retail	464,367	10	1.03%	396,821	10	1.03%
Home Depot	Building supply	-	-	-	513,543	6	1.34%
Lake Charles Memorial Hospital	Health Care	-	-	-	497,147	8	1.29%
		<u>\$15,288,786</u>		<u>34.02%</u>	<u>\$12,200,116</u>		<u>31.77%</u>

2008 Total sales tax: \$ 44,942,517

2005 Total sales tax: \$ 38,397,154

Source: Calcasieu Parish Sales and Use Tax Department

Historical data prior to 2005 unavailable.

# CITY OF LAKE CHARLES, LOUISIANA

Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Special Assessment Debt	Pension Refunding Bonds	LCDA Sewer Bonds	LCDA Public Improvement Bonds	Total Bonded Debt	Percentage of Personal Income	Per Capita
1999	\$ 53,181	\$ 12,085,000	\$ -	\$ -	\$ 12,138,181	0.75%	\$ 159
2000	12,000	11,545,000	-	-	11,557,000	0.71%	151
2001	-	10,975,000	-	-	10,975,000	0.72%	153
2002	-	10,375,000	-	-	10,375,000	0.47%	145
2003	-	9,735,000	25,000,000	-	34,735,000	1.57%	484
2004	-	9,060,000	24,285,000	-	33,345,000	1.51%	465
2005	-	8,345,000	23,515,000	-	31,860,000	1.44%	444
2006	-	7,585,000	22,715,000	-	30,300,000	1.37%	422
2007	-	6,775,000	21,880,000	35,564,210	64,219,210	2.71%	895
2008	-	5,915,000	21,010,000	34,399,081	61,324,081	2.59%	838

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

None of this debt is General Obligation Debt.

See the Schedule of Demographics and Economic Statistics on page 100 for personal income and population data.

# CITY OF LAKE CHARLES, LOUISIANA

Computation of Direct and Overlapping

General Obligation Bonded Debt

As of September 30, 2008

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Lake Charles</u>	<u>Amount Applicable to Lake Charles</u>
City of Lake Charles	\$ -	100 %	\$ -
Calcasieu Parish School Board	211,955,000	30.805%	65,291,782
Calcasieu Parish Library Bonds	-	30.805%	-
Calcasieu Parish Police Jury	-	30.805%	-
Total Direct and Overlapping General Obligation Bonded Debt	<u>\$ 211,955,000</u>		<u>\$ 65,291,782</u>

Sources: Assessed value data used to estimate applicable percentages provided by Calcasieu Parish Tax Collector.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Charles. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden is 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.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the parish's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

# CITY OF LAKE CHARLES, LOUISIANA

## Computation of Legal Debt Margin

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 36,122	\$ 38,163	\$ 40,000	\$ 42,461	\$ 43,744	\$ 44,362	\$ 46,601	\$ 47,601	\$ 44,185	\$ 51,710
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 36,122</u>	<u>\$ 38,163</u>	<u>\$ 40,000</u>	<u>\$ 42,461</u>	<u>\$ 43,744</u>	<u>\$ 44,362</u>	<u>\$ 46,601</u>	<u>\$ 47,601</u>	<u>\$ 44,185</u>	<u>\$ 51,710</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

### Legal Debt Margin Calculation for Fiscal Year 2008

(amounts expressed in thousands)

Assessed value	\$ 428,377
Add back: exempt real property	<u>88,731</u>
Total assessed value	<u>\$ 517,108</u>
Debt limit (10% of total assessed value)	\$ 51,710
Total outstanding General Obligation Bonds of City of Lake Charles	<u>-</u>
Legal capacity of City of Lake Charles for General Obligation Bonds	<u>\$ 51,710</u>

**Note:**

Under state finance law, the City of Lake Charles' outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. The City of Lake Charles had \$61,324,081 outstanding bonded debt at September 30, 2008. None of this debt is General Obligation Debt secured by ad valorem taxes, and the amount applicable to the legal debt limitation is therefore zero. All City of Lake Charles general obligation debt was paid in fiscal year 1997.

