

CITY OF LAKE CHARLES, LOUISIANA

COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

for the  
Fiscal Year Ended  
September 30, 2007



Prepared by  
Division of Accounting  
for the  
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.

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**CITY OF LAKE CHARLES**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2007**

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## CITY OF LAKE CHARLES

RANDY ROACH  
MAYOR

326 Pujo 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 28, 2007

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, 2007. 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 an arts center housed in a restored school building. 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 2007 Year-end Business and Industry Location/Expansion Report provided by The Chamber Foundation/Southwest Louisiana the following are recent and current development projects:

- Lake Charles Cogeneration LLC will begin construction in late 2008 of a \$1.3 billion gasification plant along the Calcasieu Ship Channel at the Port of Lake Charles.
- The area is benefiting from several liquefied natural gas terminals that are in various stages of development, the latest which was announced by Trunkline LNG Company, LLC in November 2007 valued at \$148 million.
- ERA Helicopters, LLC announced an \$8 million facility expansion.
- Northrop Grumman announced a \$10.8 million KC-10 PPM Project that began in October 2007.
- Lake Hotel Group of Lake Charles announced its \$15 million Holiday Inn Flag Hotel.
- EMAC Partners 2007, LP announced construction of its \$34 million new apartment complex.
- Augustus Springs, LP announced construction of its \$15.8 million new apartment complex.
- Pinnacle Entertainment will soon break ground on a new \$350 million casino resort adjacent to the current resort.
- Various other medical, office, hotel, and apartment complexes have been announced and are in various stages of development.
- Numerous other project within Calcasieu and surrounding parishes will have a positive impact on the City of Lake Charles

Many of the projects listed above and other types of industries in the area are taking advantage of the Gulf Opportunity Zone Act of 2005, which offers tax-based incentives for individuals and companies. This program is part of Louisiana's effort to recover from the 2005 hurricanes. While there is still lingering affects of Hurricane Rita in our area, the Lake Charles community has moved past the recovery stage and is moving full force ahead to revitalize our area.

While the nation's economy appears to be in an upheaval, Southwest Louisiana has a very bright economic forecast. Louisiana recently elected a new governor who has pushed through an ethics reform package and other measures that will make doing business in Louisiana much more attractive to business and industries. Employment in the construction industry is at an all time high due to the volume of business and residential construction. Plentiful jobs in the area have created an actual labor shortage. Education and retention of a viable workforce is a top concern and is being addressed by local universities and technical schools. Forbes magazine reported last week that Lake Charles is ranked No. 9 nationally in its Top Ten Up-and-Coming Tech Cities in the United States.

### Current and Future Financial Plans

A \$90 million bond issue for capital improvement was approved by Lake Charles voters in November 2006 and set in motion a flurry of activity. This bond issue will fund major improvements to the City's infrastructure and provide for economic development. The City has adopted a downtown revitalization plan prepared under the auspices of the Louisiana Recovery Authority.

In early 2007 the City of Lake Charles went through the process of obtaining a public finance rating. The result was an "A+" rating from Fitch and an "A" rating from Standard and Poor's. Given that the rating agencies felt the area was recovering from the recent hurricane and the future was somewhat unknown, this was considered to be an excellent "first time" rating. Cited by S & P as the City's strong points were:

- "Role as an economic, educational, retail, health care, and employment center for a five-parish area;
- Continued expansion and diversification of the local economic base;
- Sound fiscal management, which has produced strong operating reserves; and
- Moderate debt levels, even when related school board debt is included."

The City issued \$35 million in bonds for phase one of the public improvement projects in May 2007. Also in May, the City voters gave approval to shape the future of the City's lakefront by allowing commercial and residential development in that area. The City has hired a Master Developer for implementation of the Lakefront Plan that was adopted by the voters. The City was recently authorized to contract as necessary to implement the Lakefront Downtown Action Plan Phase I. This downtown development activity will complement the new bank that recently opened and the long-vacated department store that was recently renovated and is now open for retail and residential use. The City is in the process of demolishing an old department store and will sell the land to be used to construct a national flag hotel and new retail development.

Construction has commenced on the first major road project of the bond proposition and several others will begin construction by year end. Many smaller water and sewer projects that were included in the bond proposition have been completed. Bids are being accepted for a \$1.7 million improvement to local recreation facilities.

Accumulated fund balances and revenues not needed to repay the bonded debt will be used to provide for previously authorized and future City projects. The City is nearing completion of a \$40 million wastewater treatment and collection system expansion program. The reconstruction of the City's oldest water production plant is near completion with an estimated cost of nearly \$9 million. A sewer collection system rehabilitation program continues and an evaluation will be done of the existing sewer plants. Water rates were increased in January 2007 for the first time since 1987, and again in January 2008, but it is doubtful that the increase will be sufficient to cover rising operating costs. The City will continue the major renovation project at the Lake Charles Civic Center and will begin construction for a new club house at Mallard Cove Golf Course.

The City entered into a new agreement with the police union at the beginning of the fiscal year. We are in the second year of a three year agreement with the public works union and will soon begin negotiations with the firefighter's union, whose contract will expire in 2009. Contract negotiations normally result in increased payroll costs for the City.

### Other Financial Activity

#### 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 2007 total interest and investment earnings of \$5,848,233 was a 53 percent increase over earnings in fiscal year 2006.

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 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, 2006. The City also received this award for its reports of the preceding twenty two 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, 2006

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.



*Oliver S. Cox*

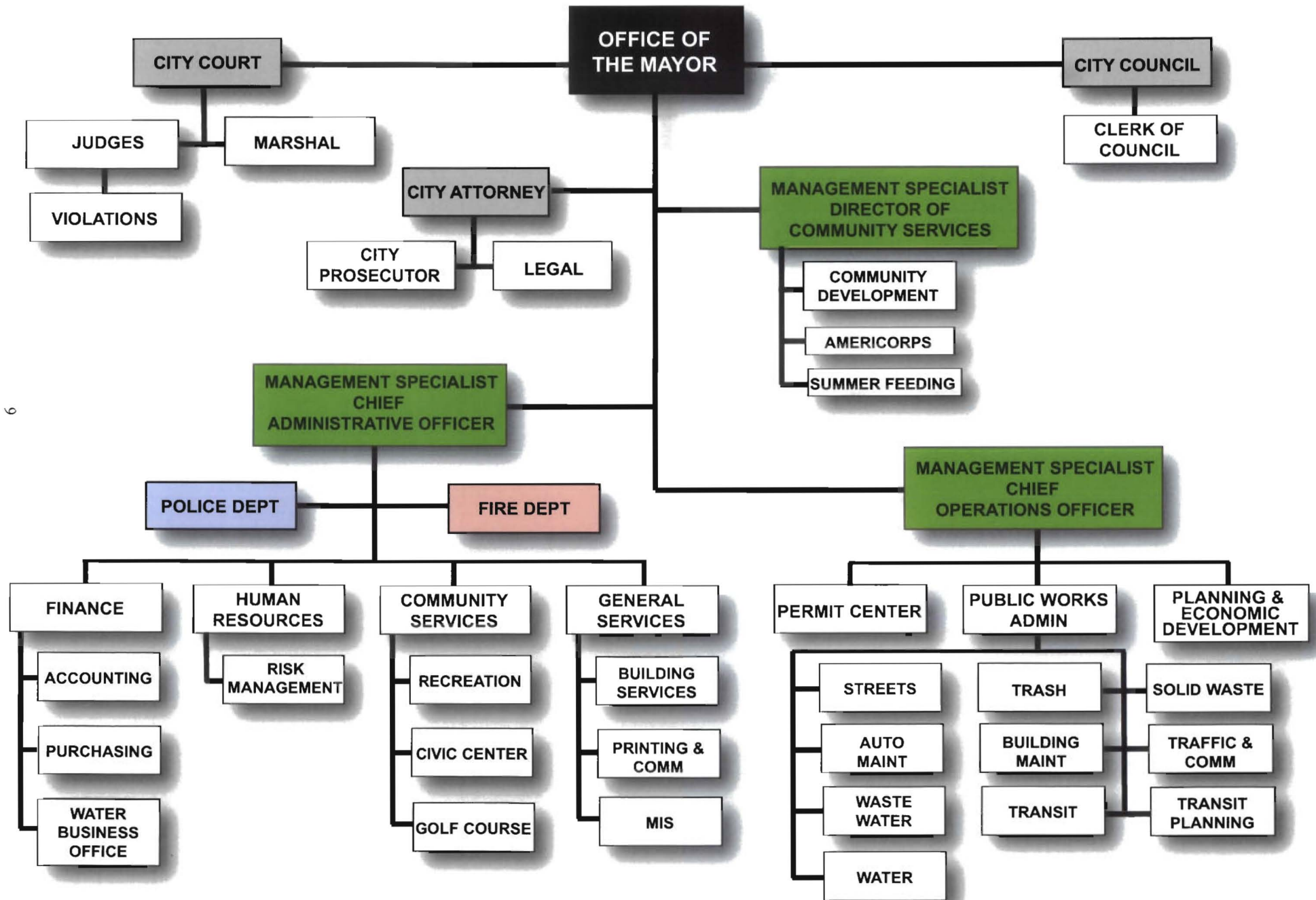
President

*Jeffrey R. Emmer*

Executive Director

# ORGANIZATIONAL CHART

## City of Lake Charles, Louisiana



**CITY OF LAKE CHARLES**  
Lake Charles, Louisiana

**MAYOR**  
**Honorable Randy Roach**

**CITY COUNCIL**

<b>A.B. Franklin</b>	<b>Dana Carl Jackson</b>
<b>Rodney Geyen</b>	<b>David Perry</b>
<b>Mike Huber</b>	<b>Marshall Simien, Jr.</b>
<b>Stuart Weatherford</b>	



# McELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1925  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
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Audit 2007 Audit Report

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William A. Mancuso, CPA, Retired  
Barbara Hurson Gonzales, CPA, Retired  
Judson J. McCann, Jr., CPA, Retired  
Martin L. Chehovsky, 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, 2007, 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, 2007, 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 27, 2008, 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 19 through 26, 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.



Lake Charles, Louisiana  
March 27, 2008

## 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, 2007, and accompanies the financial statements beginning on page 17 of this report. The transmittal letter on pages 3 - 6 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 \$16.3 million or 5 percent during the year to a total of \$338 million. Unrestricted financial assets comprise 20.6 percent of this total. Most of the increase is related to capital assets.
- Capital assets increased by \$17.4 million, net of depreciation, representing an increase of 6.5 percent from 2006. Infrastructure increases of \$11.5 million for streets and \$3.3 million for sewer account for most of the increase. Construction in progress for the new wastewater treatment plant continues and has been ongoing for several years. Work should be completed in fiscal year 2009. The City bought two new fire trucks in 2007 at a cost of \$1.3 million.
- Total revenue from both governmental and business-type activities was \$104.5 million, a decrease of 9 percent from the previous year total of \$114.9 million. Reimbursements from FEMA and the City's insurance carrier for Hurricane Rita recovery expenses accounted for the majority of the change; the City recorded reimbursements of \$4.1 million in 2007 compared to \$21.2 in 2006. Sales tax revenues, which were inflated in 2006 due to hurricane recovery spending, were reduced by 6 percent in 2007 from prior year. Riverboat revenues in 2007 were nearly equal to pre-storm levels of \$7 million due to the creation of the Calcasieu Parish Gaming Revenue District which allows for parish-wide pooled gaming revenues. Interest earnings increased in 2007 to \$5.8 million, which was a 52.7 percent increase over prior year.
- The 2007 governmental fund expenditures of \$82 million are a decrease of 17.5 percent from the \$99.7 million spent in 2006. 2006 expenditures were inflated due to expenses incurred for hurricane recovery.
- Total governmental fund balances increased by \$41.8 million. Most of the increase was in the Capital Projects Fund due to a \$35 million bond issue which will be spent on various public improvement projects over the next three fiscal years. The General Fund's and Debt Service Fund's balances were also increased.
- The total liabilities of the City increased by \$27.7 million or 43 percent during the current fiscal year. The 2007 current liabilities decreased by \$5.5 million from the 2006, due to hurricane recovery payments that were recorded at 2006 fiscal year end. Non-current liabilities increased by 82 percent due to the City issuing the \$35 million 2007 LCDA bonds in May, 2007.

### 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:
  - 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Statement of Activities is an organization-wide operating statement, which accounts for changes in net assets during the City's 2007 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 30 - 31 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, six of which are classified as major and are separately displayed in the governmental fund statements beginning on page 32 of this report. The remaining six 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 48 - 71 of this report.
4. Other information, consisting of the combining statements for the six 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 nonfinancial 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 2007 were \$338,355,151, with 65 percent of this total consisting of capital assets, i.e., physical plant, equipment, and infrastructure, less related outstanding debt. An additional 14 percent of net assets are externally restricted by law or contract, leaving 21 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.

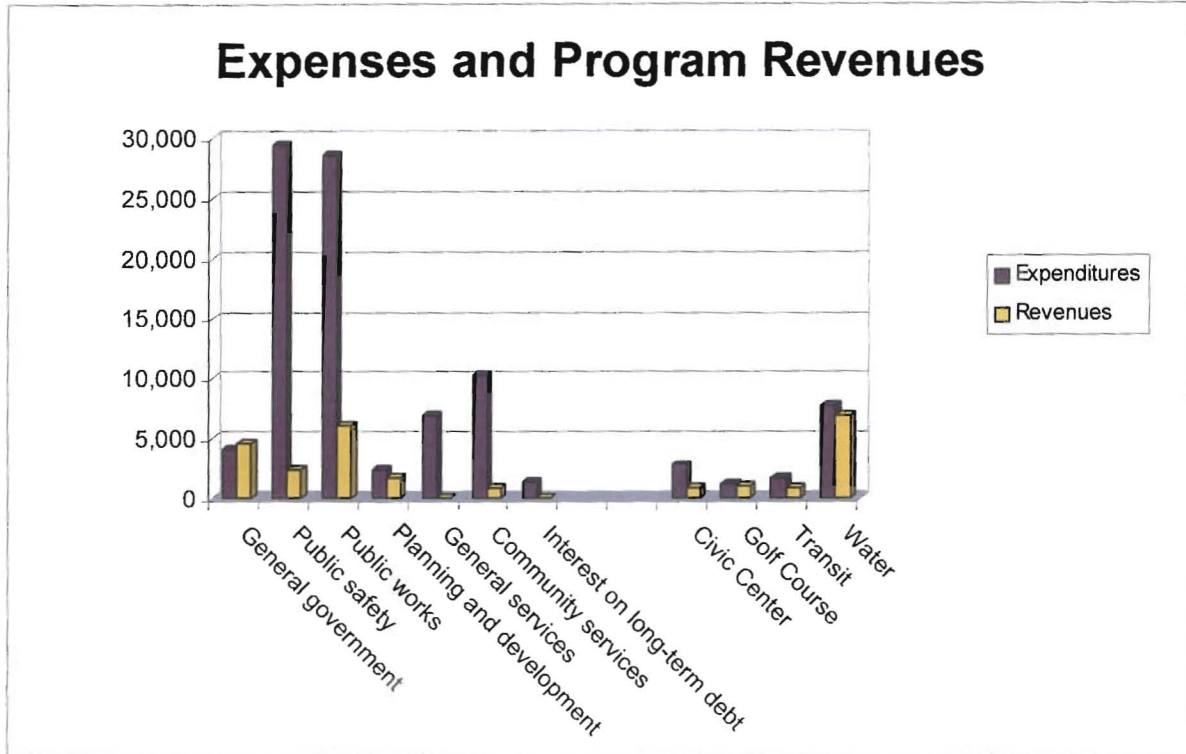
**NET ASSETS**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$137,688	\$103,155	\$8,459	\$16,360	\$146,147	\$119,515
Capital assets	224,816	215,138	59,165	51,436	283,981	266,574
Total assets	362,504	318,293	67,624	67,796	430,128	386,089
Long-term liabilities	73,452	40,202	548	499	74,000	40,701
Current and other liabilities	15,578	21,596	2,194	1,727	17,772	23,323
Total liabilities	89,030	61,798	2,742	2,226	91,772	64,024
Net assets:						
Invested in capital assets,						
net of debt	160,853	185,082	59,165	51,436	220,018	236,518
Restricted	48,485	10,597	-	-	48,485	10,597
Unrestricted	64,136	60,816	5,716	14,134	69,852	74,950
Total net assets	\$273,474	\$256,495	\$64,881	\$65,570	\$338,355	\$322,065

Net assets increased by \$16,290,127 or 5 percent for the City as a whole during the 2007 fiscal year. The change in net assets for governmental activities was a 6.6 percent increase, while business-type activities experienced a 1 percent decrease. Governmental revenue reduction of 8 percent and expenditure reduction of 11 percent from 2006 to 2007 are primarily due to inflated values in 2006 that were a result of Hurricane Rita recovery efforts. Governmental activities' capital outlays exceeded the annual depreciation of capital assets by \$9.7 million. There was relatively little change in net assets for the business-type activity except for the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

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 2007 were \$73.7 million for governmental activities and \$14.5 million for business-type activities. The portions not covered by program revenues, or net costs funded by taxes and other general revenues, were \$53.5 million for governmental activities and \$4.7 million for business-type activities. The public safety function (fire and police) historically accounts for the largest share of net cost, with \$26.3 million in excess expenses over program revenues during 2007.

