

**CITY OF OPELOUSAS, LOUISIANA****Financial Report****Year Ended August 31, 2012**

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

Release Date MAY 08 2013

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA,PFS,CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Cheryl L. Bartley, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dauzat, CPA  
Matthew E. Margaglio, CPA  
Jane R. Hebert, CPA  
Bryan K. Joubert, CPA  
Stephen J. Anderson, CPA  
W. Jeffrey Lowry, CPA

Retired:  
Conrad O. Chapman, CPA\* 2006  
Tynes E. Mixon, Jr., CPA 2011

\* A Professional Accounting Corporation

## OFFICES

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

408 West Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2782  
Fax (337) 363-3049

133 East Waddell St.  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE

[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

## INDEPENDENT AUDITORS' REPORT

The Honorable Donald Cravins, Sr., Mayor  
and Members of the Board of Aldermen  
City of Opelousas, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2012, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, each major fund and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of August 31, 2012, and the respective changes in financial position and, cash flows, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2013, on our consideration of the City of Opelousas, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 49 and 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Opelousas, Louisiana has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement to the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Opelousas, Louisiana's financial statements as a whole. The other supplementary information on pages 53 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other financial information and supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedule of the number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them. The prior year comparative information on the other supplementary information has been derived from the City of Opelousas, Louisiana's 2011 financial statements and was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 27, 2013

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

# CITY OF OPELOUSAS, LOUISIANA

## Statement of Net Assets

August 31, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 2,994,192	\$ 1,444,766	\$ 4,438,958
Receivables, net	655,611	1,714,821	2,370,432
Internal balances	293,559	(293,559)	-
Due from other governmental units	393,097	-	393,097
Inventory	36,754	27,563	64,317
Restricted assets:			
Cash and interest-bearing deposits	63,454	5,126,226	5,189,680
Bond issue costs, net	-	323,389	323,389
Capital assets, net	<u>17,948,615</u>	<u>24,128,970</u>	<u>42,077,585</u>
Total assets	<u>22,385,282</u>	<u>32,472,176</u>	<u>54,857,458</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,600,111	171,594	1,771,705
Interest payable	2,042	-	2,042
Due to other government units	394,471	-	394,471
Payable from restricted assets	506,534	904,248	1,410,782
Taxes paid under protest	3,044	-	3,044
Long-term liabilities:			
Due within one year	325,534	765,824	1,091,358
Due in more than one year	<u>5,279,111</u>	<u>15,356,644</u>	<u>20,635,755</u>
Total liabilities	<u>8,110,847</u>	<u>17,198,310</u>	<u>25,309,157</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	13,171,128	8,394,960	21,566,088
Restricted for:			
Debt service	320,607	1,678,803	1,999,410
Construction	-	1,910,136	1,910,136
Grant provisions	-	275,715	275,715
Unrestricted	<u>782,700</u>	<u>3,014,252</u>	<u>3,796,952</u>
Total net assets	<u>\$ 14,274,435</u>	<u>\$ 15,273,866</u>	<u>\$ 29,548,301</u>

The accompanying notes are an integral part of the basic financial statements.



CITY OF OPELOUSAS, LOUISIANA

Statement of Activities  
For the Year Ended August 31, 2012

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>							
General government	\$ 2,629,697	\$ -	\$ -	\$ 63,189	\$ (2,566,508)	\$ -	\$ (2,566,508)
Public safety	9,171,857	279,437	122,194	-	(8,770,226)	-	(8,770,226)
Public works	2,548,260	14,890	-	221,876	(2,311,494)	-	(2,311,494)
Health & welfare	631,742	82,273	38,939	-	(510,530)	-	(510,530)
Culture and recreation	1,708,676	177,751	27,529	-	(1,503,396)	-	(1,503,396)
Economic development	97,607	-	96,455	-	(1,152)	-	(1,152)
Insurance claims and costs	443,918	-	-	-	(443,918)	-	(443,918)
Interest and fees on debt	225,415	-	-	-	(225,415)	-	(225,415)
Total governmental activities	17,457,172	554,351	285,117	285,065	(16,332,639)	-	(16,332,639)
<b>Business-type activities:</b>							
Electric Light and Waterworks	3,133,903	5,549,767	-	10,230	-	2,426,094	2,426,094
Sewer	1,787,676	1,825,180	-	-	-	37,504	37,504
ORECD	60	-	-	-	-	(60)	(60)
Total business-type activities	4,921,639	7,374,947	-	10,230	-	2,463,538	2,463,538
<b>Total</b>	<b>\$ 22,378,811</b>	<b>\$ 7,929,298</b>	<b>\$ 285,117</b>	<b>\$ 295,295</b>	<b>\$ (16,332,639)</b>	<b>\$ 2,463,538</b>	<b>\$ (13,869,101)</b>
<b>General revenues:</b>							
Taxes -							
Ad valorem taxes, levied for general purposes					922,734	-	922,734
Sales and use taxes, levied for general purposes					8,830,928	-	8,830,928
Franchise taxes					1,116,172	-	1,116,172
Hotel / motel taxes					99,603	-	99,603
Interest and investment earnings					37,578	93,387	130,965
Occupational licenses and other permits					880,161	-	880,161
Racino income					365,526	-	365,526
Video poker revenue					80,619	-	80,619
State beer tax					46,931	-	46,931
Insurance rebate					68,206	-	68,206
Miscellaneous					347,218	2,684	349,902
Loss on capital assets retired					(21,026)	-	(21,026)
Transfers					2,775,753	(2,775,753)	-
Total general revenues and transfers					15,550,403	(2,679,682)	12,870,721
Change in net assets					(782,236)	(216,144)	(998,380)
Net assets - September 1, 2011					15,056,671	15,490,010	30,546,681
Net assets - August 31, 2012					\$ 14,274,435	\$ 15,273,866	\$ 29,548,301

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

CITY OF OPELOUSAS, LOUISIANA

Balance Sheet  
Governmental Funds  
August 31, 2012

	General	Sales Tax Special Revenue	Other Governmental	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,625,174	\$ 799,179	\$ 100,156	\$ 2,524,509
Receivables	-	-	239,850	239,850
Due from other funds	875,637	751,557	-	1,627,194
Due from other governmental units	383,572	-	-	383,572
Inventory	36,754	-	-	36,754
Restricted assets:				
Interest-bearing deposits	63,454	-	-	63,454
Total assets	<u>\$2,984,591</u>	<u>\$1,550,736</u>	<u>\$ 340,006</u>	<u>\$ 4,875,333</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,208,856	\$ 3,882	\$ 10,936	\$ 1,223,674
Contracts and retainage payable	90,527	14,826	-	105,353
Accrued compensated absences	41,060	-	-	41,060
Deferred revenue - protest taxes	3,044	-	-	3,044
Due to other funds	462,076	-	36	462,112
Due to other governmental units	394,471	-	-	394,471
Total liabilities	<u>2,200,034</u>	<u>18,708</u>	<u>10,972</u>	<u>2,229,714</u>
Fund balances:				
Nonspendable - inventory	36,754	-	-	36,754
Restricted - debt service	55,203	-	265,404	320,607
Restricted - sales tax dedications	-	1,532,028	-	1,532,028
Assigned - capital expenditures	5,207	-	17,299	22,506
Assigned - health and welfare	-	-	13,245	13,245
Assigned - public safety	-	-	33,086	33,086
Unassigned	687,393	-	-	687,393
Total fund balances	<u>784,557</u>	<u>1,532,028</u>	<u>329,034</u>	<u>2,645,619</u>
Total liabilities and fund balances	<u>\$2,984,591</u>	<u>\$1,550,736</u>	<u>\$ 340,006</u>	<u>\$ 4,875,333</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF OPELOUSAS, LOUISIANA**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
August 31, 2012**

Total fund balances for governmental funds at August 31, 2012	\$ 2,645,619
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Total net assets reported for governmental activities in the statement of net assets is different because:

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

Construction in progress	\$ 369,393	
Land	1,835,029	
Buildings, net of \$3,317,621 accumulated depreciation	5,367,314	
Improvements other than buildings, net of \$6,917,078 accumulated depreciation	7,697,701	
Equipment and machinery, net of \$3,190,038 accumulated depreciation	<u>2,679,178</u>	17,948,615

Long-term liabilities at August 31, 2012:

Capital lease payable	(347,694)	
Bonds payable	(4,285,675)	
Compensated absences	(712,872)	
Municipal Police Employees Retirement Payable	<u>(217,344)</u>	(5,563,585)