# CITY OF LAKE CHARLES, LOUISIANA

## Demographic and Economic Statistics

Last Ten Calendar Years

Calendar		Personal	Per		Public	Private	Total	Unemployment
		Income	Capita	Median	City School	City School	City School	Percentage
Year	Population	(amts in	Personal	Age	Enrollment	Enrollment	Enrollment	Rate
		thousands)	Income (1)		(K-12 Grades)	(K-12 Grades)	(K-12 Grades)	
1998	76,537	\$ 1,624,498	\$ 21,225	31.6	15,748	3,121	18,869	3.5 %
1999	76,537	1,624,498	21,225	32.2	15,590	3,042	18,632	5.1
2000	71,757	1,523,042	21,225	35.3	14,335	3,078	17,413	5.3
2001	71,757	2,208,250	30,774	35.3	13,830	2,907	16,737	5.4
2002	71,757	2,208,250	30,774	35.3	14,281	2,907	17,188	5.1
2003	71,757	2,208,250	30,774	35.3	13,668	2,907	16,575	4.7
2004	71,757	2,208,250	30,774	35.3	12,218	2,761	14,979	7.6
2005	71,757	2,208,250	30,774	35.3	13,054	2,541	15,595	3.3
2006	71,757	2,371,425	33,048	36.4	12,952	2,556	15,508	3.0
2007	71,757	2,371,425	33,048	35.3	12,735	2,407	15,142	3.4

Notes:

- (1) Estimates for population, income age and unemployment provided by Imperial Calcasieu Regional Planning and Development.
- (2) School enrollment includes public and state approved private schools only as provided by the Calcasieu Parish School Board.



# CITY OF LAKE CHARLES, LOUISIANA

Principal Employers in the MSA

Calendar Year 2008 and 1999

Employer	Type of Business	2008			1999		
		Number of Employees	Rank	Percentage of Total MSA	Number of Employees	Rank	Percentage of Total MSA
Calcasieu Parish School Board	Education	4,850	1	5.4%	4,000	1	4.4%
L'Auberge Du Lac	Gaming	2,400	2	2.7%	-	-	-
Turner Industries	Fabrication	2,250	3	2.5%	2,000	3	2.2%
PPG Industries	Basic Chemical	1,296	4	1.4%	1,625	8	1.8%
Citgo Petroleum	Oil Products	1,275	5	1.4%	1,865	5	2.0%
Calcasieu Parish Police Jury	Government	1,173	6	1.3%	-	-	-
Isle of Capri Casino	Gaming	1,171	7	1.3%	2,000	4	2.2%
Christus St. Patrick's Hospital	Health Care	1,085	8	1.2%	2,782	2	3.0%
Lake Charles Memorial Hospital	Health Care	1,039	9	1.2%	1,700	7	1.9%
City of Lake Charles	Government	906	10	1.0%	-	-	-
Player's Casino	Gaming	-	-	-	1,800	6	2.0%
Northrop Grumman	Aerospace	-	-	-	1,365	9	1.5%
		<u>17,445</u>		<u>19.5%</u>	<u>19,137</u>		<u>20.9%</u>

Source: Imperial Calcasieu Regional Planning and Development

MSA: Metropolitan Statistical Area includes all of Calcasieu and Cameron Parish. All top ten employers are in Calcasieu Parish

	2008	1999
Total employment: Calcasieu Parish	85,984	87,417
Cameron Parish	3,515	4,174
	<u>89,499</u>	<u>91,591</u>

# CITY OF LAKE CHARLES, LOUISIANA

Full-time Equivalent City Employees by Function  
Last Ten Fiscal Years

Functions/Programs	Full-time Equivalent Employees as of September 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	42	42	40	41	44	45	45	46	46	46
Finance (includes										
Water business office)	38	38	37	30	30	30	30	30	30	30
Human Resources	5	5	6	5	5	5	5	5	5	5
Public safety										
Fire	135	147	147	147	147	176	190	190	190	190
Police	179	181	176	176	182	192	194	194	194	194
Public works	153	166	166	167	166	166	166	167	166	166
Waste water	51	55	58	59	61	60	61	64	64	64
Transit	16	16	16	17	19	19	19	19	19	19
Water utility	56	52	50	56	56	57	57	57	57	57
Planning and development	24	25	25	25	24	24	24	25	27	24
General services	32	32	31	34	32	31	30	29	30	33
Community Services	78	81	80	79	77	76	76	78	78	78
<b>Total</b>	<b>809</b>	<b>840</b>	<b>832</b>	<b>836</b>	<b>843</b>	<b>881</b>	<b>897</b>	<b>904</b>	<b>906</b>	<b>906</b>

Source: City budget reports

Note: Personnel count includes full time and regular part-time positions. Temporary and seasonal employees are not included.