The City's total revenue for 2007 was \$100.4 million, excluding \$4.1 million for hurricane disaster recovery compared to 2006 revenues which were \$93.7 million, excluding \$21.2 million for hurricane disaster relief. This total, covering both governmental and business-type activities, represents a 7.1 percent increase from 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Activities for 2007 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 2007 fiscal year.

CHANGES IN NET ASSETS

(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
<b>Program revenues:</b>						
Charges for services	\$ 11,787	\$ 10,936	\$ 8,346	\$ 7,985	\$ 20,133	\$ 18,921
Operating grants & contributions	3,969	15,728	1,272	1,287	5,241	17,015
Capital grants & contributions	4,472	5,076	257	5,293	4,729	10,369
<b>General revenues:</b>						
Property taxes	6,537	5,953	-	-	6,537	5,953
Sales taxes	44,710	47,668	-	-	44,710	47,668
Utility franchise taxes	5,822	6,039	-	-	5,822	6,039
Riverboat gaming taxes	6,961	3,025	-	-	6,961	3,025
Hurricane disaster relief	-	-	-	-	-	-
Other general revenues	8,548	6,351	1,855	(384)	10,403	5,967
<b>Total Revenues</b>	<b>92,806</b>	<b>100,776</b>	<b>11,730</b>	<b>14,181</b>	<b>104,536</b>	<b>114,957</b>
<b>Expenses:</b>						
General government	4,102	4,024	-	-	4,102	4,024
Public safety	28,708	29,516	-	-	28,708	29,516
Public works	24,450	28,642	-	-	24,450	28,642
Planning and development	2,730	2,325	-	-	2,730	2,325
General services	5,901	6,975	-	-	5,901	6,975
Community services	5,815	10,314	-	-	5,815	10,314
Interest in long-term debt	1,997	1,325	-	-	1,997	1,325
Civic Center	-	-	3,102	2,813	3,102	2,813
Golf Course	-	-	1,299	1,193	1,299	1,193
Transit	-	-	1,997	1,662	1,997	1,662
Water	-	-	8,145	7,758	8,145	7,758
<b>Total expenses</b>	<b>73,703</b>	<b>83,121</b>	<b>14,543</b>	<b>13,426</b>	<b>88,246</b>	<b>96,547</b>
Excess before transfers	19,103	17,655	(2,813)	755	16,290	18,410
Transfers	(2,125)	(5,768)	2,125	5,768	-	-
<b>Increase (decrease) net assets</b>	<b>\$ 16,978</b>	<b>\$ 11,887</b>	<b>\$ (688)</b>	<b>\$ 6,523</b>	<b>\$ 16,290</b>	<b>\$ 18,410</b>

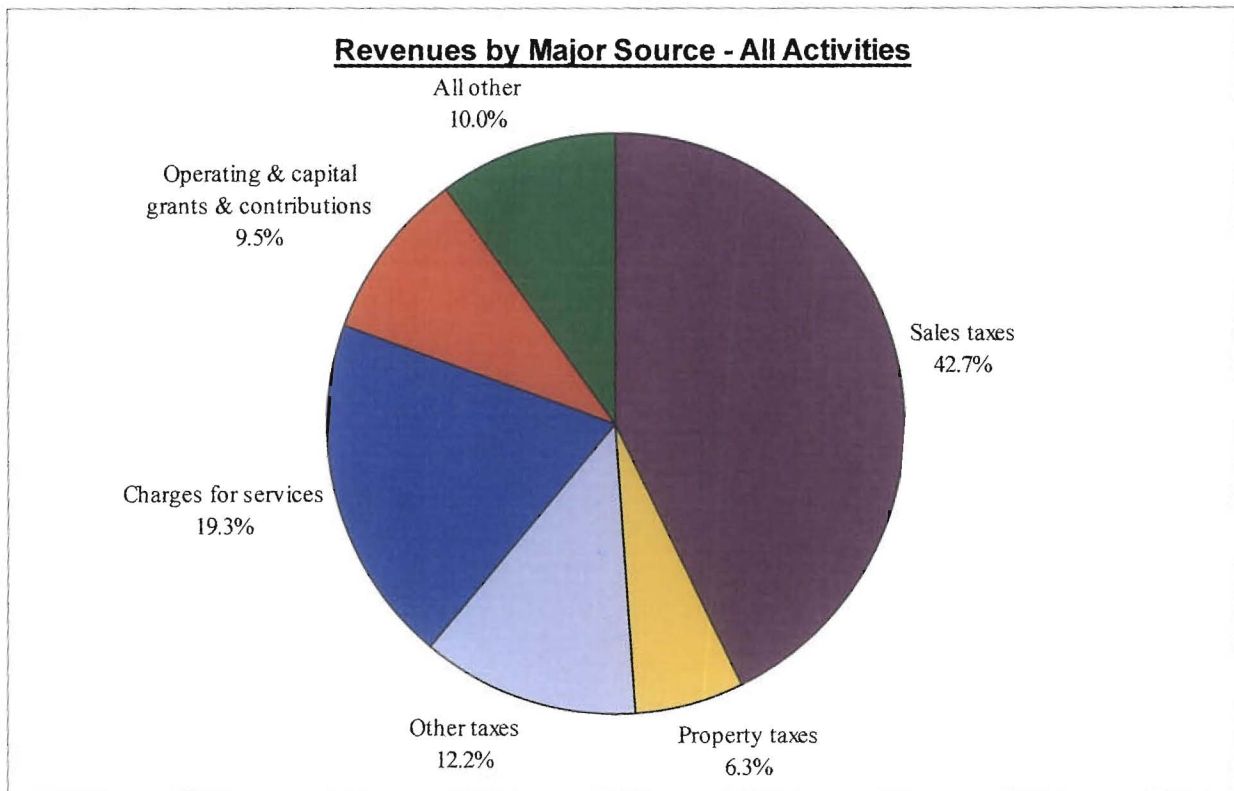
As indicated by the above table and the following chart, sales taxes are the City's largest single revenue source, accounting for 42.7 percent of all government-wide revenue in 2007, with a 6.2 percent decrease from 2006. This reduction is related to the concentration of rebuilding and recovery efforts of the area during the 2006 fiscal year. While repairs did continue into fiscal year 2007 and are still ongoing today, the average year-over-year revenue growth has resumed with a 16.7 percent increase from 2005 sales tax revenue of \$38.3 million compared to 2007. Forecast of the 2008 revenues reflect a smaller increase from 2006 of around 6 percent.

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 are then distributed to education entities, the Port of Lake

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Charles and participating small cities within the parish. The City and Parish split the remainder of revenue. This agreement resulted in increased revenue for the City.

The decrease in operating and capital grants and contributions is related to the hurricane disaster relief funds which were recorded in 2006. Most of the increase in other general revenues is related to an increase of 53.7 percent on interest earnings on investments. For the entirety of the fiscal year, the Federal Reserve federal funds rate was 5.25 percent compared to the fiscal year 2006 rate which varied from 3.75 to 5.25 percent. Proceeds from the bond issue received in May 2007 are invested in a repurchase agreement paying 4.852 percent, of which very little had been spent by fiscal year end. Federal Fund rates have been drastically cut since the onset of the 2008 fiscal year and will result in much lower investment income for 2008.



### 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.

The City's governmental funds had a combined fund balance of \$115,252,080 at the end of fiscal year 2007, representing a 57 percent increase from 2006. The majority of this increase is attributable to the Capital Project Fund, which increased by \$32 million after receiving proceeds from the 2007 LCDA Public Improvements bond issue, which will be spent within the next 30 months. The Debt Service Fund increased due to a transfer from the Capital Project Fund related to the 2003 LCDA bond issue. The City's General Fund balance increased by 13.7 percent. Revenues were flat compared to 2006, and expenditures were increased by 10 percent. There was a reduction of operating transfers of 70 percent from 2006. The excess sales tax collected in 2006 allowed for greater than normal transfers to other funds, primarily for capital expenditures. Although 2007 revenues were greater than

## MANAGEMENT'S DISCUSSION AND ANALYSIS

expenditures, they were unanticipated, and therefore budget appropriations did not allow for their transfer to other funds.

The City's proprietary fund's net assets remained unchanged during the year with the exception of the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

### 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 60 percent of all governmental activities.

During the 2007 fiscal year, the General Fund expenditure and transfer budget was amended by a total of \$3.2 million, representing a 6.2 percent increase from the original adopted budget. Fire and Police Departments were increased for anticipated increased salary and fringe benefits. The Public Works Department was increased primarily for machinery and equipment purchases that were reappropriated from the 2006 budget as well as general operating increases such as solid waste disposal fees and automotive supplies.

Actual General Fund expenditures were \$2.7 million less than the final budgeted amount but exceeded prior year expenditures by 10.7 percent. Revenues of \$56 million exceeded the final budget by over \$3.8 million but were flat when compared to 2006 figures. The General Fund's 2007 transfers to other funds of \$3.8 million was a return to normal operating subsidies compared to \$13 million transferred in 2006, which was a result of increased sales tax that allowed for transfer to other funds for capital acquisitions and improvements. Total increase in fund balance was \$3.8 million, as opposed to the final budgeted reduction of \$2.8 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 2008.

The General Fund's ending balance in 2007 was \$31,486,478, which represents 60 percent of total expenditures and transfers made from the fund that year.

### Other Major Fund Summary

The Riverboat Gaming Fund budgeted revenues were increased \$1.7 million to reflect the parish wide gaming agreement that was entered into during the fiscal year. Budgeted operating transfers out were increased proportionally to the increased revenue resulting in the maintenance of a constant fund balance. Revenues were greater than expected from the pooling agreement.

The Waste Water Special Revenue Fund is classified as a major fund for the first time in 2007. This fund was amended during the year to allow for transfer of fund balance and excess revenues in the amount of \$4.8 million, which was 75 percent greater than the original amount. Increased funds were transferred to the Capital Project Fund for major sewer rehabilitation projects. Sewer rates were increased by 10 percent in January of each year since 2003.

Significant changes for other major funds included a \$4 million fund balance increase in the Debt Service Fund that resulted from a transfer from the Capital Project Fund and a \$32 million increase in the Capital Projects Fund from bond proceeds. The business-type activities did not experience any change in total net assets. The Civic Center's operating revenues were increased by 76 percent from the 2006 revenues that were reduced due to the sheltering operations for Hurricane Rita and facility damage. The Civic Center continued major repairs and improvements in 2007, spending \$2.4 million for capital expenditures. Repairs will continue into fiscal year 2008. The Golf Course had a net asset decrease of \$143,471 due to continued impaired operations that resulted from hurricane damage. The Transit Fund had an increase in net assets of \$114,424.

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 classified as a major fund in 2006 but is included with Other Special Revenue Governmental Funds for 2007. The City still has outstanding FEMA appeals for reimbursement, the outcome of which is unpredictable. Insurance reimbursements were greater than anticipated

MANAGEMENT'S DISCUSSION AND ANALYSIS

due to discovery of additional damaged property. Expenditures for repairs to city property will continue into fiscal year 2008.

Capital Assets

The City's total investment in capital assets at the end of the 2007 fiscal year was \$283.9 million, net of accumulated depreciation. The increase in capital assets during the year was \$17.4 million, including \$11.7 million of increased infrastructure, primarily streets and sewer.

The City has carried out an aggressive capital improvement program funded by the addition of riverboat gaming revenue to other tax and grant sources over the past decade. Capacity for continuation of this program was impaired by an annual revenue loss of nearly \$7 million resulting from hurricane related destruction of Harrah's casino complex. However, the City of Lake Charles and Calcasieu Parish negotiated an agreement whereby all gaming revenues collected within the parish will be pooled for distribution, which will ultimately minimize the loss should there be a reduction or change in the gaming industry.

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. 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:

- Completion of Lake Street – College to Sale (\$7 million)
- Various sewer rehabilitation projects (\$3.2 million)
- Civic Center improvements/repairs – primarily the meeting rooms (\$2.7 million)
- Southwest elevated storage tanks (\$1.6 million)
- Ongoing improvements to George West water plant (\$4 million)
- Purchase of two new fire trucks (\$1.3 million)

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, 2007**

(net of depreciation, in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Land	\$ 11,846	\$ 11,846	\$ 1,734	\$ 1,734	\$ 13,580	\$ 12,580
Buildings	9,537	10,224	3,048	3,562	12,585	13,786
Improvements other than buildings	6,894	8,396	41,491	41,329	48,385	49,725
Equipment	9,581	7,679	3,354	2,864	12,935	10,543
Infrastructure	138,351	126,630	-	-	138,351	126,630
Construction in progress	48,607	50,363	9,538	1,947	58,145	52,310
<b>Total</b>	<b>\$ 224,816</b>	<b>\$ 215,138</b>	<b>\$ 59,165</b>	<b>\$ 51,436</b>	<b>\$ 283,981</b>	<b>\$ 266,574</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Debt Administration

As of September 30, 2007, the City had \$74 million in non-current liabilities compared to \$40.7 million the previous year. The increase is due to the 2007 LCDA bonds that were issued in May 2007. Over 87 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 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 mentioned underlying rating but are insured by AMBAC so are 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).

### Future Budget and Economic Outlook

Although the City of Lake Charles was devastated by its worst disaster in modern history at the end of fiscal year 2005, there have been remarkable recovery efforts and the City is rebounding to take advantage of the economic opportunities available. The City is moving forward with the projects that were approved in the bond proposition for improvements to streets, 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 for phase one of this project in May 2007. Commencement of the first major project, Power Center Parkway, was in February 2008 with a contract amount of \$5.1 million. Lakefront and Downtown development projects have been in the planning stages are now ready to be contracted. Many smaller water and sewer projects are on going or have been completed. Improvements to various recreation facilities will begin by the summer. The City will spend phase one funds within the next two years and will proceed to issue the remaining \$55 million in bonds by 2010.

Sales tax revenues increased by 24.6 percent in 2006 due to hurricane recovery efforts but declined by 6 percent in 2007. The trend for the first five months of 2008 is an increase of 4 percent over the same period for fiscal year 2007. Riverboat gaming revenues were back to pre-storm levels in 2007 as a result of the creation of the Calcasieu Parish Gaming Revenue District which provides for the pooling of gaming resources. L'Auberge du Lac Casino Resort which opened in 2005 recently opened a \$67 million expansion project bringing the total investment in Lake Charles to over \$437 million. Pinnacle Entertainment will soon begin construction on a new \$350 million casino called Sugarcane Bay Resort adjacent to the L'Auberge du Lac Casino.

The City adopted a 2008 General Fund budget which would use \$761,898 of its previously accumulated fund balance to cover the difference between projected expenditures and revenues. An additional \$537,520 of fund balance will be transferred to other funds for capital expenditures. The City will be required to amend the 2008 budget for increased payroll costs in the Police Department that are a result of the collective bargaining agreement that was entered into on October 1<sup>st</sup>, which provided for a 5 percent pay increase to most of the department's employees. Included in the 2008 adopted budget was a 4 percent pay increase given to all non-public safety personnel as per the public works union contract signed in 2007. The City completed 2007 with a General Fund balance in excess of \$31 million which is well in excess of the minimum fund balance target of 35 percent of budgeted expenditures and non-capital transfers; however if the 2007 trend of flat revenues compared to 10 percent increase in expenditure growth continues, there could be an eventual need for operating or service adjustments.