Interest payable on accrual basis		(2,042)
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Net assets of the group self-insurance internal service fund of \$(814,091) less net capital assets included above of \$3,614		<u>(754,172)</u>
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Total net assets of governmental activities at August 31, 2012	<u>\$ 14,274,435</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds

For the Year Ended August 31, 2012

	General	Sales Tax Special Revenue	Other Governmental	Total
<b>Revenues:</b>				
Taxes	\$ 2,140,141	\$ 8,830,928	\$ -	\$ 10,971,069
Licenses and permits	880,161	-	-	880,161
Intergovernmental	1,287,152	-	102,128	1,389,280
Public Safety	-	-	23,933	23,933
Charges for services	148,630	-	-	148,630
Fines and forfeits	74,669	-	-	74,669
Investment earnings	-	-	1,183	1,183
Other	406,832	6,818	-	413,650
Total revenues	<u>4,937,585</u>	<u>8,837,746</u>	<u>127,244</u>	<u>13,902,575</u>
<b>Expenditures:</b>				
Current -				
General government	2,088,646	452,317	230,324	2,771,287
Public safety	9,049,230	-	4,949	9,054,179
Public works	1,782,051	-	-	1,782,051
Health and welfare	537,365	-	44,908	582,273
Culture and recreation	1,552,061	-	-	1,552,061
Economic development	99,484	-	-	99,484
Capital outlay	352,641	56,141	63,189	471,971
Debt service -				
Principal retirement	525,960	-	-	525,960
Interest and fiscal charges	204,275	-	-	204,275
Issuance costs	110,994	-	-	110,994
Total expenditures	<u>16,302,707</u>	<u>508,458</u>	<u>343,370</u>	<u>17,154,535</u>
Excess (deficiency) of revenues over expenditures	<u>(11,365,122)</u>	<u>8,329,288</u>	<u>(216,126)</u>	<u>(3,251,960)</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of bonds	4,430,000	-	-	4,430,000
Payment to escrow agent	(3,840,000)	-	-	(3,840,000)
Sale of capital assets	11,633	-	-	11,633
Transfers in	11,173,278	-	-	11,173,278
Transfers out	-	(8,397,525)	-	(8,397,525)
Total other financing sources (uses)	<u>11,774,911</u>	<u>(8,397,525)</u>	<u>-</u>	<u>3,377,386</u>
Net changes in fund balances	409,789	(68,237)	(216,126)	125,426
Fund balances, beginning	<u>374,768</u>	<u>1,600,265</u>	<u>545,160</u>	<u>2,520,193</u>
Fund balances, ending	<u>\$ 784,557</u>	<u>\$ 1,532,028</u>	<u>\$ 329,034</u>	<u>\$ 2,645,619</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended August 31, 2012

Total net changes in fund balances for the year ended August 31, 2012	
Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 125,426

The change in net assets reported for governmental activities in the statement of activities is different because:

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	471,971	
Depreciation expense for the year ended August 31, 2012	<u>(1,195,964)</u>	(723,993)
Difference between proceeds from the sale of assets on the Statement of Revenues, Expenditures and Changes in Fund Balances and the Gain on Disposal of Assets on the Statement of Activities		(28,704)
Bond principal retirement considered an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		4,225,000
Net loss of the Internal Service Funds not included on Statement of Activities		(430,239)
Decrease in long-term compensated absences		98,368
Bond issuance costs		110,994
Amortization of bond issue costs		(4,676)
Bond proceeds which are considered revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balances		(4,430,000)
Capital lease retirement considered an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		140,960
Changes in other long-term debt -		
Municipal Police Employees' Retirement payable	133,114	
Interest payable	<u>1,514</u>	<u>134,628</u>

Total changes in net assets at August 31, 2012 per Statement of Activities	\$ <u>(782,236)</u>
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The accompanying notes are an integral part of the basic financial statements.

## CITY OF OPELOUSAS, LOUISIANA

Statement of Net Assets - Proprietary Funds  
August 31, 2012

	Business -Type Activities - Enterprise Funds				Governmental
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 613,990	\$ 661,935	\$ 168,841	\$ 1,444,766	\$ 663,277
Receivables, net					
Customers	733,829	662,723	-	1,396,552	-
Notes	-	-	93,959	93,959	-
Other	211,395	-	12,915	224,310	425,286
Due from other funds	27,937	-	-	27,937	-
Inventories	27,356	207	-	27,563	-
Total current assets	1,614,507	1,324,865	275,715	3,215,087	1,088,563
Noncurrent assets:					
Restricted assets -					
Cash and cash equivalents	5,078,187	48,039	-	5,126,226	-
Capital assets, net of accumulated depreciation	12,236,255	11,892,715	-	24,128,970	3,614
Deferred financing costs	310,732	12,657	-	323,389	-
Total noncurrent assets	17,625,174	11,953,411	-	29,578,585	3,614
Total assets	\$19,239,681	\$13,278,276	\$275,715	\$32,793,672	\$1,092,177
LIABILITIES					
Current liabilities (payable from current assets):					
Cash overdraft	-	-	-	-	193,594
Accounts payable	99,183	72,411	-	171,594	271,084
Claims payable	-	-	-	-	506,534
Compensated absences	11,925	2,899	-	14,824	-
Due to other funds	273,041	48,455	-	321,496	871,523
Bonds payable	-	166,000	-	166,000	-
Total	384,149	289,765	-	673,914	1,842,735
Current liabilities (payable from restricted assets):					
Bonds payable	585,000	-	-	585,000	-
Construction payable	89,600	-	-	89,600	-
Customers' meter deposits	814,648	-	-	814,648	-
Total	1,489,248	-	-	1,489,248	-
Total current liabilities	1,873,397	289,765	-	2,163,162	1,842,735
Noncurrent liabilities:					
Revenue bonds payable	7,895,000	7,411,399	-	15,306,399	-
Compensated absences	38,191	12,054	-	50,245	-
Total noncurrent liabilities	7,933,191	7,423,453	-	15,356,644	-
Total liabilities	9,806,588	7,713,218	-	17,519,806	1,842,735
NET ASSETS					
Invested in capital assets, net of related debt	4,066,987	4,327,973	-	8,394,960	-
Restricted for:					
Insurance claims	-	-	-	-	(750,558)
Bond retirement	1,678,803	-	-	1,678,803	-
Construction	1,910,136	48,039	-	1,958,175	-
Grant provisions	-	-	275,715	275,715	-
Unrestricted	1,777,167	1,189,046	-	2,966,213	-
Total net assets (deficit)	9,433,093	5,565,058	275,715	15,273,866	(750,558)
Total liabilities and net assets	\$19,239,681	\$13,278,276	\$275,715	\$32,793,672	\$1,092,177

The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended August 31, 2012

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services					
Utilities	\$ 5,118,361	\$ 1,792,090	\$ -	\$ 6,910,451	\$ -
Interest	-	-	3,824	3,824	-
Premiums	-	-	-	-	2,530,783
Other	55,208	33,090	-	88,298	4,771
Total operating revenues	<u>5,173,569</u>	<u>1,825,180</u>	<u>3,824</u>	<u>7,002,573</u>	<u>2,535,554</u>
Operating expenses:					
Personal services	914,525	236,858	-	1,151,383	-
Supplies and materials	277,192	33,097	60	310,349	-
Other services and charges	841,525	452,233	-	1,293,758	2,978,233
Repairs and maintenance	30,137	131,694	-	161,831	-
Depreciation and amortization	692,460	636,360	-	1,328,820	1,239
Total operating expenses	<u>2,755,839</u>	<u>1,490,242</u>	<u>60</u>	<u>4,246,141</u>	<u>2,979,472</u>
Operating income (loss)	<u>2,417,730</u>	<u>334,938</u>	<u>3,764</u>	<u>2,756,432</u>	<u>(443,918)</u>
Nonoperating revenues (expenses):					
Investment income	85,792	3,771	-	89,563	13,679
Cleco surcharge	376,198	-	-	376,198	-
Miscellaneous	2,684	-	-	2,684	-
Interest and fiscal charges	<u>(378,064)</u>	<u>(297,434)</u>	<u>-</u>	<u>(675,498)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>86,610</u>	<u>(293,663)</u>	<u>-</u>	<u>(207,053)</u>	<u>13,679</u>
Income (loss) before contributions and transfers	2,504,340	41,275	3,764	2,549,379	(430,239)
Capital contributions	<u>10,230</u>	<u>-</u>	<u>-</u>	<u>10,230</u>	<u>-</u>
Income (loss) before transfers	<u>2,514,570</u>	<u>41,275</u>	<u>3,764</u>	<u>2,559,609</u>	<u>(430,239)</u>
Operating transfers in (out)					
Transfers in	800,000	150,000	-	950,000	-
Transfers out	<u>(3,291,803)</u>	<u>(433,950)</u>	<u>-</u>	<u>(3,725,753)</u>	<u>-</u>
Total operating transfers in (out)	<u>(2,491,803)</u>	<u>(283,950)</u>	<u>-</u>	<u>(2,775,753)</u>	<u>-</u>
Change in net assets	22,767	(242,675)	3,764	(216,144)	(430,239)
Net assets (deficit), beginning	<u>9,410,326</u>	<u>5,807,733</u>	<u>271,951</u>	<u>15,490,010</u>	<u>(320,319)</u>
Net assets (deficit), ending	<u>\$ 9,433,093</u>	<u>\$ 5,565,058</u>	<u>\$ 275,715</u>	<u>\$ 15,273,866</u>	<u>\$ (750,558)</u>

The accompanying notes are an integral part of this statement.



## CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended August 31, 2012

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Cash received from customers	\$ 5,173,891	\$ 1,782,583	\$ 27,368	\$ 6,983,842	\$ 2,365,760
Other receipts	-	-	-	-	4,771
General and administrative expenses paid	-	-	-	-	(19,000)
Cash payments to suppliers for goods and services	(1,177,041)	(610,736)	(65)	(1,787,842)	(2,531,773)
Insurance paid	-	-	-	-	(453,089)
Cash payments to employees for services	(919,418)	(235,731)	-	(1,155,149)	-
Net cash provided (used) by operating activities	<u>3,077,432</u>	<u>936,116</u>	<u>27,303</u>	<u>4,040,851</u>	<u>(633,331)</u>
Cash flows from noncapital financial activities:					
Decrease in cash overdraft	-	-	-	-	193,594
Cash received from other funds	807,830	150,000	-	957,830	66,523
Cash paid to other funds	(3,229,691)	(421,444)	-	(3,651,135)	-
Surcharge and other	391,201	-	-	391,201	-
Net cash provided (used) by noncapital financing activities	<u>(2,030,660)</u>	<u>(271,444)</u>	<u>-</u>	<u>(2,302,104)</u>	<u>260,117</u>
Cash flows from capital and related financing activities:					
Net purchase of fixed assets	(289,665)	(5,937)	-	(295,602)	-
Net principal on revenue bonds paid	(555,000)	(51,277)	-	(606,277)	-
Interest on revenue bonds paid	(378,064)	(297,434)	-	(675,498)	-
Net cash provided (used) by capital and related financing activities	<u>(1,222,729)</u>	<u>(354,648)</u>	<u>-</u>	<u>(1,577,377)</u>	<u>-</u>
Cash flows from investing activities					
Interest on investments	<u>.85,792</u>	<u>3,771</u>	<u>-</u>	<u>89,563</u>	<u>13,679</u>
Net increase (decrease) in cash and cash equivalents	(90,165)	313,795	27,303	250,933	(359,535)
Cash and cash equivalents, beginning of period	<u>5,782,342</u>	<u>396,179</u>	<u>141,538</u>	<u>6,320,059</u>	<u>1,022,812</u>
Cash and cash equivalents, end of period	<u>\$ 5,692,177</u>	<u>\$ 709,974</u>	<u>\$ 168,841</u>	<u>\$ 6,570,992</u>	<u>\$ 663,277</u>

(continued)

## CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds (Continued)  
 For the Year Ended August 31, 2012

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 2,417,730	\$ 334,938	\$ 3,764	\$ 2,756,432	\$ (443,918)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	660,718	632,132	-	1,292,850	1,239
Amortization of bond issuance cost	31,742	4,228	-	35,970	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	72,721	(42,597)	23,544	53,668	(165,023)
(Increase) decrease in inventory	249	255	(5)	499	-
Increase (decrease) in accounts payable	(39,533)	6,033	-	(33,500)	224,645
Increase in construction payable	11,097	-	-	11,097	-
Increase (decrease) in claims payable	-	-	-	-	(250,274)
Increase (decrease) in customers' meter deposits	(72,399)	-	-	(72,399)	-
Increase (decrease) in accrued compensated absences	(4,893)	1,127	-	(3,766)	-
Net cash provided (used) by operating activities	<u>\$ 3,077,432</u>	<u>\$ 936,116</u>	<u>\$ 27,303</u>	<u>\$ 4,040,851</u>	<u>\$ (633,331)</u>

The accompanying notes are an integral part of the basic financial statements.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Opelousas (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. 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 government has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The City of Opelousas, Louisiana, was incorporated under the provisions of the State of Louisiana per LA R.S. 33:321-481. The City operates under the Mayor-Board of Aldermen form of government. In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity." Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The municipality has oversight of other component units that are either, blended into the municipalities' basic financial statements or discretely presented in a separate column in the government-wide financial statements.

##### Blended Component Units

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

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by Statement No. 39 established criteria for determining which component units should be considered part of the City of Opelousas for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship if all of the following conditions exist:
  - a. The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
  - b. The primary government (or its component units) is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
  - c. The economic resources received or held by an individual organization that the specific primary government (or its component units) is entitled to, or has the ability to otherwise access, are significant to that primary government.
4. Organizations that are closely related to, or financially integrated with the primary government.

#### Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria described for blending. Currently, the City has no discretely presented component units.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

Based on the foregoing criteria, the following governmental organizations are not considered part of the City and are thus excluded from the accompanying financial statements for the reasons noted:

The Opelousas Housing Authority was chartered by the City, and its Board of Directors is appointed by the Mayor and Board of Aldermen. However, the City's oversight responsibilities in the management of operations and financial accountability are remote.

The City of Opelousas has no authority over nor is it involved in the record keeping of the Opelousas Volunteer Fire Department.

The Opelousas City Court is operated under the directorship of the Opelousas City Judge who is an elected public official. Revenues are derived from court costs and appropriations from the City's General Fund. However, the City cannot significantly influence operations nor does it have responsibility for fiscal management.

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City of Opelousas' Internal Service Fund is a governmental activity. Internal Service Fund activity is eliminated to avoid "doubling up" revenues and expenses.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

The major funds of the City are described below:

#### Governmental Funds -

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

The Sales Tax Special Revenue Fund is used to account for the proceeds of two separate one percent sales taxes and 0.2 percent sales tax that are legally restricted to expenditures for specific purposes.

#### Proprietary Funds –

The Electric Light and Waterworks Fund accounts for electricity and water services to residents of the City of Opelousas. All activities necessary to provide such services are accounted for in this fund, including but not limited to, operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

The Sewer Fund accounts for sewer services to the City of Opelousas. All activities necessary to provide such services are accounted for in this fund, including but not limited to, operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

Additionally, the City reports the following fund types:

#### Governmental Funds –

##### Special Revenue Funds –

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal, state and local grant entitlement programs

##### Debt Service Funds –

Debt service funds, established to meet the requirements of bond ordinances, are used to account for the accumulation of resources and for the payment of general long-term debt principal, interest, and related costs.

##### Capital Projects Funds –

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

#### Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. The following are the City's proprietary fund types:

##### Enterprise funds

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

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

#### Internal service funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

#### Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.



## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

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 (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### D. Assets, Liabilities and Equity

##### Cash, interest-bearing deposits, and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City.

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

##### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report customer's utility service and interest earnings as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The amount of taxes receivable at year end is not material. The allowance for uncollectible customers' utility receivables was \$551,126 at August 31, 2012. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

## **CITY OF OPELOUSAS, LOUISIANA**

### **Notes to Financial Statements (Continued)**

#### **Interfund receivables and payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

#### **Inventory**

Inventory is valued at cost and is recognized as an expenditure under the consumption method. Under this method, inventories are recorded as expenditures when they are used.

#### **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond August 31, 2012, are recorded as prepaid items.

#### **Restricted Assets**

Restricted assets include cash and interest-bearing deposits of the general fund and proprietary fund that are legally restricted as to their use. The restricted assets in the utility fund are related to the utility meter deposits and revenue bond accounts.

#### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

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

Buildings and improvements	20-60 years
Furniture and equipment	5-15 years
Vehicles	3-15 years
Water system	20-50 years
Sewerage system	20-50 years
Meters	10-20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the public improvement, revenue bonds payable, and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

#### Compensated Absences

The City allows employees to accumulate a maximum of one-third of vacation earned during a calendar year. Unused vacation in excess of one-third shall be automatically added to the employee's sick leave account. They are also allowed to accumulate all of the sick leave they earn during a calendar year. Upon termination or retirement, an employee shall be paid all of his accumulated vacation pay. Upon regular or disability retirement, employees shall be paid, or his beneficiary shall be paid upon employee's death for one-fourth day for each accumulated sick leave day at the regular hourly rate of pay and not exceed one hundred eighty days.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

The employees of the Police Department have 365 days of sick leave a year. Each of these employees earn 144 hours of vacation each year. After ten years of service, field workers get an additional 12 hours each year and office personnel get an additional 8 hours each year not to exceed 240 hours.