# CITY OF LAKE CHARLES, LOUISIANA

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Risk Management										
* Accident reports/Investigations				428	622	523	452	607	595	626
* Claims				356	501	414	320	307	302	277
Finance/includes Water Business										
Checks issued	14,155	13,861	13,525	13,247	15,126	12,566	14,641	15,235	15,553	15,356
* Occupational licenses processed				4,415	4,446	4,473	4,415	4,391	4,177	4,048
Purchase orders processed	5,412	5,098	4,520	4,882	4,357	3,943	3,990	3,589	4,064	3,738
Water: number of customers	27,134	27,245	27,389	27,399	27,760	28,611	27,605	26,889	28,422	28,147
Water: Average daily consumption (millions of gallons per day)	11.49	12.5	9.1	9.95	9.62	11.04	12.87	11.35	9.53	10.79
Human Resources										
* Applications received				989	1,103	1,189	1,108	926	725	711
* New hires				332	284	328	368	374	436	483
* Employee Health Fair Participation					50	NA	295	250	238	268
Public safety										
* Fire: Calls for service	1,840	1,939	2,011	1,998	1,999	2,107	2,826	2,755	2,503	2,571
* Fire: Code inspections								4,671	3,194	2,775
Police: Calls for service	80,674	106,115	118,650	122,091	126,670	105,858	111,788	108,232	96,659	93,886
Public works										
Solid Waste										
* Tons garbage collected									29,320	26,324
* Tons incinerated									2,146	3,338
* Tons trash collected									18,869	10,682
* Streets: Work orders									960	647
* Transit: Bus riders									188,175	178,889
* Vehicle Maintenance: Work orders									5,815	3,530
* Waste water: Work orders									4,584	3,337
Planning and development										
Building permits issued		5,002	5,354	5,577	5,075	5,229	5,152	6,384	9,438	6,287
Community Development										
* Down Payment Assistance									9	21
* Rehab/Reconstruction									7	15
* Street Projects									2	6
Community Services										
Recreation and parks										
* Athletic participation (players and spectators)										437,600
* Summer camp attendance									460	470
* Civic Center: Events									309	356
* Golf Course: Rounds of golf							40,019	39,498	34,221	32,969
Art Center/museum										
* Art exhibits										13
* Concerts/Events										43

Source: Various city departments

\* Prior year statistics not available.

# CITY OF LAKE CHARLES, LOUISIANA

## Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Fire Stations	7	7	7	7	7	8	8	8	8	8
Police:										
Stations	4	4	4	4	4	4	4	4	4	4
Patrol Units	80	82	82	82	85	90	90	90	90	92
Public works										
Solid Waste/Recycling										
Collection trucks	15	16	17	16	16	24	24	22	33	32
Streets										
Streets (miles)	400	400	400	483	483	483	483	483	460	460
* Streetlights								9229	9285	9285
* Traffic Signals								64	64	66
Transit										
* Public Buses										7
* Para-transit buses										2
Waste water										
Sanitary sewers (miles)	600	600	600	600	600	600	600	600	600	600
Storm sewers (miles)	425	425	425	425	425	425	425	425	425	425
* Maximum daily treatment capacity (millions of gallons per day)										13.1
Water utility										
* Water mains (miles)								410	450	455
* Fire hydrants								2500	2800	2820
* Maximum daily capacity (millions of gallons per day)								23	22	22
Community Services										
Recreation and parks										
Park acreage	561	561	561	453	453	453	453	453	453	453
Parks	29	29	29	34	34	34	34	34	34	34
Swimming Pools	3	2	2	2	2	2	2	2	2	2
Tennis courts	6	6	6	6	6	6	6	6	6	17
Community Centers	13	13	13	13	13	13	12	12	12	12
Civic Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Art Center/museum	1	1	1	1	1	1	2	2	2	2

Source: Various city departments

\* Prior year statistics not available.