### 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, 2007

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	City Court	City Marshal
<b>ASSETS</b>					
Cash and cash equivalents	\$ 28,600,753	\$ 4,474,278	\$ 33,075,031	\$ 572,303	\$ 448,644
Investments	89,665,043	3,479,837	93,144,880	-	-
Receivables (net of allowance for uncollectables)	15,894,169	1,191,678	17,085,847	45,199	18,854
Internal balances	1,641,397	(1,641,397)	-	-	-
Inventories	234,877	277,265	512,142	-	-
Prepays	1,651,442	18,577	1,670,019	-	-
Restricted assets:					
Cash and cash equivalents	-	658,405	658,405	503,162	-
Capital assets (net of accumulated depreciation)					
Land	11,845,603	1,734,203	13,579,806	-	-
Building	9,537,428	3,047,627	12,585,055	-	-
Improvements other than buildings	6,893,422	41,491,480	48,384,902	-	-
Equipment	9,581,414	3,354,131	12,935,545	33,031	72,017
Infrastructure	138,351,392	-	138,351,392	-	-
Construction in progress	48,606,682	9,537,746	58,144,428	-	-
<b>Total assets</b>	<b>362,503,622</b>	<b>67,623,830</b>	<b>430,127,452</b>	<b>1,153,695</b>	<b>539,515</b>
<b>LIABILITIES</b>					
Accounts payable & other current liabilities	8,946,894	1,536,540	10,483,434	49,037	1,037
Liabilities payable from restricted assets	-	657,895	657,895	-	-
Claims payable within one year	5,743,227	-	5,743,227	-	-
Claims payable in more than one year	888,046	-	888,046	-	-
Noncurrent liabilities:					
Due within one year	3,742,498	5,000	3,747,498	-	-
Due in more than one year	69,709,198	543,003	70,252,201	-	-
<b>Total liabilities</b>	<b>89,029,863</b>	<b>2,742,438</b>	<b>91,772,301</b>	<b>49,037</b>	<b>1,037</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	160,852,634	59,165,187	220,017,821	33,031	72,017
Restricted for:					
Capital projects	43,347,836	-	43,347,836	-	-
Debt service	3,482,794	-	3,482,794	-	-
Other purpose - Waste Water	1,654,805	-	1,654,805	-	-
Unrestricted	64,135,690	5,716,205	69,851,895	1,071,627	466,461
<b>Total net assets</b>	<b>\$273,473,759</b>	<b>\$ 64,881,392</b>	<b>\$ 338,355,151</b>	<b>\$1,104,658</b>	<b>\$ 538,478</b>

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, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets											
	Program Revenues				Governmental Activities			Primary Government Business-Type Activities			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	City Court	City Marshal		
<b>Primary government:</b>												
Governmental activities:												
General government	\$ 4,102,319	\$ 4,874,140	\$ 231,827	\$ -	\$ 1,003,648	\$ -	\$ 1,003,648	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	28,708,138	137,536	1,896,776	332,009	(26,341,817)	-	(26,341,817)	-	-	-	-	-
Public works	24,449,739	5,691,800	369,523	65,897	(18,322,519)	-	(18,322,519)	-	-	-	-	-
Planning and development	2,729,542	791,218	554,988	687,913	(695,423)	-	(695,423)	-	-	-	-	-
General services	5,901,532	41,998	-	705,022	(5,154,512)	-	(5,154,512)	-	-	-	-	-
Community services	5,814,605	250,826	915,723	2,681,248	(1,966,808)	-	(1,966,808)	-	-	-	-	-
Interest in long-term debt	1,997,185	-	-	-	(1,997,185)	-	(1,997,185)	-	-	-	-	-
Total governmental activities	73,703,060	11,787,518	3,968,837	4,472,089	(53,474,616)	-	(53,474,616)	-	-	-	-	-
<b>Business-type activities</b>												
Civic center	3,101,741	932,746	-	256,761	-	(1,912,234)	(1,912,234)	-	-	-	-	-
Golf Course	1,299,432	1,046,555	-	-	-	(252,877)	(252,877)	-	-	-	-	-
Transit	1,996,952	80,615	1,272,010	-	-	(644,327)	(644,327)	-	-	-	-	-
Water	8,144,570	6,286,427	-	-	-	(1,858,143)	(1,858,143)	-	-	-	-	-
Total business-type activities	14,542,695	8,346,343	1,272,010	256,761	-	(4,667,581)	(4,667,581)	-	-	-	-	-
<b>Total primary government</b>	\$ 88,245,755	\$ 20,133,861	\$ 5,240,847	\$ 4,728,850	\$ (53,474,616)	\$ (4,667,581)	\$ (58,142,197)	\$ 82,201	\$ 190,477	\$ 82,201	\$ 190,477	\$ -
<b>Component units:</b>												
City Court	\$ 322,401	\$ 182,432	\$ 222,170	-	-	-	-	-	-	-	-	-
City Marshal	213,372	403,849	-	-	-	-	-	-	-	-	-	-
<b>Total component units</b>	\$ 535,773	\$ 586,281	\$ 222,170	\$ -	-	-	-	82,201	190,477	82,201	190,477	-
<b>General revenues:</b>												
Property taxes					6,536,673		6,536,673					
Sales taxes					44,710,221		44,710,221					
Franchise taxes					5,821,514		5,821,514					
Riverboat taxes					6,961,367		6,961,367					
Grants and contributions not restricted to specific programs					284,017	200,000	484,017					
Interest and investment earnings					5,258,465	589,768	5,848,233		21,131			
Miscellaneous					2,902,648	1,064,948	3,967,596		212,088			
Gain (loss) on sales of capital assets					102,703	-	102,703					
Transfers					(2,124,636)	2,124,636	-					
<b>Total general revenues and transfers</b>					70,452,972	3,979,352	74,432,324		233,219			
Change in net assets					16,978,356	(688,229)	16,290,127		315,420			
<b>Net assets - beginning</b>					256,495,403	65,569,621	322,065,024		789,238			
<b>Net assets - ending</b>					\$ 273,473,759	\$ 64,881,392	\$ 338,355,151		\$ 1,104,658			\$ 538,478

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

**CITY OF LAKE CHARLES, LOUISIANA**

**Balance Sheet  
Governmental Funds  
September 30, 2007**

	<b>General</b>	<b>Riverboat Gaming Special Revenue</b>	<b>Community Development Special Revenue</b>
<b>ASSETS</b>			
Cash (Note 4-A)	\$ 9,014,033	\$ 1,197,921	\$ -
Investments (Note 4-A)	19,699,984	44,609	-
Receivable (net of allowance for uncollectable)			
Accounts (Note 4-B)	5,325,200	997,465	-
Special Assessments	-	-	-
Accrued interest	148,316	-	-
Intergovernmental (Note 4-B)	88,558	-	435,219
Due from other funds (Note 4-F)	504,080	-	59,621
Inventory	234,877	-	-
Advances to other funds (Note 4-F)	-	-	-
Prepaid items	143,089	-	-
Total assets	<u>\$ 35,158,137</u>	<u>\$ 2,239,995</u>	<u>\$ 494,840</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,894,824	\$ -	\$ 420,963
Contracts payable	-	-	32,069
Escrow	296,581	-	22,300
Due to other funds	1,470,481	-	58
Accrued leave benefits payable (Note 1-D)	3,429	-	-
Deferred revenues	-	-	-
Other liabilities	6,344	-	-
Total liabilities	<u>3,671,659</u>	<u>-</u>	<u>475,390</u>
<b>FUND BALANCES</b>			
Reserved for inventory	234,877	-	-
Reserved for prepaid items (Note 1-D)	143,088	-	-
Reserved for encumbrances (Note 3-B)	322,262	-	-
Reserved for debt service	-	-	-
Unreserved, designated for, reported in:			
Subsequent year's expenditures in General Fund	1,299,418	-	-
Subsequent year's expenditures in Special Revenue	-	550,000	-
Designated in Capital Projects	-	-	-
Unreserved, undesignated reported in:			
General Fund	29,486,833	-	-
Special revenue funds	-	1,689,995	19,450
Total fund balances	<u>31,486,478</u>	<u>2,239,995</u>	<u>19,450</u>
Total liabilities and fund balances	<u>\$ 35,158,137</u>	<u>\$ 2,239,995</u>	<u>\$ 494,840</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>
\$ 1,369,523	\$ 5,634,158	\$ 5,886,650	\$ 1,663,668	\$ 24,765,953
379,000	731,724	58,840,588	4,678,327	84,374,232
1,121,273	-	731,491	3,072,396	11,247,825
-	559,826	-	-	559,826
-	8,236	856,662	48,335	1,061,549
-	-	-	2,425,967	2,949,744
-	289,553	452,797	115,410	1,421,461
-	-	-	-	234,877
-	-	-	-	-
1,069	-	-	1,400	145,558
<u>\$ 2,870,865</u>	<u>\$ 7,223,497</u>	<u>\$ 66,768,188</u>	<u>\$ 12,005,503</u>	<u>\$ 126,761,025</u>
\$ 231,787	\$ 207,499	\$ 643,951	\$ 4,061,329	\$ 7,460,353
-	-	1,024,006	-	1,056,075
-	22,534	-	6,776	348,191
367,173	-	-	263,654	2,101,366
-	-	-	-	3,429
-	447,861	85,326	-	533,187
-	-	-	-	6,344
<u>598,960</u>	<u>677,894</u>	<u>1,753,283</u>	<u>4,331,759</u>	<u>11,508,945</u>
-	-	-	-	234,877
1,069	-	-	1,400	145,557
-	-	5,929,908	-	6,252,170
-	6,545,603	-	-	6,545,603
-	-	-	-	1,299,418
616,031	-	-	416,046	1,582,077
-	-	59,084,997	-	59,084,997
-	-	-	-	29,486,833
1,654,805	-	-	7,256,298	10,620,548
<u>2,271,905</u>	<u>6,545,603</u>	<u>65,014,905</u>	<u>7,673,744</u>	<u>115,252,080</u>
<u>\$ 2,870,865</u>	<u>\$ 7,223,497</u>	<u>\$ 66,768,188</u>	<u>\$ 12,005,503</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.	224,796,703
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	533,187
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.	6,343,485
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	(73,451,696)
Net assets of governmental activities	<u>\$ 273,473,759</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For Fiscal Year Ended September 30, 2007**

	<u>General</u>	<u>Riverboat Gaming Special Revenue</u>	<u>Community Development Special Revenue</u>
<b>Revenues:</b>			
Taxes	\$ 42,430,841	\$ 6,961,367	\$ -
Licenses and permits	6,710,807	-	-
Intergovernmental	1,852,758	-	1,242,901
Charges for services	2,225,997	-	-
Fines and forfeitures	276,359	-	-
Miscellaneous	2,517,936	690,380	4
Total revenues	<u>56,014,698</u>	<u>7,651,747</u>	<u>1,242,905</u>
<b>Expenditures:</b>			
Current operating:			
General government	2,298,225	-	-
Finance	1,392,804	-	-
Human Resources	292,767	-	-
Fire	12,364,844	-	-
Police	13,708,942	-	-
Public works	12,854,945	-	-
Planning and development	1,872,007	-	643,441
Community services	-	-	-
General services	3,585,648	-	-
Capital projects	-	-	697,006
Debt service:			
Principal retirement	-	-	-
Bond issuance cost	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>48,370,182</u>	<u>-</u>	<u>1,340,447</u>
Excess (deficiency) of revenues over expenditures	<u>7,644,516</u>	<u>7,651,747</u>	<u>(97,542)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	60,885
Transfers out	(3,858,467)	(6,765,000)	-
Issuance of debt - LCDA bonds	-	-	-
Premium on debt issuance - LCDA bonds	-	-	-
Total other financing sources (uses)	<u>(3,858,467)</u>	<u>(6,765,000)</u>	<u>60,885</u>
Net change in fund balances	3,786,049	886,747	(36,657)
Fund balance at beginning of year	<u>27,700,429</u>	<u>1,353,248</u>	<u>56,107</u>
Fund balance at end of year	<u>\$ 31,486,478</u>	<u>\$ 2,239,995</u>	<u>\$ 19,450</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>
\$ 3,136,788	\$ -	\$ 5,489,203	\$ 2,322,186	\$ 60,340,385
-	-	-	-	6,710,807
-	-	696,058	1,845,111	5,636,828
5,913,947	-	-	194,098	8,334,042
-	-	-	-	276,359
147,946	377,889	2,431,595	3,720,382	9,886,132
<u>9,198,681</u>	<u>377,889</u>	<u>8,616,856</u>	<u>8,081,777</u>	<u>91,184,553</u>
-	-	-	-	2,298,225
-	-	-	-	1,392,804
-	-	-	-	292,767
-	-	-	214,809	12,579,653
-	-	-	662,773	14,371,715
5,897,940	-	-	221,647	18,974,532
-	-	-	-	2,515,448
-	-	-	5,046,085	5,046,085
-	-	-	315,818	3,901,466
218,810	-	15,295,869	130,258	16,341,943
-	2,500,302	-	-	2,500,302
-	-	621,817	-	621,817
-	1,393,744	-	-	1,393,744
<u>6,116,750</u>	<u>3,894,046</u>	<u>15,917,686</u>	<u>6,591,390</u>	<u>82,230,501</u>
<u>3,081,931</u>	<u>(3,516,157)</u>	<u>(7,300,830)</u>	<u>1,490,387</u>	<u>8,954,052</u>
-	7,802,882	7,040,297	824,711	15,728,775
(4,818,460)	-	(2,961,484)	-	(18,403,411)
-	-	34,480,000	-	34,480,000
-	-	1,102,586	-	1,102,586
<u>(4,818,460)</u>	<u>7,802,882</u>	<u>39,661,399</u>	<u>824,711</u>	<u>32,907,950</u>
(1,736,529)	4,286,725	32,360,569	2,315,098	41,862,002
<u>4,008,434</u>	<u>2,258,878</u>	<u>32,654,336</u>	<u>5,358,646</u>	<u>73,390,078</u>
<u>\$ 2,271,905</u>	<u>\$ 6,545,603</u>	<u>\$ 65,014,905</u>	<u>\$ 7,673,744</u>	<u>\$ 115,252,080</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, 2007**

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

Net change in fund balances - total governmental funds \$41,862,002

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. 9,683,562

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenue in the funds. (40,422)

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.* (33,250,066)

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. (1,276,720)

Change in net assets of governmental activities \$16,978,356

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, 2007**

	Budgeted Amounts		2007 Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$39,915,660	\$40,180,660	\$42,430,841	\$2,250,181
Licenses and permits	6,408,750	6,438,750	6,710,807	272,057
Intergovernmental	1,590,500	1,646,714	1,852,758	206,044
Charges for services	1,655,951	2,035,951	2,225,997	190,046
Fines and forfeitures	244,500	244,500	276,359	31,859
Miscellaneous	1,350,900	1,650,900	2,517,936	867,036
<b>Total revenues</b>	<b>51,166,261</b>	<b>52,197,475</b>	<b>56,014,698</b>	<b>3,817,223</b>
<b>Expenditures:</b>				
Current:				
General government	2,499,659	2,409,659	2,298,225	111,434
Finance	1,537,915	1,537,915	1,392,804	145,111
Human Resources	322,471	322,471	292,767	29,704
Fire	12,277,295	12,727,295	12,364,844	362,451
Police	13,455,971	14,399,154	13,708,942	690,212
Public works	12,914,820	14,013,858	12,854,945	1,158,913
Planning	1,581,574	2,000,288	1,872,007	128,281
General services	3,308,942	3,710,342	3,585,648	124,694
<b>Total expenditures</b>	<b>47,898,647</b>	<b>51,120,982</b>	<b>48,370,182</b>	<b>2,750,800</b>
Excess (deficiency) of rev over exp	3,267,614	1,076,493	7,644,516	6,568,023
<b>Other financing sources (uses):</b>				
Transfers out	(3,905,582)	(3,905,582)	(3,858,467)	47,115
<b>Total other financing sources (uses)</b>	<b>(3,905,582)</b>	<b>(3,905,582)</b>	<b>(3,858,467)</b>	<b>47,115</b>
Net change in fund balances	(637,968)	(2,829,089)	3,786,049	6,615,138
Fund balance at beginning of year	27,700,429	27,700,429	27,700,429	0
Fund balance at end of year	<b>\$27,062,461</b>	<b>\$24,871,340</b>	<b>\$31,486,478</b>	<b>\$6,615,138</b>