The employees of the Fire Department have 365 days of sick leave a year. Each of these employees earn 216 hours of vacation leave per year. After ten years of service these employees get an additional 24 hours each year not to exceed 240 hours. Employees who do not take any sick leave earn an additional 24 hours of vacation leave. Also, employees who do not have any injuries on the job during the year earn an additional 24 hours of vacation leave. Therefore, the maximum vacation an employee can earn is 360 hours. A maximum of one-third of unused vacation shall be accumulated per year.

For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. The City adopted GASB Statement 54 for the year ended August 31, 2011. As such, fund balances of the governmental funds are classified as follows.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in his commitment or assignment actions.

Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

##### Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

#### Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

#### F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 4
Gas, water and sewer revenue	Debt service and utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

#### G. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Mayor.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

#### H. Capitalization of Interest Expense

It is the policy of the City of Opelousas to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At August 31, 2012, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

#### I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### J. Other Post-Employment Benefits (OPEB)

The City does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(2) Ad Valorem Taxes

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the parish. Assessed values are established by the St. Landry Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. For the calendar year ended December 31, 2011, the City levied taxes at 7.03 mills per dollar of assessed valuation on the property within the City for the purpose of providing governmental services other than the payment of principal and interest on long-term debt. The amount of uncollected taxes at year end is not material and has not been booked.

(3) Deficit Net Assets

The following individual funds had deficits in unrestricted net assets at August 31, 2012:

	<u>Deficit Amount</u>
Internal Service Fund A	\$(110,614)
Internal Service Fund G	(352,196)
Health Self Insurance Fund	(972,577)

These deficits will be eliminated by increasing revenues and/or reducing expenditures.

(4) Sales and Use Tax

- A. Proceeds of the 1% sales and use tax levied by authority of a special election held on November 26, 1966 (2012 collections \$4,014,150) are dedicated to the following purposes:

Construction and improving drainage works; purchasing, constructing, and improving public parks and recreational facilities, and acquiring necessary equipment and furnishings therefore; acquiring, constructing, improving, and operating a public library and acquiring the necessary land, equipment, and furnishings therefore; acquiring and constructing waterworks improvements and extensions; opening, constructing, paving, and improving streets and bridges; constructing and purchasing street lighting facilities and acquiring and establishing an industrial park, title to all of which shall be public. Defraying the cost of maintaining sewerage facilities. Providing additional funds not to exceed \$40,000 dollars annually for the payment of salaries for municipal employees.



# CITY OF OPELOUSAS, LOUISIANA

## Notes to Financial Statements (Continued)

- B. Proceeds of the 1% sales and use tax was initially levied by authority of a special election held on April 5, 1975, and was extended through May 31, 2025 (2012 collections \$4,014,150) are dedicated to the following purposes:

To constructing, acquiring, improving and/or maintaining of garbage, waste disposal facilities, and waterworks facilities; to constructing, acquiring, improving and/or maintaining police department stations and facilities, and fire department stations and facilities; to constructing, acquiring, improving, extending and/or maintaining sewers and sewerage disposal works, streets, sidewalks, and bridges; and purchasing and acquiring the necessary land, equipment, and furnishing for any of the aforesaid public works, improvements and facilities, including salaries of employees.

- C. Proceeds of the 2% sales and use tax levied by authority of a special election held on October 3, 1993 (2012 collections \$802,628) are dedicated for construction, acquiring, and improving fire, police and street facilities.

### (5) Cash, Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At August 31, 2012, the City had cash and interest-bearing deposits (book balances) totaling \$9,628,638.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at August 31, 2012, and the related federal insurance and pledged securities:

Institution	Bank Balance	Amount Insured by FDIC	Amount Collateralized by Securities held by 3rd Party Bank	Amount Uncollateralized
American Bank	\$ 3,742,555	\$ 250,005	\$ 3,492,550	\$ -
Hancock Bank	3,723,368	250,000	3,473,368	-
Liberty Bank	<u>3,175,077</u>	<u>250,000</u>	<u>2,801,056</u>	<u>124,021</u>
	<u>\$10,641,000</u>	<u>\$ 750,005</u>	<u>\$ 9,766,974</u>	<u>\$ 124,021</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(6) Receivables

Receivables at August 31, 2012 of \$2,370,432 consist of the following:

	Other Govt Funds	Internal Service Funds	ELWW	Sewer	OREC	Total
Accounts	\$ -	\$ -	\$ 733,829	\$ 662,723	\$ -	\$ 1,396,552
CLECO	-	-	211,395	-	-	211,395
Loans	-	-	-	-	93,959	93,959
Assessments	69,685	-	-	-	-	69,685
Interest	160,640	-	-	-	12,915	173,555
Insurance	-	425,286	-	-	-	425,286
	<u>\$ 230,325</u>	<u>\$ 425,286</u>	<u>\$ 945,224</u>	<u>\$ 662,723</u>	<u>\$ 106,874</u>	<u>\$ 2,370,432</u>

(7) Restricted Assets

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum accounts to be maintained in various sinking funds, and minimum revenue bond coverage. A summary of restricted assets by fund as of August 31, 2012 consist of the following:

	General Fund	Electric Light and Waterworks Fund	Sewer Fund	Total
Construction	\$ 5,207	\$ 1,999,736	\$ 1,813	\$ 2,006,756
Bond sinking accounts	-	27,796	46,226	74,022
Bond reserve accounts	55,203	2,236,007	-	2,291,210
Customers' deposits	-	814,648	-	814,648
Ad valorem taxes paid in protest	3,044	-	-	3,044
	<u>\$ 63,454</u>	<u>\$ 5,078,187</u>	<u>\$ 48,039</u>	<u>\$ 5,189,680</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended August 31, 2012 was as follows:

	Balance 09/01/11	Additions	Deletions	Balance 08/31/12
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,835,029	\$ -	\$ -	\$ 1,835,029
Construction in progress	364,048	345,899	344,568	365,379
Other capital assets:				
Buildings	8,684,935	-	-	8,684,935
Improvements other than buildings	14,194,888	419,891	-	14,614,779
Equipment and machinery	6,126,188	46,735	303,707	5,869,216
Totals	<u>31,205,088</u>	<u>812,525</u>	<u>648,275</u>	<u>31,369,338</u>
Less accumulated depreciation				
Buildings	3,147,035	170,586	-	3,317,621
Improvements other than buildings	6,338,567	578,511	-	6,917,078
Equipment and machinery	3,016,935	448,106	275,003	3,190,038
Total accumulated depreciation	<u>12,502,537</u>	<u>1,197,203</u>	<u>275,003</u>	<u>13,424,737</u>
Governmental activities, capital assets, net	<u>\$ 18,702,551</u>	<u>\$ (384,678)</u>	<u>\$ 373,272</u>	<u>\$ 17,944,601</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 77,698	\$ -	\$ -	\$ 77,698
Construction in progress	3,191,658	252,385	3,200,413	243,630
Other capital assets:				
Buildings	64,451	-	-	64,451
Utility system and improvements	52,530,890	3,200,413	-	55,731,303
Machinery and equipment	1,360,681	43,220	34,773	1,369,128
Totals	<u>57,225,378</u>	<u>3,496,018</u>	<u>3,235,186</u>	<u>57,486,210</u>
Less accumulated depreciation				
Buildings	47,204	1,119	-	48,323
Utility system & improvements	30,736,699	1,278,412	-	32,015,111
Machinery and equipment	1,315,260	13,319	34,773	1,293,806
Total accumulated depreciation	<u>32,099,163</u>	<u>1,292,850</u>	<u>34,773</u>	<u>33,357,240</u>
Business-type activities, capital assets, net	<u>\$ 25,126,215</u>	<u>\$ 2,203,168</u>	<u>\$ 3,200,413</u>	<u>\$ 24,128,970</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 113,447
Public safety	332,938
Public works	535,128
Culture and recreation	162,312
Health and welfare	52,001
Economic development	138
Internal service	<u>1,239</u>
Total depreciation expense	<u>\$ 1,197,203</u>

Depreciation expense was charged to business-type activities as follows:

Electric Light and Waterworks	\$ 660,718
Sewer	<u>632,132</u>
Total depreciation expense	<u>\$ 1,292,850</u>