**CITY OF LAKE CHARLES, LOUISIANA**

**OMB CIRCULAR A-133  
SUPPLEMENTARY REPORTS**

**YEAR ENDED SEPTEMBER 30, 2008**

CITY OF LAKE CHARLES  
LAKE CHARLES, LOUISIANA

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# McELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1925  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
337 433-1063 • Fax 337 436-6618 • Web page: www.mqb-cpa.com  
Audit 9/30/2008 single audit report

Carl W. Comeaux, CPA  
Gus W. Schram, III, CPA, CVA  
Robert M. Gani, CPA, MT  
Mollie C. Broussard-Duncan, CPA  
Jason L. Guillory, CPA  
Greg P. Naquin, CPA, CFP™  
Billy D. Fisher, CPA  
Joe G. Peshoff, II, CPA, CVA

Michael N. McGee, CPA  
David M. DesOrmeaux, CPA

# MQB

Ormy J. Woods, Jr., CPA, Inactive  
Robert F. Cargile, CPA, Inactive  
William A. Mancuso, CPA, Inactive  
Barbara Hutson Gonzales, CPA, Retired  
Judson J. McCann, Jr., CPA, Retired  
Martin L. Chelotsky, CPA, CFE

CFE - Certified Fraud Examiner  
MT - Masters of Taxation  
CVA - Certified Valuation Analyst  
CFP - Certified Financial Planner

## 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

Honorable Mayor  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 2008, which collectively comprise the City of Lake Charles, Louisiana's basic financial statements and have issued our report thereon dated March 23, 2009. 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 Audit Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lake Charles, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures 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 Lake Charles, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lake Charles, Louisiana's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Lake Charles, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Lake Charles, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the City of Lake Charles, Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Lake Charles, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, management, and other state and federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Ms Elroy Quirk & Burch*

Lake Charles, Louisiana  
March 23, 2009



# McELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1925  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
337 433-1063 • Fax 337 436-6618 • Web page: [www.mqb-cpa.com](http://www.mqb-cpa.com)

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

### Compliance

We have audited the compliance of the City of Lake Charles, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. The City of Lake Charles' major federal programs are identified in the *summary of auditor's results* section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Lake Charles' management. Our responsibility is to express an opinion on the City of Lake Charles' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to

above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lake Charles' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Lake Charles' compliance with those requirements.

In our opinion, the City of Lake Charles, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

#### Internal Control Over Compliance

The management of the City of Lake Charles is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lake Charles' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Lake Charles, Louisiana's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City of Lake Charles as of and for the year ended September 30, 2008, and have issued our report thereon dated March 23, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures, applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Ms Elroy Quirk & Burch*

Lake Charles, Louisiana  
March 23, 2009

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Period Ending September 30, 2008

<u>Fund</u>	<u>Grant Type</u>	<u>Federal CFDA Number</u>
	<b>Department of Housing &amp; Urban Development:</b>	
110	Community Development Block Grant	14.218
	<b>Louisiana Department of Administration (pass thru agency):</b>	
126	HUD/Emergency Shelter Grant	14.231
126	HUD/Emergency Shelter Grant	14.231
126	HUD/HOME Grant	14.239
126	HUD/CHDOS	-
	<b>Federal Emergency Management Agency:</b>	
	Louisiana Department of Military Affairs (pass thru agency)	-
109	Public Assistance Grant	97.036
109	Public Assistance Grant	97.036
150	Public Assistance Grant	-
410	Public Assistance Grant	-
403	Public Assistance Grant	-
	<b>Department of Transportation:</b>	
401	Federal Transit Administration	20.507
		-
		-
		-
411	Federal Transit Administration	-
	<b>Environmental Protection Agency:</b>	
121	Brownfields Petroleum Assessment	-
	<b>Department of Agriculture:</b>	
	Louisiana Department of Education (pass thru agency):	
122	Child Nutrition Summer Food Program	10.559
	<b>Department of Justice:</b>	
134	Justice Assistance Grant (Sheriff's Office)	-
130	FBI Safe Streets Taskforce	-
130	Fugitive Apprehension Taskforce	-