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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$3,500,000	\$5,200,000	\$6,961,367	\$1,761,367
Miscellaneous	517,214	557,214	690,380	133,166
Total revenues	<u>4,017,214</u>	<u>5,757,214</u>	<u>7,651,747</u>	<u>1,894,533</u>
<b>Expenditures:</b>				
Other services and charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	<u>4,017,214</u>	<u>5,757,214</u>	<u>7,651,747</u>	<u>1,894,533</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(5,025,000)</u>	<u>(6,765,000)</u>	<u>(6,765,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(5,025,000)</u>	<u>(6,765,000)</u>	<u>(6,765,000)</u>	<u>0</u>
Excess (deficiency) of rev and other sources over exp and other uses	(1,007,786)	(1,007,786)	886,747	1,894,533
Fund balance at beginning of year	<u>1,353,248</u>	<u>1,353,248</u>	<u>1,353,248</u>	<u>0</u>
Fund balance at end of year	<u>\$345,462</u>	<u>\$345,462</u>	<u>\$2,239,995</u>	<u>\$1,894,533</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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$1,386,093	\$1,386,093	\$1,242,901	(\$143,192)
Miscellaneous	0	0	4	4
Total revenues	<u>1,386,093</u>	<u>1,386,093</u>	<u>1,242,905</u>	<u>(143,188)</u>
<b>Expenditures:</b>				
Current:				
Personal services	135,593	137,331	129,388	7,943
Contract and operational	440,968	467,344	424,133	43,211
Material and supplies	3,020	2,057	2,055	2
Special current	159,211	141,475	87,865	53,610
Capital outlay	693,920	684,505	697,006	(12,501)
Total expenditures	<u>1,432,712</u>	<u>1,432,712</u>	<u>1,340,447</u>	<u>92,265</u>
Excess (deficiency) of revenues over expenditures	(46,619)	(46,619)	(97,542)	(50,923)
<b>Other financing sources:</b>				
Transfers in	46,619	46,619	60,885	14,266
Total other financing sources	<u>46,619</u>	<u>46,619</u>	<u>60,885</u>	<u>14,266</u>
Excess (deficiency) of rev and other sources over exp and other uses	0	0	(36,657)	(36,657)
Fund balance at beginning of year	<u>56,107</u>	<u>56,107</u>	<u>56,107</u>	<u>0</u>
Fund balance at end of year	<u><u>\$56,107</u></u>	<u><u>\$56,107</u></u>	<u><u>\$19,450</u></u>	<u><u>(\$36,657)</u></u>

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

**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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Sales tax revenue	\$ 2,928,000	\$ 2,928,000	\$ 3,136,788	\$ 208,788
Intergovernmental	-	-	-	-
Charges for services	6,154,500	6,154,500	5,913,947	(240,553)
Miscellaneous	91,000	106,000	147,946	41,946
Total revenues	<u>9,173,500</u>	<u>9,188,500</u>	<u>9,198,681</u>	<u>10,181</u>
<b>Expenditures:</b>				
Personal services	2,352,254	2,217,406	2,091,538	125,868
Contractual and operational services	2,177,876	2,590,438	2,471,857	118,581
Materials & supplies	794,050	861,655	848,032	13,623
Special Current Charges	549,000	495,620	486,513	9,107
Capital outlay	510,750	218,811	218,810	1
Total expenditures	<u>6,383,930</u>	<u>6,383,930</u>	<u>6,116,750</u>	<u>267,180</u>
Excess (deficiency) of rev over exp	2,789,570	2,804,570	3,081,931	277,361
<b>Other financing sources (uses):</b>				
Transfers out	<u>(2,750,000)</u>	<u>(4,818,460)</u>	<u>(4,818,460)</u>	<u>0</u>
Total other financing sources (uses)	<u>(2,750,000)</u>	<u>(4,818,460)</u>	<u>(4,818,460)</u>	<u>0</u>
Excess (deficiency) of rev and other sources over exp and other uses	39,570	(2,013,890)	(1,736,529)	277,361
Fund balance at beginning of year	<u>4,008,434</u>	<u>4,008,434</u>	<u>4,008,434</u>	<u>0</u>
Fund balance at end of year	<u>\$ 4,048,004</u>	<u>\$ 1,994,544</u>	<u>\$ 2,271,905</u>	<u>\$ 277,361</u>

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

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**CITY OF LAKE CHARLES, LOUISIANA**

**Statement of Net Assets**

**Proprietary Funds**

**September 30, 2007**

	<u>Business-type Activities-Enterprise Funds</u>					<u>Governmental Activities - Internal Service Funds</u>
	<u>Civic Center</u>	<u>Golf Course</u>	<u>Public Transit</u>	<u>Water Utility</u>	<u>Totals 2007</u>	
<b>ASSETS</b>						
Current assets:						
Cash	\$ 2,895,626	\$ 258,682	\$ 31,702	\$ 1,288,268	\$ 4,474,278	\$ 3,834,800
Investments	465,619	-	11,754	3,002,464	3,479,837	5,290,811
Restricted cash:						
Customer deposits	-	-	-	658,405	658,405	-
Accounts receivable (net of allowance for uncollectible)	19,940	62	795	833,949	854,746	19,761
Accrued interest receivable	652	-	-	10,490	11,142	55,464
Intergovernmental receivables	-	-	235,262	90,528	325,790	-
Due from other funds	93,872	-	226,853	-	320,725	550,074
Inventories	17,545	43,802	-	215,918	277,265	-
Prepaid items	16,477	110	200	1,790	18,577	1,505,884
Total current assets	<u>3,509,731</u>	<u>302,656</u>	<u>506,566</u>	<u>6,101,812</u>	<u>10,420,765</u>	<u>11,256,794</u>
Capital assets:						
Land	-	1,065,698	436,520	231,985	1,734,203	-
Buses	-	-	1,636,210	-	1,636,210	-
Buildings and structures	18,768,595	397,195	-	638,540	19,804,330	-
Improvements	8,962,585	1,098,949	-	54,231,725	64,293,259	-
Construction in Progress	1,800,875	104,330	413,886	7,218,655	9,537,746	-
Equipment, furniture and fixtures	3,231,828	829,925	21,039	1,683,379	5,766,171	42,550
Total capital assets	<u>32,763,883</u>	<u>3,496,097</u>	<u>2,507,655</u>	<u>64,004,284</u>	<u>102,771,919</u>	<u>42,550</u>
Less accumulated depreciation	<u>20,794,680</u>	<u>1,019,246</u>	<u>1,224,715</u>	<u>20,568,091</u>	<u>43,606,732</u>	<u>23,313</u>
Total capital assets (net of accumulated depreciation)	<u>11,969,203</u>	<u>2,476,851</u>	<u>1,282,940</u>	<u>43,436,193</u>	<u>59,165,187</u>	<u>19,237</u>
Total assets	<u>15,478,934</u>	<u>2,779,507</u>	<u>1,789,506</u>	<u>49,538,005</u>	<u>69,585,952</u>	<u>11,276,031</u>

	<u>Business-type Activities-Enterprise Funds</u>					<u>Governmental Activities - Internal Service Funds</u>
	<u>Civic Center</u>	<u>Golf Course</u>	<u>Public Transit</u>	<u>Water Utility</u>	<u>Totals 2007</u>	
<b>LIABILITIES</b>						
Current liabilities :						
Accounts payable	521,774	42,486	63,118	334,595	961,973	20,093
Contracts payable	100,881	-	-	424,726	525,607	-
Customer deposits payable	-	-	-	657,895	657,895	-
Escrow	38,029	10,931	-	-	48,960	-
Due to other funds	-	78,164	-	112,729	190,893	-
Accrued insurance claims	-	-	-	-	-	5,418,227
Incurred-not reported claims	-	-	-	-	-	325,000
<b>Total current liabilities</b>	<u>660,684</u>	<u>131,581</u>	<u>63,118</u>	<u>1,529,945</u>	<u>2,385,328</u>	<u>5,763,320</u>
Non-current liabilities:						
Compensated absences	109,043	55,981	50,347	332,632	548,003	52,409
Accrued insurance claims-noncurrent	-	-	-	-	-	888,046
<b>Total non-current liabilities</b>	<u>109,043</u>	<u>55,981</u>	<u>50,347</u>	<u>332,632</u>	<u>548,003</u>	<u>940,455</u>
<b>Total liabilities</b>	<u>769,727</u>	<u>187,562</u>	<u>113,465</u>	<u>1,862,577</u>	<u>2,933,331</u>	<u>6,703,775</u>
<b>NET ASSETS</b>						
Invested in capital assets	11,969,203	2,476,851	1,282,940	43,436,193	59,165,187	19,237
Unrestricted	2,740,004	115,094	393,101	4,239,235	7,487,434	4,553,019
<b>Total net assets</b>	<u>\$ 14,709,207</u>	<u>\$2,591,945</u>	<u>\$1,676,041</u>	<u>\$47,675,428</u>	<u>66,652,621</u>	<u>\$ 4,572,256</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(1,771,229)	
Change in net assets of business-type activities					<u>\$64,881,392</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, 2007**

	<u>Business-type</u>	
	<u>Civic Center</u>	<u>Golf Course</u>
Operating revenues:		
Charges for services	\$ 941,875	\$ 1,044,764
Other	1,082	1,791
Total operating revenues	<u>942,957</u>	<u>1,046,555</u>
Operating expenses:		
Personal services	968,876	595,541
Materials and supplies	222,602	324,533
Maintenance	108,709	7,297
Heat, light and power	363,543	46,326
Transportation	-	-
General and administration	314,674	123,840
Claims and losses paid	-	-
Depreciation	1,068,374	185,221
Total operating expenses	<u>3,046,778</u>	<u>1,282,758</u>
Operating income (loss)	<u>(2,103,821)</u>	<u>(236,203)</u>
Nonoperating revenues (expenses):		
Operating grants-governmental agencies	200,000	-
Interest	148,862	7,732
Gain (loss) on retirement or impairment of fixed assets	(10,211)	-
Other - insurance proceeds	256,761	-
Total nonoperating revenues	<u>595,412</u>	<u>7,732</u>
Income (loss) before operating transfers	<u>(1,508,409)</u>	<u>(228,471)</u>
Capital contributions and transfers:		
Capital contributions		
Developer	-	-
Transfers in	1,582,934	85,000
Total capital contributions and transfers	<u>1,582,934</u>	<u>85,000</u>
Change in net assets	74,525	(143,471)
Net assets at beginning of year	14,634,682	2,735,416
Net assets at end of year	<u>\$ 14,709,207</u>	<u>\$ 2,591,945</u>

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

<u>Activities-Enterprise Funds</u>			<u>Governmental</u>
<u>Public</u>	<u>Water</u>	<u>Totals</u>	<u>Activities -</u>
<u>Transit</u>	<u>Utility</u>	<u>2007</u>	<u>Internal</u>
			<u>Service Funds</u>
\$ 71,682	\$ 6,188,574	\$ 8,246,895	\$ 9,170,129
8,933	97,853	109,659	144,144
<u>80,615</u>	<u>6,286,427</u>	<u>8,356,554</u>	<u>9,314,273</u>
543,137	2,824,245	4,931,799	400,782
154,093	1,139,071	1,840,299	6,335
89,201	283,654	488,861	-
-	876,691	1,286,560	-
104,773	-	104,773	-
638,320	1,373,631	2,450,465	3,684,338
-	-	-	8,304,716
182,422	1,272,417	2,708,434	5,919
<u>1,711,946</u>	<u>7,769,709</u>	<u>13,811,191</u>	<u>12,402,090</u>
(1,631,331)	(1,483,282)	(5,454,637)	(3,087,817)
1,272,010	666,948	2,138,958	-
17,043	416,131	589,768	529,593
-	-	(10,211)	-
-	-	256,761	-
<u>1,289,053</u>	<u>1,083,079</u>	<u>2,975,276</u>	<u>529,593</u>
<u>(342,278)</u>	<u>(400,203)</u>	<u>(2,479,361)</u>	<u>(2,558,224)</u>
-	398,000	398,000	-
456,702	-	2,124,636	550,000
<u>456,702</u>	<u>398,000</u>	<u>2,522,636</u>	<u>550,000</u>
114,424	(2,203)	43,275	(2,008,224)
<u>1,561,617</u>	<u>47,677,631</u>		<u>6,580,480</u>
<u>\$ 1,676,041</u>	<u>\$ 47,675,428</u>		<u>\$ 4,572,256</u>

Adjustments to reflect the consolidation of  
internal service fund activities related  
to enterprise funds (731,504)  
Change in net assets of business-type activities \$ (688,229)

**CITY OF LAKE CHARLES, LOUISIANA**

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended September 30, 2007

	<u>Civic Center</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 946,423
Payments to employees	(952,373)
Payments to suppliers	(531,868)
Internal activity - payments to other funds	<u>3,499,647</u>
Net cash provided by operating activities	<u>2,961,829</u>
<b>Cash flow from noncapital financing activities:</b>	
Operating subsidies	782,934
Shared revenue from governmental agencies	200,000
Other financing - insurance proceeds	<u>256,761</u>
Net cash provided by noncapital financing activities	<u>1,239,695</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchases of capital assets	(2,683,315)
Contracts payable	-
Sale of capital asset	-
Capital transfers	<u>800,000</u>
Net cash provided (used for) capital and related financing activities	<u>(1,883,315)</u>
<b>Cash flow from investing activities:</b>	
Purchase of investment securities	(118,608)
Proceeds from sale and maturities of investment securities	100,000
Interest on investments	<u>146,397</u>
Net cash provided (used for) investing activities	<u>127,789</u>
Net increase (decrease) in cash and cash equivalents	2,445,998
Cash and cash equivalents at beginning of year	449,628
Cash and cash equivalents at end of year	<u>\$ 2,895,626</u>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	<u>\$ (2,103,821)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	1,068,374
(Increase) decrease in accounts receivable	3,466
(Increase) decrease in due from other funds	3,499,647
(Increase) decrease in inventories	5,969
(Increase) decrease in prepaid items	(11,470)
Increase (Decrease) in accounts payables	558,190
Increase (Decrease) in miscellaneous payables	(74,284)
Increase (Decrease) in customer deposit account	-
Increase (Decrease) in compensated absences payable	15,758
Increase (Decrease) in due to other funds	-
Total adjustments	<u>5,065,650</u>
Net cash provided (used) by operating activities	<u>\$ 2,961,829</u>

**Noncash investing and capital activities:**

Assets transferred in cost \$1,656 and had accumulated depreciation of \$1,656. Net gain equaled \$0.  
 Assets retired costs \$292,363 and had accumulated depreciation of \$282,152. Net loss equaled \$10,211.  
 Donated developer constructed water system extensions of \$398,000 were recorded as retained earnings.  
 Change in the fair value of investments resulted in an unrealized gain of \$22,221 at year end 2006 and an unrealized gain of \$27,730 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 2007</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 1,047,493	\$ 79,820	\$ 6,462,615	\$ 8,536,351	\$ 9,296,239
(579,901)	(533,896)	(2,809,816)	(4,875,986)	(397,523)
(501,417)	(1,341,931)	(3,720,198)	(6,095,414)	(11,055,563)
274,402	66,854	3,001,922	6,842,825	249,468
<u>240,577</u>	<u>(1,729,153)</u>	<u>2,934,523</u>	<u>4,407,776</u>	<u>(1,907,379)</u>
-	456,702	-	1,239,636	550,000
-	1,637,655	971,549	2,809,204	-
-	-	-	256,761	-
-	<u>2,094,357</u>	<u>971,549</u>	<u>4,305,601</u>	<u>550,000</u>
(310,897)	(349,948)	(6,705,561)	(10,049,721)	-
-	-	319,146	319,146	-
-	-	-	-	-
85,000	-	-	885,000	-
<u>(225,897)</u>	<u>(349,948)</u>	<u>(6,386,415)</u>	<u>(8,845,575)</u>	<u>-</u>
-	(597)	(2,467,690)	(2,586,895)	(2,979,252)
-	-	5,017,311	5,117,311	6,377,780
7,732	17,043	406,628	577,800	483,256
<u>7,732</u>	<u>16,446</u>	<u>2,956,249</u>	<u>3,108,216</u>	<u>3,881,784</u>
22,412	31,702	475,906	2,976,018	2,524,405
236,270	-	1,470,767	2,156,665	1,310,395
<u>\$ 258,682</u>	<u>\$ 31,702</u>	<u>\$ 1,946,673</u>	<u>\$ 5,132,683</u>	<u>\$ 3,834,800</u>
<u>\$ (236,203)</u>	<u>\$(1,631,331)</u>	<u>\$ (1,483,282)</u>	<u>\$ (5,454,637)</u>	<u>\$ (3,087,817)</u>
185,221	182,422	1,272,417	2,708,434	5,919
938	(795)	134,411	138,020	(18,034)
211,719	73,147	2,889,193	6,673,706	249,468
7,632	-	(25,446)	(11,845)	-
(14)	(200)	(222)	(11,906)	108,062
297	(355,839)	(18,409)	184,239	(3,633)
(4,411)	-	-	(78,695)	835,473
-	-	42,997	42,997	-
12,715	9,736	10,135	48,344	3,183
62,683	(6,293)	112,729	169,119	-
<u>476,780</u>	<u>(97,822)</u>	<u>4,417,805</u>	<u>9,862,413</u>	<u>1,180,438</u>
<u>\$ 240,577</u>	<u>\$(1,729,153)</u>	<u>\$ 2,934,523</u>	<u>\$ 4,407,776</u>	<u>\$ (1,907,379)</u>

CITY OF LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

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, 2006.