(9) Accounts Payable and Accrued Expenses

The accounts payable and accrued expenses consisted of the following at August 31, 2012:

	General	Sales Tax	Other Govt	ELWW	Sewer	Total
Accounts payable	\$ 761,127	\$ 3,882	\$ 10,936	\$ 72,803	\$ 64,065	\$ 912,813
Salaries payable	358,891	-	-	22,547	7,133	388,571
Retirement payable	335,963	-	-	3,833	1,213	341,009
Permit deposits payable	22,209	-	-	-	-	22,209
Construction payable	65,868	10,812	-	-	-	76,680
Retainage payable	24,659	4,014	-	-	-	28,673
Other	<u>1,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750</u>
Totals	<u>\$ 1,570,467</u>	<u>\$ 18,708</u>	<u>\$ 10,936</u>	<u>\$ 99,183</u>	<u>\$ 72,411</u>	<u>\$ 1,771,705</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(10) Long-Term Debt

Long-term debt payable at August 31, 2012 is comprised of the following individual issues:

Governmental activities:

General obligation bonds –

\$4,430,000 Public Improvement Refunding Bonds, Series 2012, due in annual installments of \$100,000 to \$460,000 through September 1, 2025; interest at 3.25% - 3.72%; payable from Sales Tax revenues	\$ 4,430,000
Less: Unamortized loss on refunding	<u>(144,325)</u>
	<u>\$ 4,285,675</u>

Capital leases –

\$500,000 lease-purchase agreement dated January 11, 2011 due in monthly installments of \$11,191, including interest at 3.51%, through January 22, 2015, secured by General Fund revenues	\$ 310,499
\$81,596 equipment lease dated March 8, 2010, due in monthly installments of \$1,494, including interest at 3.90%, through February 8, 2015, secured by General Fund revenues	<u>37,195</u>
	<u>\$ 347,694</u>

Municipal Police Employees' Retirement System -

\$873,125 liability resulting from the merger of the City's pension obligations for retired members and beneficiaries into the Municipal Police Employees' Retirement System of the State of Louisiana (MPERS), due in quarterly installments of \$37,773, including interest of 7%, through October 1, 2013, payable from future revenues of the City	<u>\$ 217,344</u>
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Compensated absences –

Portion of accumulated sick leave of the governmental funds that are not expected to require current resources	<u>\$ 712,872</u>
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CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

Business-type activities:

Revenue bonds –

\$1,000,000 Utility Revenue Bonds, Series 1998, due in annual installments of \$59,750 to \$69,959 through September 1, 2018; interest at 2.45%; payable from sewer fund revenues	\$ 360,000
\$2,200,000 Utility Revenue Bonds, Series 2003, due in annual installments of \$58,755 to \$166,513 through September 1, 2024; interest at 3.45%; payable from sewer fund revenues	1,506,885
\$5,865,000 Utility Revenue Refunding Bonds, Series 2012, due in annual installments of \$290,000 to \$945,000 through September 1, 2025; interest at 2.5% - 3.49%; payable from sewer fund revenues	5,865,000
\$2,315,000 Utility Revenue Bonds, Series 2004, due in annual installments of \$15,000 to \$275,000 through September 1, 2015; interest at 3.65%; payable from electric light and waterworks revenues	795,000
\$7,800,000 Utility Revenue Bonds, Series 2006, due in annual installments of \$195,000 to \$635,000 through September 1, 2025; interest at 4% to 5%; payable from electric light and waterworks revenues	6,185,000
\$1,500,000 Utility Revenue Bonds, Series 2007, due in annual installments of \$215,000 to \$285,000 beginning September 1, 2016 through September 1, 2021; payable from electric light and waterworks revenues	<u>1,500,000</u>
	\$ 16,211,885
Less: Unamortized loss on refunding	<u>(154,486)</u>
	<u>\$ 16,057,399</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

The following is a summary of long-term debt transactions of the City for the year ended August 31, 2012:

	Balances 9/1/11	Additions	Reductions	Balances 8/31/12	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
Public Improvement					
Bonds, Series 2005	\$ 4,225,000	\$ -	\$ 4,225,000	\$ -	\$ -
Public Improvement Refunding					
Bonds, Series 2012	-	4,430,000	-	4,430,000	-
Capital leases	488,654	-	140,960	347,694	142,042
Municipal Police Employees'					
Retirement System payable	350,458	-	133,114	217,344	142,432
Compensated absences payable	828,200	-	74,268	753,932	41,060
Total governmental activities	<u>\$ 5,892,312</u>	<u>\$ 4,430,000</u>	<u>\$ 4,573,342</u>	<u>\$ 5,748,970</u>	<u>\$ 325,534</u>
<b>Business-type Activities</b>					
Accrued compensated absences					
Electric Light and Waterworks	\$ 55,009	\$ -	\$ 4,893	\$ 50,116	\$ 11,925
Sewer	13,826	1,127	-	14,953	2,899
Utility Revenue Bonds					
Refunding Bonds,					
Series 1998 - Sewer	415,000	-	55,000	360,000	55,000
Series 1999 - Sewer	1,825,899	-	1,825,899	-	-
Series 2000 - Sewer	3,780,241	-	3,780,241	-	-
Series 2003 - Sewer	1,613,885	-	107,000	1,506,885	111,000
Series 2012 - Sewer	-	5,865,000	-	5,865,000	-
Series 2004 - Water	1,040,000	-	245,000	795,000	255,000
Series 2006 - Water	6,495,000	-	310,000	6,185,000	330,000
Series 2007 - Water	1,500,000	-	-	1,500,000	-
Total business-type activities	<u>16,738,860</u>	<u>5,866,127</u>	<u>6,328,033</u>	<u>16,276,954</u>	<u>765,824</u>
Total long-term obligations	<u>\$22,631,172</u>	<u>\$10,296,127</u>	<u>\$10,901,375</u>	<u>\$22,025,924</u>	<u>\$1,091,358</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

The Public Improvement Revenue Refunding Bonds, Series 20122 were issued on August 27, 2012 of \$4,430,000 to refund the Public Improvement Bonds, Series 2005 originally issued in the aggregate principal amount of \$5,810,000. The new bonds bear interest of 3.25% - 3.72% and are due in annual installments ranging from \$100,000 to \$460,000 through September 1, 2025.

The Utility Revenue Refunding Bonds, Series 2012 were issued on August 27, 2012 of \$5,865,000 to refund the Utilities Revenue Bonds, Series 1999 originally issued in the aggregate principal amount of \$4,000,000 and the Utilities Revenue Bonds, Series 2000 originally issued in the aggregate principal amount of \$5,000,000. The new bonds bear interest of 2.5% - 3.49% and are due in annual installments ranging from \$290,000 to \$945,000 through September 1, 2015.

These restructurings were done with the goal of restructuring the City's debt to provide cash flow relief in early years without incurring an economic cost. As such, the debt service is significantly reduced for the remaining eight year life of the old bonds and then is restructured to be level thereafter through 2025. The net present value savings of these two bond refundings is \$14,090 and (\$12,514), respectively, resulting in a total net present value savings of \$1,576.

The annual debt service requirements including interest to amortize all long-term obligations outstanding at August 31, 2012 are as follows:

Governmental Activities

Year Ending August 31,	Public Improvement Bonds	Capital Leases	Municipal Police Employees' Retirement
2013	\$ 164,726	\$ 152,216	\$ 151,092
2014	262,916	152,216	75,546
2015	509,196	58,924	-
2016	501,176	-	-
2017	492,970	-	-
2018 - 2022	2,399,340	-	-
2023 - 2025	1,424,882	-	-
	<u>5,755,206</u>	<u>363,356</u>	<u>226,638</u>
Less interest	<u>(1,325,206)</u>	<u>(15,662)</u>	<u>(9,294)</u>
Net	<u>\$ 4,430,000</u>	<u>\$ 347,694</u>	<u>\$ 217,344</u>



CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

Business-type Activities

Year Ending August 31,	Utility Revenue Bonds					
	Series 1998	Series 2003	Series 2012	Series 2004	Series 2006	Series 2007
2013	\$ 65,620	\$ 170,522	\$ 199,935	\$ 284,018	\$ 588,353	\$ 67,950
2014	63,998	170,138	487,738	284,710	594,328	67,950
2015	67,375	170,595	479,038	285,037	594,453	67,950
2016	65,605	170,855	505,338	-	618,940	282,950
2017	68,835	170,918	483,995	-	627,740	288,211
2018 - 2022	66,918	851,573	2,898,904	-	3,204,618	1,177,536
2023 - 2026	-	185,500	2,596,594	-	1,969,382	-
Total	398,351	1,890,101	7,651,542	853,765	8,197,814	1,952,547
Less interest	(31,851)	(334,708)	(1,786,542)	(58,765)	(2,012,814)	(452,547)
DEQ fee	(6,500)	(48,508)	-	-	-	-
Net	<u>\$ 360,000</u>	<u>\$1,506,885</u>	<u>\$5,865,000</u>	<u>\$ 795,000</u>	<u>\$6,185,000</u>	<u>\$1,500,000</u>

Leased equipment and machinery under capital lease in capital assets at August 31, 2012 include the following:

Equipment and machinery	\$ 567,257
Less: Accumulated depreciation	<u>(113,279)</u>
Total	<u>\$453,978</u>

Amortization of leased equipment and machinery under capital lease is included with depreciation expense.