<u>Grant Number</u>	<u>Grant Period</u>		<u>Grant Receipts</u>	<u>Current Expenditures</u>
	<u>From</u>	<u>To</u>		
B-00-MC-22-0004	10/1/07	9/30/08	\$ 1,487,008	\$ 1,499,602
650093-370-401321	10/1/07	9/30/08	19,137	19,137
636070-370-401321	10/1/07	9/30/08	31,878	31,878
M-99-MC-22-0208	10/1/07	9/30/08	638,359	638,359
M-00-MC-22-0208	10/1/07	9/30/08	91,340	91,340
FEMA 1607-DR-LA	10/1/07	9/30/08	446,654	69,970
FEMA 1786-DR-LA	10/1/07	9/30/08	345,424	345,424
FEMA 1792-DR-LA	10/1/07	9/30/08	674,704	674,704
FEMA 1607-DR-LA	10/1/07	9/30/08	179,550	179,550
FEMA 1607-DR-LA	10/1/07	9/30/08	693,622	627,310
LA-904-274	10/1/07	9/30/08	511,415	511,415
LA-902-260	10/1/07	9/30/08	715	715
LA-900-322	10/1/07	9/30/08	329,913	329,913
LA-900-304	10/1/07	9/30/08	104,898	104,898
LA-03011001	10/1/07	9/30/08	56,592	56,592
LA-900-274	10/1/07	9/30/08	48,606	48,606
BF-96660601-0	10/1/07	9/30/08	65,749	65,749
	10/1/07	9/30/08	629,012	592,329
2007-DJ-BX-0898	10/1/07	9/30/08	41,065	38,581
166 E-NO-65645	10/1/07	9/30/08	30,683	30,683
DJMS-07-35-M-78	10/1/07	9/30/08	9,546	9,546

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Period Ending September 30, 2007  
(Continued)

<u>Fund</u>	<u>Grant Type</u>	<u>Federal CFDA Number</u>
	Louisiana Commission on Law Enforcement (pass thru agency):	
131	DARE	-
132	Targeting Violence	16.579
132	Crime Activity Patrol	-
132	Operation Trigger Time	-
132	Anti-Gang Initiative	-
132	Terrorism Prevention	-
	Louisiana Highway Safety Commission (pass thru agency):	
130	Lake Charles Safe City Project	-
	Louisiana Serve Commission/Dept of Treasury:	
123	Americorps 2007-08 Grant	94.006
123	Americorps 2008-09 Grant	-
	Total Federal Assistance	

<u>Grant Number</u>	<u>Grant Period</u>		<u>Grant Receipts</u>	<u>Current Expenditures</u>
	<u>From</u>	<u>To</u>		
E07-6-007	10/1/07	9/30/08	33,168	33,168
B05-6-002	10/1/07	9/30/08	7,883	7,883
B06-6-004	10/1/07	9/30/08	31,688	31,688
F03-8-001	10/1/07	9/30/08	5,107	5,107
F61-8-001	10/1/07	9/30/08	22,360	22,360
LETFP	10/1/07	9/30/08	80,701	80,701
PT 07-12-00	10/1/07	9/30/08	8,374	8,374
06AFHLA0010003	10/1/07	9/30/08	211,472	211,472
06AFHLA0010003	10/1/07	9/30/08	<u>15,310</u>	<u>15,310</u>
			<u>\$ 6,851,933</u>	<u>\$ 6,382,364</u>

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2008

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified  
Internal control over financial reporting:  
Material weakness identified? ☐ Yes ☒ No  
Significant deficiency identified not  
Considered to be material weakness? ☐ Yes ☒ None reported  
Noncompliance material to financial statements  
noted ☐ Yes ☒ No

Federal Awards

Internal control over major programs:  
Material weakness identified? ☐ Yes ☒ No  
Significant deficiency identified not  
Considered to be material weakness? ☐ Yes ☒ None reported  
Type of auditor's report issued on compliance  
for major programs: Unqualified  
Any audit findings disclosed that are required  
to be reported in accordance with Circular  
A-133, Section .510(a)? ☐ Yes ☒ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	Home Program
20.507	Federal Transit Administration
10.559	Summer Feeding
97.036	FEMA Public Assistance Grant

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

(continued on next page)



CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2008  
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings to report.

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2008  
(Continued)

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

CITY OF LAKE CHARLES, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS  
Year Ended September 30, 2008

No prior year findings.