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, 2006. 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.

## NOTES TO FINANCIAL STATEMENTS

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.

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.

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

## NOTES TO FINANCIAL STATEMENTS

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 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 uncollectibles. 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.



## NOTES TO FINANCIAL STATEMENTS

### 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.

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 deposit 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. All capital assets constructed during the past 25 years have been financed on a pay-as-go basis. The City of Lake Charles began the construction of a new sewer treatment facility during fiscal year 2003 and has incurred debt to finance this project.

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. The amount that is 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.

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, 2007. Current sick pay benefits recorded in the governmental fund statements is the amount of unreimbursed sick leave payable to employees who had terminated their employment as of the end of the fiscal year. 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 is recorded in the governmental fund statement that is equal to the amount of reimbursable leave payable to employees who had terminated their employment as September 30, 2007.

At September 30, 2007 the total liability reported on the Statement of Net Assets for accrued vacation, sick and compensatory time was \$2,532,738 for Governmental Activities, which includes \$52,409 from the Internal Service Funds. The amount recorded in Business-Type Activities equaled \$548,003.

### **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.

## **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

NOTES TO FINANCIAL STATEMENTS

payable in the current period and therefore are not reported in the funds." The details of this \$72,367,486 difference are as follows:

2003 LCDA Bonds payable	\$21,880,000
2007 LCDA Bonds payable	34,480,000
Premium on 2007LCDA Bonds payable (to be amortized over the life of the debt)	1,084,210
Pension refunding bonds	6,775,000
Sales tax increment financing agreement	1,354,604
Cooperative endeavor-Sales tax Dist. No.3	4,464,492
Compensated absences	2,476,900
Sears building installment loan	700,000
Police benefits guarantee	<u>236,490</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets -governmental activities	<u>\$73,451,696</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 \$9,683,562 are as follows:

Capital outlays	\$19,297,274
Depreciation expense	(8,526,141)
Loss on retirement of capital assets	<u>(1,087,571)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 9,683,562</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 of net assets." The details of this \$32,165,856 are as follows:

Principal repayment:	
Pension refunding bonds	\$ 810,000
LCDA demand bonds	835,000
Police benefit guarantees	47,365
Sales tax increment financing agreement	472,446
Compensated absences	( 200,667)
Cooperative endeavor-Sales Tax Dist No 3	350,000
Proceeds from 2007 LCDA Public Improvement Bonds	(34,480,000)
Proceeds from premium on 2007 LCDA Public Improvement Bonds (to be amortized as interest over life of debt)	<u>( 1,084,210)</u>
Net adjustment to decrease net changes in fund balances – total governmental Funds to arrive at changes in net assets of governmental activities	<u>\$(33,250,066)</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 includes a 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 \$(1,771,229) are as follows:

Internal payable representing costs in excess of charges to the business-type activities – prior year	\$( 1,039,725)
Internal payable representing costs in excess of charges to the business-type activities – current year	<u>( 731,504)</u>
Net adjustment to decrease net assets – enterprise funds to arrive at net assets – business-type activities	<u>\$(1,771,229)</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 \$51,804,229. Amendments in the amount of \$3,222,335 resulted in the final General Fund budget of \$55,026,564 as presented in the accompanying statements. Amendments were necessary for anticipated increases in overtime for public safety officers, reauthorization for Public Works Department equipment budgeted in prior fiscal year, increase in solid waste disposal fees, increase in interagency contracts and various operating cost increases such as fuel and automotive parts.

The originally adopted amount of all Special Revenue Funds was \$22,602,888. Amendments in the amount of \$4,251,460 resulted in the final total Special Revenue Fund budget of \$26,854,348. The Riverboat Gaming Fund was amended to account for increase riverboat admissions tax revenue and an offsetting increase in transfer to other funds. The Waste Water Fund was amended to allow for transfers to the Capital Projects Fund for sewer rehabilitation work. Annual amendments are necessary in response to grant awards and grant balance carry-overs involving Special Revenue Funds. The Disaster Recovery Fund was amended to account for ongoing recovery efforts from the 2005 Hurricane Rita.

### **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 Central School Special Revenue Fund expenditures of \$94,074 exceeded budgeted amount of \$90,746 by \$3,328 due to unanticipated expenditures. The Special Event Special Revenue Fund expenditures of \$261,532 exceeded budgeted amount of \$253,000. This was a new fund in fiscal year 2007 so revenues and expenditures were uncertain.

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

The intergovernmental revenue of the Community Development Special Revenue Fund was \$1,242,905 which was \$143,192 less than the \$1,386,093 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 Special Event Special Revenue Fund's revenues were \$6,302 less than budget. As mention above, this was a new fund in 2007 and revenues and expenditures were uncertain.

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, 2007 was \$30,106,947 (carrying amount \$25,942,740).

The total includes restricted cash in the amount of \$658,404 from customer deposits in the Water Utility Enterprise Fund. The amounts do not include petty cash of \$21,875 or \$3,908,852 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 \$405,477 reported as accounts payable in the Community Development Special Revenue Fund, \$3,440,423 cash overdraft reported as accounts payable in the Disaster Recovery Special Revenue Fund.

The carrying amounts of cash deposits for component units at their respective balance sheet dates were \$572,303 for City Court and \$448,644 for the Ward Three Marshal. These amounts were fully covered by federal deposit insurance.

Investments

As of September 30, 2007 the City had the following investments and maturities:

<u>Investment type</u>	<u>Maturity</u>	<u>Fair Value</u>
U.S. agencies callable	Less than 1 year	\$17,569,134
U.S. agencies non-callable	Less than 1 year	4,994,666
U.S. agencies callable	1 - 5 year	17,363,865
U.S. agencies callable	6 -10 year	505,575
Repurchase agreement - bond funds		34,579,570
Louisiana Asset Management Pool		<u>18,132,070</u>
		<u>\$93,144,880</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, 2007 were concentrated with the following issuers:

Issuer	Fair Value
Federal Home Loan Bank	\$26,175,630
Federal Home Loan Mortgage Corporation	3,290,335
Federal National Mortgage Association	10,462,950
Federal Farm Credit Bank	498,280

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	Cmnty Dvlpmnt	Waste Water	Debt Service	Capital Projects	Nonmajor & Other Funds	Total Governmntl Activities
Receivables:								
Accounts	\$1,632,290	\$ 8,333	\$ 0	\$1,140,519	\$ 0	\$274,378	\$2,961,553	\$ 6,017,073
Taxes	2,851,458	989,132	0	261,207	0	457,113	130,604	4,689,514
Property standards & special assesmnt	1,611,878	0	0	0	1,119,652	0	0	2,731,530
Interest	148,316	0	0	0	8,236	856,662	103,799	1,117,013
Intergovernmental	88,558	0	435,219	0	0	0	5,112,749	5,636,526
Gross receivables	6,332,500	997,465	435,219	1,401,726	1,127,888	1,588,153	8,308,705	20,191,656
Less: allowance for uncollectable	(770,426)	0	0	( 280,453)	(559,826)	0	(2,686,782)	(4,297,487)
Net total receivables	\$5,562,074	\$997,465	\$435,219	\$1,121,273	\$568,062	1,588,153	\$5,621,923	\$15,894,169

Business-type Activities	Civic Center	Golf Course	Public Transit	Water	Total Business-Type Activities	Total Government
Receivables:						
Accounts	\$19,940	\$62	\$ 795	\$ 1,114,095	\$1,134,892	\$ 7,151,965
Taxes	0	0	0	0	0	4,689,514
Property standards & special assessment	0	0	0	0	0	2,731,530
Interest	652	0	0	10,490	11,142	1,128,155
Intergovernmental	0	0	235,262	90,528	325,790	5,962,316
Gross receivables	20,592	62	236,057	1,215,113	1,471,824	21,663,480
Less: allowance for uncollectable	0	0	0	(280,146)	(280,146)	(4,577,633)
Net total receivables	\$20,592	\$62	\$236,057	\$ 934,967	\$ 1,191,678	\$17,085,847

NOTES TO FINANCIAL STATEMENTS

Intergovernmental receivables consisted of the following:

<b>Governmental type activity:</b>	
Calcasieu Parish Police Jury	\$ 76,165
Cameron Parish Police Jury	0
U.S. Department of Justice	13,590
Community Development Grant	109,677
LA Department of Treasury	22,370
LA Commission on Law Enforcement and Admin. Of Criminal Justice Grant	57,582
LA Department of Transportation	
LA Department of Military Affairs	5,031,600
Housing & Urban Development Emergency Grants	325,542
Total Governmental-type activities	5,636,526
<b>Business-type activity:</b>	
Mass Transit Operating Assistance Grant	235,262
LA Department of Transportation	90,528
Total Business-type activities	325,790
Total primary government	\$5,962,316



NOTES TO FINANCIAL STATEMENTS

**C. Capital Assets**

Capital asset activity for the fiscal year ended September 30, 2007 was as follows:

**Primary Government**

Governmental Activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$11,845,603	\$ 0	\$ 0	\$11,845,603
Construction in progress	50,363,439	7,632,584	(9,389,341)	48,606,682
Total capital assets, not being depreciated	62,209,042	7,632,584	(9,389,341)	60,452,285
Capital assets being depreciated:				
Buildings	20,119,178	6,500	( 9,850)	20,115,828
Improvements	24,734,862	128,563	(1,669,995)	23,193,430
Machinery & Equipment	23,783,785	4,166,018	(2,268,193)	25,681,610
Infrastructure	193,787,391	16,752,950	0	210,540,341
Total capital assets being depreciated	262,425,216	21,054,031	(3,948,038)	279,531,209
Less accumulated depreciation for:				
Buildings	(9,894,943)	( 687,228)	3,771	(10,578,400)
Improvements	(16,339,024)	( 629,440)	668,456	(16,300,008)
Machinery & Equipment	(16,104,926)	(2,183,510)	2,188,240	(16,100,196)
Infrastructure	(67,157,067)	(5,031,883)	0	(72,188,950)
Total accumulated depreciation	(109,495,960)	(8,532,061)	2,860,467	(115,167,554)
Total capital assets, being depreciated, net	152,929,256	12,521,970	(1,087,571)	164,363,655
Governmental activities capital assets, net	\$215,138,298	\$20,154,554	\$(10,476,912)	\$224,815,940

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 \$23,313. Remaining value of assets at September 30, 2007 equaled \$19,237 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	\$ 0	\$ 1,734,203
Construction in progress	1,946,604	8,144,056	( 552,914)	9,537,746
Total capital assets, not being depreciated	3,680,807	8,144,056	( 552,914)	11,271,949
Capital assets being depreciated:				
Buildings	19,804,330	0	0	19,804,330
Improvements	62,504,390	1,788,869	0	64,293,259
Machinery & Equipment	6,625,377	1,069,367	(292,363)	7,402,381
Total capital assets being depreciated	88,934,097	2,858,236	(292,363)	91,499,970
Less accumulated depreciation for:				
Buildings	(16,242,564)	(514,139)	0	(16,756,703)
Improvements	(21,175,241)	(1,626,538)	0	(22,801,779)
Machinery & Equipment	(3,760,988)	(567,757)	280,496	(4,048,249)
Total accumulated depreciation	(41,178,793)	(2,708,434)	280,496	(43,606,731)
Total capital assets, being depreciated, net	47,755,304	149,802	(11,867)	47,893,239
Governmental activities capital assets, net	\$51,436,111	\$8,293,858	\$ ( 564,781)	\$59,165,188

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

Governmental activities:	
General government	\$ 26,595
Public safety	1,314,272
Public works	6,117,616
Planning and development	26,582
General services	271,783
Community services	769,294
Capital assets held by the government's internal service funds are charges to the various functions based on their usage of the assets	5,919
Total depreciation expense – governmental activities	\$8,532,061
Business-type activities:	
Civic Center	\$1,068,374
Golf Course	185,221
Transit	182,422
Water	1,272,417
Total depreciation expense – business-type activities	\$2,708,434

NOTES TO FINANCIAL STATEMENTS

**D. Discretely presented component units**

Capital asset activity for the year ended December 31, 2006 was as follows for City Court:

	Balance 1/01/2006	Additions	Deletions	Balance 12/31/2006
<b>Governmental activities:</b>				
Equipment	\$315,189	\$ 7,897	\$ 0	\$323,086
Furniture and fixtures	13,006	2,067	0	15,073
<b>Totals at historical cost</b>	<b>328,195</b>	<b>9,964</b>	<b>0</b>	<b>338,159</b>
<b>Less accumulated depreciation:</b>				
Equipment	(279,556)	(13,515)	0	(293,071)
Furniture and fixtures	(11,377)	(680)	0	(12,057)
<b>Total accumulated depreciation</b>	<b>(290,933)</b>	<b>(14,195)</b>	<b>0</b>	<b>(305,128)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 37,262</b>	<b>\$(4,231)</b>	<b>\$ 0</b>	<b>\$ 33,031</b>

Capital asset activity for the year ended December 31, 2006 was as follows for City Marshal:

	Balance 1/01/2006	Additions	Deletions	Balance 12/31/2006
<b>Governmental activities:</b>				
Equipment	\$153,406	\$34,614	\$ 0	\$188,020
Furniture and fixtures	8,476	0	0	8,476
<b>Totals at historical cost</b>	<b>161,882</b>	<b>34,614</b>	<b>0</b>	<b>196,496</b>
<b>Less accumulated depreciation:</b>				
Equipment	( 95,588)	(21,394)	0	(116,982)
Furniture and fixtures	( 7,251)	(246)	0	(7,497)
<b>Total accumulated depreciation</b>	<b>(102,839)</b>	<b>( 21,640)</b>	<b>0</b>	<b>(124,479)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 59,043</b>	<b>\$ 12,974</b>	<b>\$ 0</b>	<b>\$ 72,017</b>

**E. Construction commitments**

The City had total commitments of \$10,815,382 with contractors for unfinished construction projects as of September 30, 2007, categorized as follows:

Project type	Expended to Date	Remaining Commitment
Streets and storm drainage	\$ 999,161	\$ 1,137,558
Sanitary sewer rehabilitation	1,750,120	2,972,749
Waste water treatment and transport facilities	1,260,717	1,080,951
Water system improvements	6,131,260	3,754,091
Civic Center facilities	193,145	1,870,033
<b>Total</b>	<b>\$10,334,403</b>	<b>\$10,815,382</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, 2006 is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 58
	Wastewater Fund	117,758
	Non-major Governmental Funds	261,796
	Golf Course Fund	11,739
	Water Fund	112,729
Community Development Fund	General Fund	59,621
Debt Service Fund	General Fund	44,593
	Wastewater Fund	244,960
Capital Project Fund	General Fund	452,797
Nonmajor Governmental Funds	General Fund	42,721
	Wastewater Fund	4,455
	Nonmajor Governmental Funds	1,859
	Golf Course	66,375
Civic Center Fund	General Fund	93,822
	Golf Course Fund	50
Public Transit Fund	General Fund	226,853
Risk Management Internal Service Fund	General Fund	550,074
Total		\$2,292,260

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:

	General Fund	Riverboat Fund	Wastewater Fund	Capital Project Fund
<b>Transfer out:</b>				
Community Development	\$60,885	\$ 0	\$ 0	\$ 0
Disaster Recovery	00,000	0	0	0
Debt Service	842,438	1,879,000	2,119,960	2,961,484
Capital Projects	452,797	3,889,000	2,698,500	0
Nonmajor Governmental	627,711	197,000	0	0
Civic Center	782,934	800,000	0	0
Golf Course	85,000	0	0	0
Transit	456,702	0	0	0
Water	000,000	0	0	0
Internal Service	550,000	0	0	0
<b>Total</b>	<b>\$ 3,858,467</b>	<b>\$ 6,765,000</b>	<b>\$4,818,460</b>	<b>\$ 2,961,484</b>

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, 2007 are comprised of the following individual issues and are entirely related to governmental activities:

<u>\$3,600,000</u> Series 1998A Tax-exempt 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 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%	3,175,000
<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; interest rates was 3.94% at year end	21,880,000
<u>\$34,480,000</u> 2007 Fixed rate Revenue Bonds – LCDA for City of Lake Charles Public Improvement Projects 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%.	<u>34,480,000</u>
Total bonds payable	<u>\$63,135,000</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
2008	\$ 2,840,000	\$ 2,457,851	\$ 5,297,851
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
<b>Total</b>	<b>\$ 63,135,000</b>	<b>\$ 26,353,889</b>	<b>\$ 89,488,889</b>

NOTES TO FINANCIAL STATEMENTS

Changes in long-term liabilities:

Long-term liability activity for the year ended September 30, 2007 was as follows:

	Balance 10/01/2006	Additions	Reductions	Balance 9/30/2007	Due within one year
<b>Governmental activities:</b>					
<b>Bonds payable:</b>					
Variable rate demand bonds- LCDA	\$22,715,000	\$ 0	\$(835,000)	\$21,880,000	\$870,000
Pension refunding bonds payable	7,585,000	0	(810,000)	6,775,000	860,000
Revenue Bonds LC Public Imp	0	34,480,000	0	34,480,000	1,110,000
Deferred amount	0	1,102,586	(18,376)	1,084,210	55,129
Total bonds payable	30,300,000	35,582,586	(1,663,376)	\$64,219,210	\$2,895,129
Compensated absences	2,276,234	415,029	(214,363)	2,476,900	200,000
Police Benefit Guarantee	283,855	0	(47,365)	236,490	47,369
Sales tax increment financing agreement	1,827,050	0	(472,446)	1,354,604	250,000
Cooperative endeavor-Sales Tax Dist 3	4,814,492	0	(350,000)	4,464,492	350,000
Sears Building Installment loan	700,000	0	0	700,000	0
Long-term liabilities	\$40,201,631	\$35,997,615	\$(2,747,550)	73,451,696	\$3,742,498
<b>Business-type activities:</b>					
Compensated absences	\$543,234	\$ 70,129	\$(12,951)	\$600,412	\$5,000

The amount of termination benefits recorded as expenditures at September 30, 2007 was \$3,429 in the General Fund.