Compensated absences payable is not amortizable because the timing of the payouts are based on factors outside the City's control.

On February 3, 2009, the City of Opelousas entered into an operative lease for the Orphan Train Museum for a total cost of \$100 which was paid in full on March 3, 2009. The lease was for a term of 100 years beginning February 3, 2009 with the option to renew for an additional 100 years.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

#### (11) Employee Retirement

##### A. Municipal Employees' Retirement System of Louisiana (System)

Plan Description – All full-time employees on a permanent basis working at least 35 hours per week, not participating in another public funded retirement system and under age 60 at date of employment are eligible. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with 30 or more years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana.

Funding Policy – Plan members are required to contribute 9.25 percent of their annual salary and the City is required to contribute at an actuarially determined rate. The City was required to contribute 16.75% of the annual covered payroll until June 30, 2012. As of July 1, 2012, the current rate was changed to 17% of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ended August 31, 2012, 2011, and 2010 were \$640,146, \$588,228, \$522,559, respectively, equal to the required contributions for each year.

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, (225) 929-7411.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

**Funding Policy** - Plan members are required by state statute to contribute 10% of their annual covered salary. The City is required to contribute at an actuarially determined rate. The rate was 26.5% of annual covered payroll until June 30, 2012. As of July 1, 2012, the current rate was changed to 31% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending August 31, 2012, 2011, and 2010 were \$855,773, \$810,973, and \$445,311, respectively, equal to the required contributions for each year.

#### A. **State of Louisiana – Firefighters' Retirement System (System)**

**Plan Description** – All full-time fire department employees are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3 1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Firefighters' Retirement System.

**Funding Policy** – Plan members are required to contribute 10% of their annual covered. The City is required to contribute at an actuarially determined rate. This rate was 23.25% of annual covered payroll until June 30, 2012. As of July 1, 2012, the rate changed to 24% of annual covered payroll. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ended August 31, 2012, 2011, and 2010 were \$508,658, \$480,727, and \$377,936, respectively, equal to the required contributions for each year.

## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

#### B. Louisiana State Employees' Retirement System (LASERS)

Plan Description – All full-time employees are eligible. Employees who retire with 30 years of credited service at any age, or at or after age 55 with at least 25 years of credited service, or at or after age 60 with at least 10 years of credited service, or with 20 years of credited service at any age with actuarially reduced benefits are entitled to a retirement benefit payable monthly for life, equal to 2.5% of their final average compensation for every year of creditable service. An additional \$300 is applied if they joined LASERS before July 1, 1986. Benefits may not exceed 100% of four final average compensations. Most employees reach 100% of final average compensation at 40 years of membership service credit. Final average compensation is the average annual earned compensation received during the 36 highest months of successive employment, or the highest joined months of employment if service was interrupted. Averages for part-time service are based on pay that would have been received if employment had been full-time. The System also provides death and disability benefits.

The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and requires supplemental information. That report may be obtained by writing to LASERS.

Funding Policy – Plan members are required to contribute 11.5% of their annual covered salary. The City was required to contribute 31.8% of annual covered payroll as established by the State of Louisiana until June 30, 2012. As of July 1, 2012, the rate was changed to 34.8% of annual covered payroll. The City's contributions to the System for the years ended August 31, 2012, 2011, and 2010 were \$10,911, \$7,951, and \$6,568, respectively, equal to the required contributions each year.

#### (12) Litigation and Claims

At August 31, 2012, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage. The City also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the City would be administrative fees with no liability in excess of insurance coverage. See Note 13.

#### (13) Risk Management

##### A. Self-Insurance

The City maintains various self-insurance accounts for general and auto liability, workmen's compensation benefits and health insurance (accounted for in Internal Service Fund G, Workmen's Compensation Fund and Health Self Insurance Fund, respectively) as of August 31, 2012. Most funds of the City participate in the self-insurance funds by making payments based on premiums necessary to cover claims, administrative costs, and commercial insurance premiums, if applicable.

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

For the fiscal year ending August 31, 2012, the City was self-insured for the first \$300,000 of each claim relating to workmen's compensation insurance. The City is covered under an insurance contract for the excess liability.

For the fiscal year ending August 31, 2012, the City had two plans relating to the health insurance. If the individual is covered under the first plan, the City was self-insured for the first \$60,000 per person and the insurance company would cover the difference. If the individual is covered under the second plan, the City was self-insured for the first \$40,000 per person and insurance stops paying claims.

A reconciliation of claims liabilities which is included in the financial statements as accounts payable and accrued expenses and claims payable for the self-insurance funds follows:

	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Beginning balance	\$ 286,741	\$ -	\$ 470,067	\$ 756,808
Claims incurred	-	378,953	2,000,639	2,379,592
Claims paid	<u>(186,741)</u>	<u>(378,953)</u>	<u>(2,064,172)</u>	<u>(2,629,866)</u>
Ending balance	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 406,534</u>	<u>\$ 506,534</u>

(14) Commitments and Contingencies

The City received funding under grants from various federal and state agencies. The agency grants specify the purpose for which the grant monies are to be used. The grants are subject to audit by the granting agency or its representative.

(15) Excess of Expenditures over Appropriations

The following fund incurred expenditures in excess of appropriations in the following amounts for the year ended August 31, 2012:

General Fund	<u>\$ 280,290</u>
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CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(16) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at August 31, 2011 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 875,637	\$ 462,076
Sales Tax Fund	751,557	-
Non-major Special Revenue Funds	-	36
Proprietary funds:		
Electric Light and Waterworks Fund	27,937	273,041
Sewer Fund	-	48,455
Internal Service Fund A	-	110,555
Internal Service Fund G	-	250,445
Health Self Insurance Fund	-	510,523
	<u>          </u>	<u>          </u>
Total	<u>\$ 1,655,131</u>	<u>\$ 1,655,131</u>

B. Transfers consisted of the following at August 31, 2011:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 11,173,278	\$ -
Sales Tax Special Revenue Fund	-	8,397,525
Proprietary funds:		
Electric Light and Waterworks Fund	800,000	3,291,803
Sewer Fund	150,000	433,950
	<u>          </u>	<u>          </u>
Total	<u>\$ 12,123,278</u>	<u>\$ 12,123,278</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(17) Segment Information for the Enterprise Fund

The City of Opelousas maintains two enterprise funds, each with one department, which provide water and sewerage services. Segment information for the year ended August 31, 2012, was as follows:

	Electric Lights and Waterworks	Sewer Department	Total Enterprise Funds
Operating revenues	<u>\$ 5,173,569</u>	<u>\$ 1,825,180</u>	<u>\$ 6,998,749</u>
Operating expenses:			
Depreciation	692,460	636,360	1,328,820
Other	<u>2,063,379</u>	<u>853,882</u>	<u>2,917,261</u>
Total operating expenses	<u>2,755,839</u>	<u>1,490,242</u>	<u>4,246,081</u>
Operating income	<u>\$2,417,730</u>	<u>\$ 334,938</u>	<u>\$ 2,752,668</u>

(18) Accounts Receivable – Utility Funds

As of August 31, 2012, the customer receivables recorded in the Electric Light and Waterworks Fund and Sewer Fund are net of allowances for uncollectible accounts. These allowances are \$341,698 and \$209,428, respectively.

As of August 31, 2012, customer receivables include unbilled revenue for the Electric Light and Waterworks Fund and Sewer Fund of \$432,393 and \$383,442, respectively. These amounts represent revenue earned which is not billed until the next billing cycle.