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 employs a claims adjuster 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, 2007 were \$1,313,600. 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

NOTES TO FINANCIAL STATEMENTS

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.

As of May 22, 1998, 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 initiated on that date. 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 five 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. Retained earnings of that fund at September 30, 2007 were \$3,258,656. The amount of risk retained by the fund during 2007 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 2006:	\$3,791,787	\$1,130,000	\$4,921,787
Incurred and adjusted claims	3,128,634	4,461,450	7,590,084
Claim payment	(2,374,621)	(4,341,450)	(6,716,071)
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 payments	(3,445,059)	(4,859,657)	(8,304,716)
Total unpaid claims September 30, 2007	\$5,281,273	\$1,350,000	\$6,631,273

**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 2007 and 2006:

Tax	Fiscal year 2007	Fiscal year 2006
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, 2007, if any, is not estimable.



## NOTES TO FINANCIAL STATEMENTS

### **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, 2007, 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 \$236,490 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, 2007 was \$233,853, which represents 99 percent of 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.

#### 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 fiscal year end 2005. 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 \$1,779,164, \$1,813,404, and \$1,754,974 for the years ended September 30, 2007, 2006 and 2005 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 13.75 percent of covered payroll at fiscal year end 2007, 15.5 percent at fiscal year end 2006 and 20.25 percent at fiscal year end 2005.

NOTES TO FINANCIAL STATEMENTS

The City of Lake Charles and their employees contributed a total of \$1,450,662, \$1,540,736, and \$1,750,506 to the Municipal Police Employees Retirement System for fiscal years ended September 30, 2007, 2006 and 2005 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 under statewide legal dispute but actually paid by the City at 13.75 percent of covered payroll at fiscal year end 2007, 15.5 percent of covered payroll at fiscal year end 2006 and 20.25 percent at fiscal year end 2005.

The City of Lake Charles' employee and employer contributions to this plan were \$1,518,347 \$1,553,064, and \$1,717,216 for the years ended September 30, 2007, 2006 and 2005 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 and the Department of Housing and Urban Development. 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, 2007 will be established at some future date. The amount, if any, of expenditures which may be 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 2007 the following amounts under various federal, state and other grants and entitlements are recorded in the accompanying financial statements:

Fund	Fiscal year 2007
General Fund	\$ 33,042
Community Development	1,242,901
Disaster Recovery Fund	382,697
Grant Fund	1,460,984
Transit Enterprise Fund	1,272,010

NOTES TO FINANCIAL STATEMENTS

**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 (2007 collections 19,604,922; 2006 collections \$21,069,476; 2005 collections \$16,905,803;) 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, 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 (2007 collections \$19,604,747; 2006 collections \$21,069,476; 2005 collections \$16,905,803) 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%

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, 2007 totaled \$4,901,540; \$5,267,376 in fiscal year 2006 and 2005 collections were \$4,226,453.

NOTES TO FINANCIAL STATEMENTS

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

	Salary	Per Diem	Mileage Reimbursement	Total
<b>Mayor:</b>				
Randy Roach	\$ 82,638	\$ 65	\$131	\$82,834
<b>Councilmen:</b>				
A. B. Franklin	9,600	390	\$ 187	\$10,177
Rodney Geyen	9,600	434	187	10,221
Michael Huber	9,600	246	0	9,846
Dana Jackson	9,600	0	0	9,600
David Perry	9,600	290	158	10,048
Marshall Simien	9,600	202	0	9,802
Stuart Weatherford	9,600	0	0	9,600
Total	\$149,838	\$1,627	\$663	\$152,128

**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 has 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. The rulings of the Courts do not determine liability and the City anticipates various defenses will be heard before there can be a determination of the amount of money which the City might ultimately owe. The litigation for the police employee's suit is still in the discovery stage and the City's liability, if any, is currently inestimable.



NON-MAJOR  
GOVERNMENTAL FUNDS

# 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.

**Disaster Recovery Fund**– Accounts for the receipt of intergovernmental and miscellaneous revenue and subsequent expenditure of such funds necessary to recover from disasters.

**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, 2007

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Disaster Recovery	Grants	Recreation	Central School	Special Events	Facility Renewal	
<b>ASSETS</b>							
Cash (Note 1-G)	\$ -	\$ 282,276	\$ 419,488	\$ 283,133	\$ 12,178	\$ 666,593	\$ 1,663,668
Investments (Note 1-G)	-	55,944	74,177	51,750	-	4,496,456	4,678,327
Receivable (net of allowance for uncollectable)							
Accounts (Note 1-I)	2,925,520	-	130,879	15,997	-	-	3,072,396
Accrued interest	-	-	-	-	-	48,335	48,335
Intergovernmental (Note 7-C)	2,344,818	81,149	-	-	-	-	2,425,967
Due from other funds (Note 7-B)	70,830	29,757	-	-	14,823	-	115,410
Prepaid items	-	-	940	460	-	-	1,400
Total assets	\$ 5,341,168	\$ 449,126	\$ 625,484	\$ 351,340	\$ 27,001	\$ 5,211,384	\$ 12,005,503
<b>LIABILITIES</b>							
Accounts payable	\$ 3,901,448	\$ 35,460	\$ 92,591	\$ 4,829	\$ 27,001	\$ -	\$ 4,061,329
Escrow	2,500	-	2,251	2,025	-	-	6,776
Due to other funds	-	245,010	18,644	-	-	-	263,654
Total liabilities	\$ 3,903,948	\$ 280,470	\$ 113,486	\$ 6,854	\$ 27,001	\$ -	\$ 4,331,759
<b>FUND BALANCES</b>							
Reserved for prepaid items (Note 1-K)	-	-	940	460	-	-	1,400
Unreserved:							
Designated for subsequent year's exp	-	-	-	68,046	-	348,000	416,046
Undesignated	1,437,220	168,656	511,058	275,980	-	4,863,384	7,256,298
Total fund balances	1,437,220	168,656	511,998	344,486	-	5,211,384	7,673,744
Total liabilities and fund balances	\$ 5,341,168	\$ 449,126	\$ 625,484	\$ 351,340	\$ 27,001	\$ 5,211,384	\$ 12,005,503



**CITY OF LAKE CHARLES, LOUISIANA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended September 30, 2007**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Disaster Recovery	Grants	Recreation	Central School	Special Events	Facility Renewal	
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ 2,322,186	\$ -	\$ -	\$ -	\$ 2,322,186
Intergovernmental	382,697	1,460,984	1,430	-	-	-	1,845,111
Charges for services	-	-	104,006	89,256	836	-	194,098
Miscellaneous	3,458,100	5,881	36,742	17,758	48,862	153,039	3,720,382
<b>Total revenues</b>	<u>3,840,797</u>	<u>1,466,865</u>	<u>2,464,364</u>	<u>107,014</u>	<u>49,698</u>	<u>153,039</u>	<u>8,081,777</u>
<b>Expenditures:</b>							
Current operating:							
Fire	214,809	-	-	-	-	-	214,809
Police	-	662,773	-	-	-	-	662,773
Public works	221,647	-	-	-	-	-	221,647
Community services	936,087	837,921	2,916,471	94,074	261,532	-	5,046,085
General services	315,818	-	-	-	-	-	315,818
Capital projects	-	-	130,258	-	-	-	130,258
<b>Total expenditures</b>	<u>1,688,361</u>	<u>1,500,694</u>	<u>3,046,729</u>	<u>94,074</u>	<u>261,532</u>	<u>-</u>	<u>6,591,390</u>
Excess (deficiency) of revenues over expenditures	2,152,436	(33,829)	(582,365)	12,940	(211,834)	153,039	1,490,387
<b>Other financing sources (uses):</b>							
Transfers in	-	30,512	582,365	-	211,834	-	824,711
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>30,512</u>	<u>582,365</u>	<u>-</u>	<u>211,834</u>	<u>-</u>	<u>824,711</u>
Net change in fund balances	2,152,436	(3,317)	-	12,940	-	153,039	2,315,098
Fund balance at beginning of year	(715,216)	171,973	511,998	331,546	-	5,058,345	5,358,646
<b>Fund balance at end of year</b>	<u>\$ 1,437,220</u>	<u>\$ 168,656</u>	<u>\$ 511,998</u>	<u>\$ 344,486</u>	<u>\$ -</u>	<u>\$ 5,211,384</u>	<u>\$ 7,673,744</u>

**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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental				
(net of allowance for uncollectable)	\$1,395,000	\$395,000	\$382,697	(\$12,303)
Miscellaneous	0	1,805,000	3,458,100	1,653,100
Total revenues	<u>1,395,000</u>	<u>2,200,000</u>	<u>3,840,797</u>	<u>1,640,797</u>
<b>Expenditures:</b>				
Current:				
Fire	0	0	214,809	(214,809)
Public works	0	0	221,647	(221,647)
Community services	0	0	936,087	(936,087)
General services	<u>1,550,000</u>	<u>2,200,000</u>	<u>315,818</u>	<u>1,884,182</u>
Total expenditures	<u>1,550,000</u>	<u>2,200,000</u>	<u>1,688,361</u>	<u>511,639</u>
Excess (deficiency) of rev over exp	<u>(155,000)</u>	<u>0</u>	<u>2,152,436</u>	<u>2,152,436</u>
Net change in fund balances	(155,000)	0	2,152,436	2,152,436
Fund balance at beginning of year	<u>(715,216)</u>	<u>(715,216)</u>	<u>(715,216)</u>	<u>0</u>
Fund balance at end of year	<u>\$ (870,216)</u>	<u>(715,216)</u>	<u>\$1,437,220</u>	<u>\$2,152,436</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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental:				
Shared grants:				
Federal	\$ 600,000	\$ 35,826	\$ 35,826	\$ -
State	947,658	1,375,582	1,413,468	37,886
Local	13,000	13,000	11,690	(1,310)
Miscellaneous	3,000	3,000	5,881	2,881
Total revenues	<u>1,563,658</u>	<u>1,427,408</u>	<u>1,466,865</u>	<u>39,457</u>
<b>Expenditures:</b>				
Current:				
Public safety	736,000	656,000	662,773	(6,773)
Community services	985,269	910,269	837,921	72,348
Capital outlay	-	-	-	-
Total expenditures	<u>1,721,269</u>	<u>1,566,269</u>	<u>1,500,694</u>	<u>65,575</u>
Excess of revenues over expenditures	<u>(157,611)</u>	<u>(138,861)</u>	<u>(33,829)</u>	<u>105,032</u>
<b>Other financing source(uses):</b>				
Transfers in	147,611	128,861	30,512	(98,349)
Total other financing sources (uses)	<u>147,611</u>	<u>128,861</u>	<u>30,512</u>	<u>(98,349)</u>
Excess (deficiency) of rev and other sources over exp and other uses	(10,000)	(10,000)	(3,317)	6,683
Fund balance at beginning of year	<u>171,973</u>	<u>171,973</u>	<u>171,973</u>	<u>-</u>
Fund balance at end of year	<u>\$ 161,973</u>	<u>\$ 161,973</u>	<u>\$ 168,656</u>	<u>\$ 6,683</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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2,210,390	\$ 2,210,390	\$ 2,322,186	\$ 111,796
Intergovernmental	-	-	1,430	1,430
Charges for services	102,000	102,000	104,006	2,006
Miscellaneous	15,300	15,300	36,742	21,442
Total revenues	<u>2,327,690</u>	<u>2,327,690</u>	<u>2,464,364</u>	<u>136,674</u>
<b>Expenditures:</b>				
Personal services	1,866,095	1,897,158	1,792,423	104,735
Contractual and operational	873,090	828,832	726,377	102,455
Materials and supplies	437,946	467,974	397,671	70,303
Capital outlay	167,100	150,267	130,258	20,009
Total expenditures	<u>3,344,231</u>	<u>3,344,231</u>	<u>3,046,729</u>	<u>297,502</u>
Excess (deficiency) of rev over exp	<u>(1,016,541)</u>	<u>(1,016,541)</u>	<u>(582,365)</u>	<u>434,176</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>1,016,541</u>	<u>1,016,541</u>	<u>582,365</u>	<u>(434,176)</u>
Total other financing sources (uses)	<u>1,016,541</u>	<u>1,016,541</u>	<u>582,365</u>	<u>(434,176)</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>(0)</u>
Fund balance at end of year	<u>\$ 511,998</u>	<u>\$ 511,998</u>	<u>\$ 511,998</u>	<u>\$ (0)</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, 2007**

	Budgeted Amounts		2007 Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charge for services	\$ 73,500	\$ 73,500	\$ 89,256	\$ 15,756
Miscellaneous	9,200	9,200	17,758	8,558
Total revenues	<u>82,700</u>	<u>82,700</u>	<u>107,014</u>	<u>24,314</u>
<b>Expenditures:</b>				
Materials and supplies	7,200	6,654	6,652	2
Other services and charges	123,546	84,092	87,422	(3,330)
Capital Outlay	20,000	-	-	-
Total expenditures	<u>150,746</u>	<u>90,746</u>	<u>94,074</u>	<u>(3,328)</u>
Excess of revenue over expenditures	(68,046)	(8,046)	12,940	20,986
Fund balance at beginning of year	<u>331,546</u>	<u>331,546</u>	<u>331,546</u>	<u>-</u>
Fund balance at end of year	<u>\$ 263,500</u>	<u>\$ 323,500</u>	<u>\$ 344,486</u>	<u>\$ 20,986</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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charge for services	\$ 2,000	\$ 500	\$ 836	\$ 336
Miscellaneous	51,000	55,500	48,862	(6,638)
Total revenues	<u>53,000</u>	<u>56,000</u>	<u>49,698</u>	<u>(6,302)</u>
<b>Expenditures:</b>				
Personal services	26,730	-	-	-
Materials and supplies	8,040	10,086	10,084	2
Other services and charges	210,230	242,914	251,448	(8,534)
Total expenditures	<u>245,000</u>	<u>253,000</u>	<u>261,532</u>	<u>(8,532)</u>
Excess of revenue over expenditures	(192,000)	(197,000)	(211,834)	(14,834)
<b>Other financing sources:</b>				
Transfers in	192,000	197,000	211,834	14,834
Total other financing sources	<u>192,000</u>	<u>197,000</u>	<u>211,834</u>	<u>14,834</u>
Excess (deficiency) of rev and other sources over exp and other uses	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2007**

	<u>Budgeted Amounts</u>		<u>2007 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Interest on investments	\$ 125,000	\$ 125,000	\$ 153,039	\$ 28,039
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>153,039</u>	<u>28,039</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>125,000</u>	<u>125,000</u>	<u>153,039</u>	<u>28,039</u>
 Fund balance at beginning of year	 <u>5,058,345</u>	 <u>5,058,345</u>	 <u>5,058,345</u>	 <u>-</u>
Fund balance at end of year	<u>\$ 5,183,345</u>	<u>\$ 5,183,345</u>	<u>\$ 5,211,384</u>	<u>\$ 28,039</u>





INTERNAL SERVICE  
FUNDS

## 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, 2007**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2007</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$664,907	\$3,169,893	\$3,834,800
Investments	3,849,111	1,441,700	5,290,811
Receivables:			
Accounts	19,761	-	19,761
Accrued interest	48,930	6,534	55,464
Due from other funds	550,074	-	550,074
Prepaid expenses	1,505,884	-	1,505,884
Total current assets	<u>6,638,667</u>	<u>4,618,127</u>	<u>11,256,794</u>
Noncurrent assets:			
Capital assets (at cost):			
Machinery & equipment	42,550	-	42,550
Less accumulated depreciation	(23,313)	-	(23,313)
Total capital assets (net of accum. depr.)	<u>19,237</u>	<u>-</u>	<u>19,237</u>
Total assets	<u>6,657,904</u>	<u>4,618,127</u>	<u>11,276,031</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	10,622	9,471	20,093
Accrued insurance claims	4,218,227	1,200,000	5,418,227
Incurred-not reported claims	175,000	150,000	325,000
Total current liabilities	<u>4,403,849</u>	<u>1,359,471</u>	<u>5,763,320</u>
Long-term liabilities:			
Accrued leave benefits	52,409	-	52,409
Accrued insurance claims - noncurrent	888,046	-	888,046
Total long-term liabilities	<u>940,455</u>	<u>-</u>	<u>940,455</u>
Total liabilities	<u>5,344,304</u>	<u>1,359,471</u>	<u>6,703,775</u>
<b>NET ASSETS</b>			
Invested in capital assets	19,237	-	19,237
Unrestricted	1,294,363	3,258,656	4,553,019
Total net assets	<u>\$ 1,313,600</u>	<u>\$ 3,258,656</u>	<u>\$ 4,572,256</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, 2007**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2007</u>
Operating revenues:			
Charges for services	\$ 3,555,778	\$ 5,614,351	\$ 9,170,129
Subrogation	143,456	688	144,144
Total operating revenues	<u>3,699,234</u>	<u>5,615,039</u>	<u>9,314,273</u>
Operating expenses:			
Personal services	400,782	-	400,782
Materials and supplies	6,335	-	6,335
General and administration	2,600,975	1,083,363	3,684,338
Depreciation	5,919	-	5,919
Claims and losses paid	3,445,059	4,859,657	8,304,716
Total operating expenses	<u>6,459,070</u>	<u>5,943,020</u>	<u>12,402,090</u>
Operating income (loss)	<u>(2,759,836)</u>	<u>(327,981)</u>	<u>(3,087,817)</u>
Nonoperating revenues:			
Interest	287,832	241,761	529,593
Total nonoperating revenues	<u>287,832</u>	<u>241,761</u>	<u>529,593</u>
Income (loss) before transfers	<u>(2,472,004)</u>	<u>(86,220)</u>	<u>(2,558,224)</u>
Transfer in	<u>550,000</u>	<u>-</u>	<u>550,000</u>
Change in net assets	<u>(1,922,004)</u>	<u>(86,220)</u>	<u>(2,008,224)</u>
Net assets - beginning of fiscal year	3,235,604	3,344,876	6,580,480
Net assets - ending of fiscal year	<u>\$ 1,313,600</u>	<u>\$ 3,258,656</u>	<u>\$ 4,572,256</u>

**CITY OF LAKE CHARLES, LOUISIANA**

**Internal Service Fund**

**Combining Statement of Cash Flows**

**For the Fiscal Year Ended September 30, 2007**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2007</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$3,679,473	\$5,616,766	\$9,296,239
Payments to employees	(397,523)	-	(397,523)
Payments to suppliers and claimants	(5,206,730)	(5,848,833)	(11,055,563)
Internal activity - payments to other funds	249,468	-	249,468
Net cash provided by operating activities	<u>(1,675,312)</u>	<u>(232,067)</u>	<u>(1,907,379)</u>
<b>Cash flow from noncapital financing activities</b>			
Operating subsidies	550,000	-	550,000
Net cash provided by noncapital financing activities	<u>550,000</u>	<u>-</u>	<u>550,000</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	(1,573,346)	(1,405,906)	(2,979,252)
Proceeds from sale and maturities of investment securities	2,745,886	3,631,894	6,377,780
Interest on investments	234,854	248,402	483,256
Net cash provided (used for) investing activities	<u>1,407,394</u>	<u>2,474,390</u>	<u>3,881,784</u>
Net increase (decrease) in cash and cash equivalents	282,082	2,242,323	2,524,405
Cash and cash equivalents at beginning of year	382,825	927,570	1,310,395
Cash and cash equivalents at end of year	<u>\$ 664,907</u>	<u>\$ 3,169,893</u>	<u>\$ 3,834,800</u>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	<u>(\$2,759,836)</u>	<u>(\$327,981)</u>	<u>(\$3,087,817)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,919	-	5,919
(Increase) decrease in accounts receivable	(19,761)	1,727	(18,034)
(Increase) decrease in due from other funds	249,468	-	249,468
(Increase) decrease in prepaid items	108,062	-	108,062
Increase (Decrease) in accounts payables	2,180	(5,813)	(3,633)
Increase (Decrease) in accrued insurance claims	735,473	100,000	835,473
Increase (Decrease) in compensated absences payable	3,183	-	3,183
Increase (Decrease) in due to other funds	-	-	-
Total adjustments	<u>1,084,524</u>	<u>95,914</u>	<u>1,180,438</u>
Net cash provided by operating activities	<u>(\$1,675,312)</u>	<u>(\$232,067)</u>	<u>(\$1,907,379)</u>

**Noncash investing, capital and financing activities:**

Change in the fair value of investments resulted in an unrealized gain of \$42,808 at year end 2006 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, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
Governmental funds capital assets		
Land	\$ 11,845,603	\$ 11,845,603
Buildings	20,115,828	20,119,178
Improvements other than buildings	23,193,430	24,734,862
Machinery and Equipment	25,639,061	23,741,235
Infrastructure	210,540,341	193,787,391
Construction in progress	47,746,365	50,363,439
Total general capital assets	\$ 339,080,628	\$ 324,591,708
Property acquired prior to October 1, 1985, excluding infrastructure	\$ 24,353,506	\$ 24,589,989
Property acquired after September 30, 1985 from:		
Federal grants	516,988	516,988
State grants	170,000	170,000
General fund revenues	51,108,333	50,518,805
Capital projects funds	238,997,063	225,501,220
Donations	24,795,055	23,294,706
Total investments in general capital assets	\$ 339,940,945	\$ 324,591,708

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$42,550 at 9/30/2007 and at 9/30/2006 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, 2007**

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements Other Than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>GENERAL GOVERNMENT</b>							
Legislative	\$ -	\$ -	\$ -	\$ 64,902	\$ -	\$ -	\$ 64,902
Executive	-	-	-	57,210	-	-	57,210
Judicial	-	-	-	155,483	-	-	155,483
Total general government	-	-	-	277,595	-	-	277,595
<b>STAFF AGENCIES</b>							
Finance	-	-	-	37,991	-	-	37,991
Planning and development	-	-	-	95,752	-	-	95,752
Human Resources	-	-	-	24,277	-	-	24,277
Public works	214,700	901,195	39,968	1,128,219	-	-	2,284,082
Information Services	-	-	-	212,530	-	-	212,530
General government buildings	2,216,727	5,856,483	1,044,359	214,344	-	-	9,331,913
Total staff agencies	2,431,427	6,757,678	1,084,327	1,713,113	-	-	11,986,545
<b>PUBLIC SAFETY</b>							
Police	67,715	600,263	438,483	4,394,854	-	-	5,501,315
Fire	126,300	6,569,802	527,693	8,611,804	-	-	15,835,599
Permit Center	-	-	-	163,330	-	-	163,330
Total public safety	194,015	7,170,065	966,176	13,169,988	-	-	21,500,244
Streets	-	-	-	3,190,430	184,241,048	6,202,959	193,634,437
Recreation	8,217,204	3,343,740	10,198,335	1,245,458	-	-	23,004,737
Community service	5,000	2,549,579	-	5,505	-	-	2,560,084
Sanitation and waste	997,957	294,766	10,944,592	6,036,972	26,299,293	41,543,406	86,116,986
Total capital assets allocated to functions	\$ 11,845,603	\$ 20,115,828	\$ 23,193,430	\$ 25,639,061	\$ 210,540,341	\$ 47,746,365	\$ 339,080,628

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$42,550 9/30/2007 and at 9/30/2006 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, 2007**

<u>Function and Activity</u>	<u>General Capital Assets 9/30/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Capital Assets 9/30/2007</u>
<b>GENERAL GOVERNMENT</b>				
Legislative	\$ 64,902.00	\$ -	\$ -	\$ 64,902.00
Executive	58,722	-	(1,512)	57,210
Judicial	187,508	-	(32,025)	155,483
Total general government	<u>311,132</u>	<u>-</u>	<u>(33,537)</u>	<u>277,595</u>
<b>STAFF AGENCIES</b>				
Finance	200,844	-	(162,853)	37,991
Planning and Development	101,134	-	(5,382)	95,752
Human Resources	24,277	-	-	24,277
Public Works	2,328,909	155,976	(200,803)	2,284,082
Information Services	286,836	4,095	(78,401)	212,530
General Government	9,440,149	56,008	(164,244)	9,331,913
Total staff agencies	<u>12,382,149</u>	<u>216,079</u>	<u>(611,683)</u>	<u>11,986,545</u>
<b>PUBLIC SAFETY</b>				
Police	4,787,634	1,003,949	(290,268)	5,501,315
Fire	14,578,086	1,455,258	(197,745)	15,835,599
Permit Center	173,415	19,708	(29,793)	163,330
Total public safety	<u>19,539,135</u>	<u>2,478,915</u>	<u>(517,806)</u>	<u>21,500,244</u>
Streets	185,672,124	15,795,877	(7,678,563)	193,789,438
Recreation	24,406,607	295,358	(1,697,228)	23,004,737
Community service	2,560,084	-	-	2,560,084
Sanitation and waste	79,720,476	9,212,126	(2,970,617)	85,961,985
	<u>292,359,291</u>	<u>25,303,361</u>	<u>(12,346,408)</u>	<u>305,316,244</u>
Total capital assets allocated to functions	<u>\$ 324,591,707</u>	<u>\$ 27,998,355</u>	<u>\$ (13,509,434)</u>	<u>\$ 339,080,628</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$42,550 at 9/30/2007 and at 9/30/2006 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)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 128,839	\$ 152,255	\$ 168,278	\$ 185,082	\$ 160,853
Restricted	32,366	19,721	12,216	10,597	48,485
Unrestricted	58,861	57,247	64,114	60,816	64,136
Total governmental activities net assets	<u>\$ 220,066</u>	<u>\$ 229,223</u>	<u>\$ 244,608</u>	<u>\$ 256,495</u>	<u>\$ 273,474</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 51,769	\$ 51,800	\$ 50,605	\$ 51,436	\$ 59,165
Restricted	-	-	-	-	-
Unrestricted	5,609	4,661	8,442	14,134	5,716
Total governmental activities net assets	<u>\$ 57,378</u>	<u>\$ 56,461</u>	<u>\$ 59,047</u>	<u>\$ 65,570</u>	<u>\$ 64,881</u>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	\$ 180,608	\$ 204,055	\$ 218,883	\$ 236,518	\$ 220,018
Restricted	32,366	19,721	12,216	10,597	48,485
Unrestricted	64,470	61,908	72,556	74,950	69,852
Total governmental activities net assets	<u>\$ 277,444</u>	<u>\$ 285,684</u>	<u>\$ 303,655</u>	<u>\$ 322,065</u>	<u>\$ 338,355</u>

\* Note GASB 34 adopted in 2003.

**CITY OF LAKE CHARLES, LOUISIANA**

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

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 4,038,040	\$ 4,018,106	\$ 3,812,105	\$ 4,024,194	\$ 4,102,319
Public safety	21,844,723	24,747,219	26,919,170	29,515,842	28,708,138
Public works	20,060,175	21,492,315	20,693,262	28,642,450	24,449,739
Planning and development	2,041,589	2,300,829	2,308,019	2,325,223	2,729,542
General services	2,918,382	3,287,536	3,428,701	6,975,121	5,901,532
Community services	4,832,960	4,564,296	4,928,356	10,314,122	5,814,605
Interest in long-term debt	698,206	787,407	1,074,675	1,324,532	1,997,185
Total governmental activities	<u>56,434,075</u>	<u>61,197,708</u>	<u>63,164,288</u>	<u>83,121,484</u>	<u>73,703,060</u>
<b>Business-type activities</b>					
Civic center	2,824,504	2,884,374	2,987,398	2,813,459	3,101,741
Golf Course	1,140,382	1,108,015	1,185,076	1,192,880	1,299,432
Transit	1,423,950	1,472,038	1,481,491	1,662,242	1,996,952
Water	6,744,973	6,844,008	7,045,612	7,757,623	8,144,570
Total business-type activities	<u>12,133,809</u>	<u>12,308,435</u>	<u>12,699,577</u>	<u>13,426,204</u>	<u>14,542,695</u>
<b>Total primary government</b>	<u>\$ 68,567,884</u>	<u>\$ 73,506,143</u>	<u>\$ 75,863,865</u>	<u>\$ 96,547,688</u>	<u>\$ 88,245,755</u>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General government	\$ 3,915,263	\$ 4,214,680	\$ 4,188,998	\$ 4,431,182	\$ 4,874,140
Public works	4,408,335	4,968,936	5,516,777	5,618,552	5,691,800
Other activities	622,125	642,863	804,172	886,296	1,221,578
Operating grants and contributions	3,414,244	3,866,738	5,168,349	15,728,027	3,968,837
Capital grants and contributions	3,534,093	655,627	802,681	5,076,055	4,472,089
Total governmental activity program revenues	<u>15,894,060</u>	<u>14,348,844</u>	<u>16,480,977</u>	<u>31,740,112</u>	<u>20,228,444</u>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Civic center	920,085	911,255	845,555	533,072	932,746
Golf Course	1,069,405	1,010,247	1,038,192	1,009,908	1,046,555
Transit	75,269	66,577	73,227	62,086	80,615
Water	6,320,793	6,691,436	6,898,120	6,379,993	6,286,427
Operating grants and contributions	678,085	764,235	798,193	1,287,219	1,272,010
Capital grants and contributions	303,005	-	-	5,293,304	256,761
Total business-type activity program revenues	<u>9,366,642</u>	<u>9,443,750</u>	<u>9,653,287</u>	<u>14,565,582</u>	<u>9,875,114</u>
<b>Total primary government program revenues</b>	<u>\$ 25,260,702</u>	<u>\$ 23,792,594</u>	<u>\$ 26,134,264</u>	<u>\$ 46,305,694</u>	<u>\$ 30,103,558</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$(40,540,015)	\$(46,848,864)	\$(46,683,311)	\$(51,381,372)	\$(53,474,616)
Business-type activities	(2,767,167)	(2,864,685)	(3,046,290)	1,139,378	(4,667,581)
<b>Total primary government net expenses</b>	<u>\$(43,307,182)</u>	<u>\$(49,713,549)</u>	<u>\$(49,729,601)</u>	<u>\$(50,241,994)</u>	<u>\$(58,142,197)</u>

\* Note GASB 34 adopted in 2003.