	ELWW	Sewer	Total
Billed accounts receivable	\$ 643,134	\$ 488,709	\$ 1,131,843
Unbilled accounts receivable	432,393	383,442	815,835
Allowance for uncollectibles	<u>(341,698)</u>	<u>(209,428)</u>	<u>(551,126)</u>
Net accounts receivable	<u>\$ 733,829</u>	<u>\$ 662,723</u>	<u>\$ 1,396,552</u>

# CITY OF OPELOUSAS, LOUISIANA

## Notes to Financial Statements (Continued)

### (19) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended August 31, 2012 follows:

	<u>Salary</u>	<u>Car Allowance</u>	<u>Total</u>
Donald Cravins, Mayor	\$ 71,739	\$ 7,980	\$ 79,719
Aldermen:			
Julius Alsander	16,390	4,200	20,590
Louis Butler Jr.	16,390	4,200	20,590
Blair Briggs	16,390	4,200	20,590
Reggie Tatum	17,659	4,200	21,859
Jackie Martin	16,390	4,200	20,590
Joe Charles	17,659	4,200	21,859
	<u>\$ 172,618</u>	<u>\$ 33,180</u>	<u>\$ 205,798</u>

### (20) Enterprise Fund Contracts

#### A. Franchise Agreement with CLECO

On May 14, 1991, the City of Opelousas entered into a Franchise Agreement with Central Louisiana Electric Company, Inc. (CLECO) for operating and distributing electricity within the corporate limits of the City. The primary term of this Agreement shall be for a period of 10 years from August 11, 1991 to August 11, 2001, with the option granted to CLECO to renew such Agreement for 3 additional 10 year periods. The City of Opelousas renewed this agreement for a second period of 10 years from August 11, 2011 to August 11, 2021.

The City shall continue to own its electric distribution system within the City, but enters into an operating Agreement with CLECO whereby CLECO is granted the full right to use and operate same and to repair and replace lines, poles, and other equipment as and when deemed necessary for the purpose of efficiently maintaining the system. The electric distribution system does not include the City's power plant and CLECO has no rights or obligations relative to the power plant. All improvements made by CLECO are to be purchased by the City at the end of the lease at cost less depreciation.

Under the terms of the Agreement, that for and in consideration of the city granting to CLECO the franchise and the right to use the City's electric distribution system, CLECO binds and obligates itself to pay the following:

1. The sum of \$1,200,000 upon execution of the Agreement.



## CITY OF OPELOUSAS, LOUISIANA

### Notes to Financial Statements (Continued)

2. A monthly payment of \$170,000 for 120 months beginning August 11, 2001 for operations.
3. A franchise fee of equal to 4% of the amounts received by CLECO from the sale and delivery of electric energy at retail for residential and commercial purposes, commencing August 11, 2011. This amount shall be paid monthly and the annual amount shall be no less than \$350,000.

CLECO shall also bill and collect for and on behalf of the City a consumer service charge, the amount of which will be added to each consumer's bill on a cost per kilowatt-hour basis. The amount of this surcharge shall be determined by the Mayor and Board of Aldermen of the City.

#### **B. Franchise Agreement with SLEMCO**

On March 1, 2006, the City of Opelousas entered into a franchise agreement with Southwest Louisiana Membership Corporation (SLEMCO) for operating and distributing electricity within the corporate limits of the City of Opelousas, with the exception of the "Excluded Area." The excluded area is defined as all areas that were within the Opelousas city limits as those city limits existed in August, 1991 when the City leased its city-owned electrical system to Central Louisiana Electric Company (CLECO).

The primary term of the agreement shall be for a period of 6 years and 6 months commencing on March 1, 2006 and ending on August 11, 2011. The City of Opelousas renewed this agreement for a period of 10 years from August 11, 2011 to August 11, 2021.

The City entered into an operating agreement with SLEMCO whereby SLEMCO is granted the right and privilege of constructing, erecting, maintaining, and operating SLEMCO's electric transmission and distribution lines and systems, for the purpose of selling, servicing, handling, and distributing electricity and electric energy within the corporate limits of the City as they existed on March 1, 2006 and as thereafter extended on SLEMCO lines, including poles, lines, wires, insulators, transformers, services, arms, braces, guys, and all other necessary or usual attachments and appurtenances, along, across, over, under and on the streets, lanes, highways, public roads, and other public places in the City, with the exception of the "Excluded Area."

Under the terms of the agreement, that for and in consideration of the City granting to SLEMCO the franchise and the right to operate SLEMCO's electric transmission and distribution line and systems, SLEMCO binds and obligates itself to pay the following:

1. The sum of \$373,708 upon execution of the agreement.
2. A monthly franchise fee of equal to 4% of gross revenue collected by SLEMCO from its retail sale and delivery of electric energy in the City.

CITY OF OPELOUSAS, LOUISIANA

Notes to Financial Statements (Continued)

(21) Subsequent Event Review

The City has evaluated subsequent events through February 27, 2013, the date which the financial statements were available to be issued.

(22) New Accounting Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) approved Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. In June 2011, the Governmental Accounting Standards Board (GASB) approved Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". The statement changes how governments will organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet). Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of GASB Nos. 62 and 63 must be implemented by the City of Opelousas for the year ending August 31, 2013. The effect of implementation on the City of Opelousas' financial statements has not yet been determined.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended August 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,225,500	\$ 2,136,936	\$ 2,140,141	\$ 3,205
Licenses and permits	857,450	890,000	880,161	(9,839)
Intergovernmental	775,500	1,126,515	1,287,152	160,637
Charges for services	191,875	148,250	148,630	380
Fines and forfeitures	114,000	76,000	74,669	(1,331)
Other	228,214	376,823	406,832	30,009
Total revenues	<u>4,392,539</u>	<u>4,754,524</u>	<u>4,937,585</u>	<u>183,061</u>
<b>Expenditures:</b>				
Current -				
General government	2,087,380	2,151,220	2,088,646	62,574
Public safety	8,440,450	8,665,450	9,049,230	(383,780)
Public works	1,853,000	1,853,000	1,782,051	70,949
Health and welfare	573,689	569,689	537,365	32,324
Culture and recreation	1,596,369	1,593,969	1,552,061	41,908
Economic development	92,375	106,382	99,484	6,898
Capital outlay	222,120	398,100	352,641	45,459
Debt service -				
Principal retirement	385,000	385,000	525,960	(140,960)
Interest and fiscal charges	188,313	188,613	204,275	(15,662)
Issuance costs	-	110,994	110,994	-
Total expenditures	<u>15,438,696</u>	<u>16,022,417</u>	<u>16,302,707</u>	<u>(280,290)</u>
Deficiency of revenues over expenditures	<u>(11,046,157)</u>	<u>(11,267,893)</u>	<u>(11,365,122)</u>	<u>(97,229)</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of bonds	-	-	4,430,000	4,430,000
Payment to escrow agent	-	-	(3,840,000)	(3,840,000)
Sale of capital assets	-	-	11,633	11,633
Transfers in	11,556,178	11,124,328	11,173,278	48,950
Total other financing sources (uses)	<u>11,556,178</u>	<u>11,124,328</u>	<u>11,774,911</u>	<u>650,583</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	510,021	(143,565)	409,789	553,354
Fund balances, beginning	<u>374,768</u>	<u>374,768</u>	<u>374,768</u>	<u>-</u>
Fund balances, ending	<u>\$ 884,789</u>	<u>\$ 231,203</u>	<u>\$ 784,557</u>	<u>\$ 553,354</u>

**CITY OF OPELOUSAS, LOUISIANA**  
**Sales Tax Special Revenue Fund**

**Budgetary Comparison Schedule**  
**For the Year Ended August 31, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 8,600,000	\$ 8,800,000	\$ 8,830,928	\$ 30,928
Other	<u>193,000</u>	<u>70,000</u>	<u>6,818</u>	<u>(63,182)</u>
Total revenues	<u>8,793,000</u>	<u>8,870,000</u>	<u>8,837,746</u>	<u>(32,254)</u>
<b>Expenditures:</b>				
Current -				
General government	353,725	435,875	452,317	(16,442)
Capital outlay	<u>-</u>	<u>87,875</u>	<u>56,141</u>	<u>31,734</u>
Total expenditures	<u>353,725</u>	<u>523,750</u>	<u>508,458</u>	<u>15,292</u>
Excess of revenues over expenditures	8,439,275	8,346,250	8,329,288	(16,962)
<b>Other financing uses:</b>				
Transfers out	<u>(8,312,525)</u>	<u>(8,397,525)</u>	<u>(8,397,525)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	126,750	(51,275)	(68,237)	(16,962)
Fund balances, beginning	<u>1,600,265</u>	<u>1,600,265</u>	<u>1,600,265</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,727,015</u>	<u>\$ 1,548,990</u>	<u>\$ 1,532,028</u>	<u>\$ (16,962)</u>