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 5,755,614	\$ 5,888,574	\$ 5,895,575	\$ 5,953,207	\$ 6,536,673
Sales taxes	33,219,743	36,119,596	38,271,946	47,667,615	44,710,221
Franchise taxes	4,729,600	4,856,252	5,099,288	6,038,709	5,821,514
Riverboat taxes	6,429,373	6,682,497	7,706,108	3,024,702	6,961,367
Grants and contributions not restricted to specific programs	179,446	187,044	180,156	205,557	284,017
Interest and investment earnings	1,648,176	1,636,726	1,680,895	3,465,720	5,258,465
Miscellaneous	1,492,275	1,865,920	8,330,043	2,652,685	2,902,648
Gain (loss) on sales of capital assets	497,377	85,290	4,700	28,100	102,703
Transfers	(1,489,496)	(1,315,990)	(5,100,256)	(5,767,780)	(2,124,636)
<b>Total governmental activities</b>	<b>52,462,108</b>	<b>56,005,909</b>	<b>62,068,455</b>	<b>63,268,515</b>	<b>70,452,972</b>
Business-type activities:					
Grants and contributions not restricted to specific programs					
	200,000	479,765	200,000	190,000	200,000
Interest and investment earnings	102,706	122,601	147,277	362,990	589,768
Miscellaneous	65,200	28,095	184,062	640,010	1,064,948
Gain (loss) on sales of capital assets	(10,573)	1,647	-	(1,577,138)	-
Transfers	1,489,496	1,315,990	5,100,256	5,767,780	2,124,636
<b>Total business type activities</b>	<b>1,846,829</b>	<b>1,948,098</b>	<b>5,631,595</b>	<b>5,383,642</b>	<b>3,979,352</b>
<b>Total primary government</b>	<b>\$ 54,308,937</b>	<b>\$ 57,954,007</b>	<b>\$ 67,700,050</b>	<b>\$ 68,652,157</b>	<b>\$ 74,432,324</b>
<b>Change in Net Assets</b>					
Governmental activities	\$ 11,922,093	\$ 9,157,045	\$ 15,385,144	\$ 11,887,143	\$ 16,978,356
Business-type activities	(920,338)	(916,587)	2,585,305	6,523,020	(688,229)
<b>Total primary government</b>	<b>\$ 11,001,755</b>	<b>\$ 8,240,458</b>	<b>\$ 17,970,449</b>	<b>\$ 18,410,163</b>	<b>\$ 16,290,127</b>



**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>
1998	\$ 4,826,145	\$ 12,282,721	\$ 12,282,721	\$ 3,051,254
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

Note: 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.

<b>Riverboat Gaming Tax</b>	<b>Electric Utility Franchise</b>	<b>Gas Utility Franchise</b>	<b>Cable Television Franchise</b>
\$ 5,352,200	\$ 3,144,286	\$ 393,389	\$ 430,158
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

# CITY OF LAKE CHARLES, LOUISIANA

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 347,277	\$ 348,793	\$ 271,147	\$ 251,448	\$ 292,332	\$ 624,873	\$ 267,009	\$ 215,028	\$ 864,493	\$ 1,999,645
Unreserved	16,881,635	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
Total General Fund	<u>\$17,228,912</u>	<u>\$17,346,432</u>	<u>\$16,249,000</u>	<u>\$23,261,702</u>	<u>\$24,556,399</u>	<u>\$24,661,490</u>	<u>\$25,748,210</u>	<u>\$27,937,341</u>	<u>\$27,700,429</u>	<u>\$ 31,486,478</u>
All other governmental funds										
Reserved	\$ 9,314,919	\$ 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
Unreserved, reported in:										
Special revenue funds	4,864,603	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
Capital projects funds	17,648,630	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
Total all other governmental funds	<u>\$31,828,152</u>	<u>\$33,118,767</u>	<u>\$33,773,022</u>	<u>\$41,963,998</u>	<u>\$49,886,960</u>	<u>\$71,910,435</u>	<u>\$55,547,995</u>	<u>\$51,508,720</u>	<u>\$45,689,649</u>	<u>\$ 83,765,602</u>
Total all governmental funds	<u>\$49,057,064</u>	<u>\$50,465,199</u>	<u>\$50,022,022</u>	<u>\$65,225,700</u>	<u>\$74,443,359</u>	<u>\$96,571,925</u>	<u>\$81,296,205</u>	<u>\$79,446,061</u>	<u>\$73,390,078</u>	<u>\$115,252,080</u>

\* 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

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Revenues:</b>										
Taxes	\$40,062,588	\$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
Licenses and permits	4,450,105	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
Intergovernmental	4,912,306	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
Charges for services	3,222,346	3,222,346	3,472,143	3,604,664	4,659,723	6,031,983	6,695,931	7,425,881	7,497,818	8,334,042
Fines and forfeitures	388,801	337,943	382,337	405,332	266,816	234,003	253,528	257,762	257,462	276,359
Miscellaneous	4,480,686	5,171,075	4,445,087	6,072,823	3,550,816	4,419,902	3,283,237	8,280,461	8,508,921	9,886,132
Total revenues	57,525,667	62,288,106	61,432,302	69,045,970	63,622,504	71,269,523	71,528,988	82,514,140	100,091,890	91,184,553
<b>Expenditures:</b>										
Current operating:										
General government	1,808,571	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
Finance	1,034,447	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
Human Resources	227,847	279,545	311,165	312,725	259,088	274,577	253,787	276,304	308,001	292,767
Fire	6,772,555	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
Police	8,742,525	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
Public works	12,047,984	12,416,759	13,294,908	12,940,959	13,688,621	14,721,471	15,407,571	15,766,960	15,026,989	18,974,532
Planning and development	1,664,167	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
Community services	2,756,989	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
General services	2,006,759	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
Capital projects	13,862,739	18,921,835	17,412,043	9,867,954	9,913,457	23,028,578	31,754,246	21,505,295	23,238,997	16,341,943
Debt service:										
Principal retirement	75,277	1,085,235	949,562	921,909	855,861	945,967	1,910,667	2,038,438	2,566,162	2,500,302
Bond issuance costs	350,472	606,531	700,878	664,164	629,940	698,206	787,407	1,074,675	1,281,554	621,817
Interest and fiscal charges	180,771	180,771	180,771	180,771	180,771	180,771	180,771	180,771	180,771	180,771
Total expenditures	51,531,103	58,228,436	59,459,062	51,714,714	53,759,379	71,784,759	84,855,706	78,903,892	99,780,092	82,230,501
Excess (deficiency) of revenues over expenditures	5,994,564	4,059,670	1,973,240	17,331,256	9,862,625	(515,236)	(13,326,718)	3,608,248	311,798	8,954,052
<b>Other financing sources (uses):</b>										
Transfers in	25,854,199	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
Transfers out	(28,087,804)	(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)
Issuance of debt	12,653,000	-	-	-	-	25,000,000	-	-	700,000	34,480,000
Premium on issuance of debt	(12,304,528)	-	-	-	-	-	-	-	-	1,102,586
Payment to refunded pension oblig	(1,883,133)	(2,651,535)	(2,416,417)	(2,127,578)	(644,967)	22,643,802	(1,949,002)	(5,458,393)	(6,367,780)	32,907,950
Total other financing sources(uses)	\$ 4,111,431	\$ 1,408,135	\$ (443,177)	\$ 5,203,678	\$ 9,217,658	\$ 22,128,566	\$ (1,850,145)	\$ (1,850,145)	\$ (6,055,982)	\$ 41,862,002
Net change in fund balances	1.61%	4.30%	3.93%	3.79%	3.39%	3.36%	5.11%	5.57%	5.16%	7.18%
Debt service as a percentage of noncapital expenditures										

**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)	Quarter cent Employee's Pay	Riverboat Gaming	Electric Utility	Gas Utility	Cable Television
1998	\$ 4,826,145	\$12,282,721	\$12,282,721	\$ 3,051,254	\$ 5,352,200	\$ 3,144,286	\$ 393,389	\$ 430,158
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

**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
1998	1997	\$ 204,832,650	\$ 2,048,326,500	\$ 77,534,440	\$ 516,896,267
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

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 and 2004.

Source: Calcasieu Parish Tax Assessor

<b>Public Utilities</b>		<b>Total all Property</b>		<b>Total Direct Tax Rate</b>	<b>Assessed Value as a Percentage of Actual Value</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
\$ 18,182,000	\$ 72,728,000	\$ 300,549,090	\$ 2,637,950,767	\$ 16.14	11.39%
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	3,648,655,453	16.09	11.27%

# 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 Special Revenue Funds	Debt Service Funds	City Total	General Fund	Debt Service Funds	CPSB Total	Parish Police Jury	Road Districts	Gravity Drainage	Recreation and Com Centers	Fire Protection	Airport Harbor & Terminal	Parish Water & Sewer	Parish Total
1997	1998	16.14	0.00	16.14	18.93	23.10	42.03	42.54	3.93	5.79	0.00	11.54	9.07	26.83	99.70
1998	1999	16.14	0.00	16.14	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	16.14	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	16.43	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	16.43	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	16.43	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	16.43	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	16.09	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	16.09	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	16.09	18.72	25.5	44.22	47.21	3.88	5.79	7.40	11.54	8.80	20.39	105.01

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, 2006 and December 31, 1997  
for Fiscal Year Ended September 30, 2007 and September 30, 1998

Taxpayer	Type of Business	2007			1998		
		Assessed	Rank	Percentage of Total Valuation	Assessed	Rank	Percentage
		Valuation 2006			Valuation 1997		of Total Valuation
PNK (Lake Charles) LLC	Hotel and Casino	\$33,163,960	1	7.74 %	\$0	0	0.00 %
Wal-Mart Stores	Retail	9,880,780	2	2.31	2,854,770	8	1.28
Bell South Telecommunications	Telephone	8,886,950	3	2.07	10,746,220	2	4.81
Capital One * Hibernia in 1996	Bank	6,823,020	4	1.59	6,488,920	3	2.90
Entergy Gulf States Inc.	Electric utility	6,319,220	5	1.47	4,286,230	5	1.92
Harrah's Entertainment Inc * Players in 1997	Riverboat Casino	5,847,550	6	1.36	11,320,550	1	5.07
Simon, Melvin & Associates	Shopping mall	3,696,090	7	0.86	2,532,500	9	1.13
JP Morgan Chase Bank NA * Bank One in 1996	Bank	3,375,780	8	0.79	3,416,650	6	1.53
Cameron State Bank	Bank	3,242,380	9	0.76	0	0	0.00
Women's & Children's Hospital	Hospital	<u>2,807,180</u>	10	0.65	<u>0</u>	<u>0</u>	<u>0.00</u>
		<u>\$84,042,910</u>		<u>19.61 %</u>	<u>\$41,645,840</u>		<u>18.64%</u>

2006 Total city valuation: \$428,612,770

1997 Total city valuation: \$223,374,270

Source: Calcasieu Parish Tax Collector



# CITY OF LAKE CHARLES, LOUISIANA

## Property Tax Levies and Collections

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Less: Cancellations and Reductions</u>	<u>Net Tax Levy</u>
1998	1997	\$ 4,880,549	\$ 39,602	\$ 4,840,947
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	2,006	9,702,002	47,920	9,654,082

Source: Calcasieu Parish Tax Assessor

<b>Less: Outstanding Delinquent Taxes</b>	<b>Net Total Taxes Collected</b>	<b>Percent of Net Taxes Collected</b>	<b>Percent of Delinquent Taxes to Net Levy</b>
\$ 40,083	\$ 4,800,864	99.17 %	0.83 %
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

**CITY OF LAKE CHARLES, LOUISIANA**

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Special Assessment Debt</b>	<b>Pension Refunding Bonds</b>	<b>LCDA Sewer Bonds</b>	<b>LCDA Public Improvement Bonds</b>	<b>Total Bonded Debt</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
1998	\$ 128,459	\$ 12,655,000	\$ -	\$ -	\$ 12,783,459	0.80%	\$ 169
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

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 111 for personal income and population data.

**CITY OF LAKE CHARLES, LOUISIANA**

Computation of Direct and Overlapping

General Obligation Bonded Debt

As of September 30, 2007

<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	\$0	100 %	\$0
Calcasieu Parish School Board	193,165,000	32.678%	63,121,669
Calcasieu Parish Library Bonds	0	32.678%	0
Calcasieu Parish Police Jury	<u>0</u>	32.678%	<u>0</u>
Total Direct and Overlapping General Obligation Bonded Debt	<u><u>\$193,165,000</u></u>		<u><u>\$63,121,669</u></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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$28,634	\$26,652	\$28,404	\$29,788	\$32,066	\$32,809	\$33,250	\$37,769	\$35,960	\$ 31,773
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$28,634</u>	<u>\$26,652</u>	<u>\$28,404</u>	<u>\$29,788</u>	<u>\$32,066</u>	<u>\$32,809</u>	<u>\$33,250</u>	<u>\$37,769</u>	<u>\$35,960</u>	<u>\$ 31,773</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 2007**

(amounts expressed in thousands)

Assessed value	\$286,948
Add back: exempt real property	<u>30,779</u>
Total assessed value	<u>\$317,727</u>
Debt limit (10% of total assessed value)	\$ 31,773
Total outstanding General Obligation Bonds of City of Lake Charles	<u>-</u>
Legal capacity of City of Lake Charles for General Obligation Bonds	<u>\$ 31,773</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 \$3,300,000 outstanding bonded debt at September 30, 2006. 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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (amts in thousands)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age</u>	<u>Public City School Enrollment (K-12 Grades)</u>	<u>Private City School Enrollment (K-12 Grades)</u>	<u>Total City School Enrollment (K-12 Grades)</u>	<u>Unemployment Percentage Rate</u>
1997	75,743	\$ 1,607,645	\$ 21,225	32.1	14,696	2,820	17,516	5.0 %
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	17,377	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	71,741	2,370,897	33,048	36.4	12,952	2,556	15,508	3.0

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 2007

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Calcasieu Parish School Board	Education	4,000
Citgo Petroleum	Oil Products	2,700
Pinnacle Entertainment	Gaming	2,000
Memorial Hospital	Health Care	1,700
St. Patrick's Hospital	Health Care	1,500
PPG Industries	Basic Chemical	1,500
Conoco	Refinery Products	1,200
City of Lake Charles	City Government	973
Calcasieu Parish Police Jury	Parish Government	950
Stine Lumber Company	Building Materials	660

Source: Imperial Calcasieu Regional Planning and Development

MSA: Metropolitan Statistical Area includes all of Calcasieu Parish

Information on 1996 top ten employers not available.

**CITY OF LAKE CHARLES, LOUISIANA**  
 Full-time Equivalent City Employees by Function  
 Last Ten Fiscal Years

<u>Functions/Programs</u>	<u>Full-time Equivalent Employees as of September 30</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government	43	42	42	40	41	44	45	45	46	46
Finance (includes Water business office)	30	38	38	37	30	30	30	30	30	30
Human Resources	4	5	5	6	5	5	5	5	5	5
Public safety										
Fire	129	135	147	147	147	147	176	190	190	190
Police	179	179	181	176	176	182	192	194	194	194
Public works	153	153	166	166	167	166	166	166	167	166
Waste water	51	51	55	58	59	61	60	61	64	64
Transit	17	16	16	16	17	19	19	19	19	19
Water utility	64	56	52	50	56	56	57	57	57	57
Planning and development	24	24	25	25	25	24	24	24	25	27
General services	30	32	32	31	34	32	31	30	29	30
Community Services	77	78	81	80	79	77	76	76	78	78
<b>Total</b>	<b>801</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>

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**

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police:										
Stations	4	4	4	4	4	4	4	4	4	4
Patrol Units	80	80	82	82	82	85	90	90	90	90
Fire stations	7	7	7	7	7	7	9	9	9	9
Sanitation										
Collection trucks	15	15	16	17	16	16	24	24	22	22
Highways and streets										
Streets (miles)	400	400	400	400	483	483	483	483	483	460
* Streetlights									9,229	9,285
* Traffic signals									123	123
Culture and recreation										
Parks acreage	561	561	561	561	453	453	453	453	453	453
Parks	29	29	29	29	34	34	34	34	34	34
Swimming pools	3	2	2	2	2	2	2	2	2	2
Community cntrs /tennis court	6	6	6	6	6	6	6	6	6	6
Community centers	13	13	13	13	13	13	13	12	12	12
Water										
* Water mains (miles)									410	450
* Fire hydrants									2500	2800
* Maximum daily capacity (millions of gallons per day)									23	22
* Actual daily consumption (millions of gallons per day)					9.95	9.62	11.04	12.87	11.35	9.53
Sewer										
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

Source: Lake Charles city directory and local city sources

\* Prior year statistics not available.