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER FINANCIAL INFORMATION**

**CITY OF OPELOUSAS, LOUISIANA**  
**General and Sales Tax Funds**

Balance Sheet  
August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	General		Sales Tax	
	2012	2011	2012	2011
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,625,174	\$ 1,092,330	\$ 799,179	\$ 907,233
Receivables	-	18,390	-	-
Due from other funds	875,637	924,296	751,557	729,828
Due from other governmental units	383,572	408,198	-	-
Inventory	36,754	38,563	-	-
Total current assets	<u>2,921,137</u>	<u>2,481,777</u>	<u>1,550,736</u>	<u>1,637,061</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	<u>63,454</u>	<u>60,035</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,984,591</u>	<u>\$ 2,541,812</u>	<u>\$ 1,550,736</u>	<u>\$ 1,637,061</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 1,208,856	\$ 1,137,145	\$ 3,882	\$ 1,422
Contracts and retainage payable	90,527	-	14,826	35,374
Accrued compensated absences	41,060	16,960	-	-
Deferred revenue - protest taxes	3,044	3,004	-	-
Due to other funds	462,076	615,464	-	-
Due to other governmental units	394,471	394,471	-	-
Total liabilities	<u>2,200,034</u>	<u>2,167,044</u>	<u>18,708</u>	<u>36,796</u>
Fund balances -				
Nonspendable - inventory	36,754	38,563	-	-
Restricted - debt service	55,203	51,893	-	-
Restricted - sales tax dedications	-	-	1,532,028	1,600,265
Assigned - capital expenditures	5,207	5,138	-	-
Unassigned	<u>687,393</u>	<u>279,174</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>784,557</u>	<u>374,768</u>	<u>1,532,028</u>	<u>1,600,265</u>
Total liabilities and fund balances	<u>\$ 2,984,591</u>	<u>\$ 2,541,812</u>	<u>\$ 1,550,736</u>	<u>\$ 1,637,061</u>



CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	2012		Variance with Budget Positive (Negative)	2011 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 2,136,936	\$ 2,140,141	\$ 3,205	\$ 2,267,168
Licenses and permits	890,000	880,161	(9,839)	855,790
Intergovernmental	1,126,515	1,287,152	160,637	1,754,059
Charges for services	148,250	148,630	380	138,430
Fines and forfeits	76,000	74,669	(1,331)	95,341
Miscellaneous	376,823	406,832	30,009	294,091
Total revenues	<u>4,754,524</u>	<u>4,937,585</u>	<u>183,061</u>	<u>5,404,879</u>
<b>Expenditures:</b>				
Current -				
General government	2,151,220	2,088,646	62,574	2,245,903
Public safety	8,665,450	9,049,230	(383,780)	9,295,719
Public works	1,853,000	1,782,051	70,949	2,001,093
Health and welfare	569,689	537,365	32,324	496,696
Culture and recreation	1,593,969	1,552,061	41,908	1,663,248
Economic development	106,382	99,484	6,898	143,483
Capital outlay	398,100	352,641	45,459	1,125,268
Debt service -				
Principal retirement	385,000	525,960	(140,960)	645,999
Interest and fiscal charges	188,613	204,275	(15,662)	219,955
Issuance costs	110,994	110,994	-	-
Total expenditures	<u>16,022,417</u>	<u>16,302,707</u>	<u>(280,290)</u>	<u>17,837,364</u>
Deficiency of revenues over expenditures	<u>(11,267,893)</u>	<u>(11,365,122)</u>	<u>(97,229)</u>	<u>(12,432,485)</u>
<b>Other financing sources (uses):</b>				
Proceeds from capital lease	-	-	-	500,000
Proceeds from issuance of bonds	-	4,430,000	4,430,000	-
Payment to escrow agent	-	(3,840,000)	(3,840,000)	-
Sale of capital assets	-	11,633	11,633	24,789
Transfers in	11,124,328	11,173,278	48,950	12,994,172
Total other financing sources (uses)	<u>11,124,328</u>	<u>11,774,911</u>	<u>650,583</u>	<u>13,518,961</u>
Net changes in fund balances	(143,565)	409,789	553,354	1,086,476
Fund balances (deficit), beginning	<u>374,768</u>	<u>374,768</u>	<u>-</u>	<u>(711,708)</u>
Fund balances, ending	<u>\$ 231,203</u>	<u>\$ 784,557</u>	<u>\$ 553,354</u>	<u>\$ 374,768</u>

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

	2012			Variance with Final Budget Positive (Negative)	2011 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 957,000	\$ 979,500	\$ 962,935	\$ (16,565)	\$ 1,005,115
Franchise	1,178,500	1,056,436	1,077,603	21,167	1,167,006
Hotel/Motel	90,000	101,000	99,603	(1,397)	95,047
Total taxes	2,225,500	2,136,936	2,140,141	3,205	2,267,168
Licenses and permits:					
Occupational licenses	790,000	809,300	800,863	(8,437)	799,857
Beer and liquor permits	42,000	42,000	41,063	(937)	39,610
Building permits	6,550	9,800	10,244	444	8,145
Other	18,900	28,900	27,991	(909)	8,178
Total licenses and permits	857,450	890,000	880,161	(9,839)	855,790
Intergovernmental:					
Federal sources -					
FEMA Firefighter Training Grant	-	-	-	-	45,375
ACT 562 Training Grant	-	-	-	-	4,000
LA Hwy Safety Commission Grant	20,000	30,000	35,634	5,634	23,669
DARE Reimbursement Grant	40,000	50,000	40,556	(9,444)	62,021
Integrated Criminal APPR Grant	-	-	-	-	13,551
JAG Grant	-	-	-	-	22,508
Historic Preservation Fund Grant	-	3,715	3,715	-	3,982
Cherry Street Park project	-	50,000	20,882	(29,118)	156,977
Hazard Mitigation Grant	-	-	-	-	35,000
Streetscape Grant	-	-	-	-	74,905
State of Louisiana sources -					
Beer taxes	32,000	39,000	46,931	7,931	45,069
Highway maintenance	15,000	10,000	14,890	4,890	14,890
Video poker	106,000	96,000	80,619	(15,381)	86,695
Insurance rebate	70,000	70,000	68,206	(1,794)	67,932
Orphan Train Grant	-	-	-	-	385,000
AmeriCorps Vista Grant	10,000	3,000	3,000	-	7,000
Bayou drainage project	-	160,000	221,876	61,876	19,479
Miscellaneous tourism grants	31,000	102,800	99,387	(3,413)	-
Miscellaneous police grants	-	-	22,071	22,071	50,000
Other sources -					
Housing authority	-	-	64,552	64,552	68,932
Racino revenue	340,000	320,000	365,526	45,526	363,964
LACE program	80,000	180,000	189,540	9,540	178,677
Solid waste road appropriation	-	-	-	-	-
DEA reimbursements	10,000	10,000	7,954	(2,046)	20,807
Parish Government reimbursement -					
Prisoner housing	20,000	-	-	-	-
Tourist salaries	1,500	2,000	1,813	(187)	3,626
Total intergovernmental	775,500	1,126,515	1,287,152	160,637	1,754,059

(continued)

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues (Continued)  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

	2012				
	Budget		Actual	Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final			
Charges for Services:					
Inspection fees	74,000	58,000	49,503	(8,497)	33,784
Park fees	83,625	62,425	66,733	4,308	69,456
Sports sponsorships	9,000	8,500	7,282	(1,218)	8,955
Grass cutting	10,000	10,000	9,605	(395)	13,484
Police security	-	900	937	37	781
Other	15,250	8,425	14,570	6,145	11,970
Total charges for services	191,875	148,250	148,630	380	138,430
Fines and court costs	114,000	76,000	74,669	(1,331)	95,341
Miscellaneous:					
Interest	32,000	15,000	15,898	898	17,141
Tourism	22,070	23,320	22,282	(1,038)	25,021
Donations	480	580	3,225	2,645	950
Rent	83,464	166,864	185,710	18,846	78,589
Cable - pole rental	29,000	59,000	57,780	(1,220)	-
Spice and Music festival	30,000	21,300	21,385	85	30,811
Workers compensation	-	10,500	18,941	8,441	21,899
Insurance reimbursement	-	5,000	4,948	(52)	-
Other sources	31,200	75,259	76,663	1,404	119,680
Total miscellaneous	228,214	376,823	406,832	30,009	294,091
Total revenues	\$4,392,539	\$4,754,524	\$4,937,585	\$183,061	\$5,404,879

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

2012					
	Budget			Variance with Final Budget Positive (Negative)	2011 Actual
	Original	Final	Actual		
Current:					
General government -					
Executive:					
Personal services	\$ 1,008,803	\$ 1,008,803	\$ 977,410	\$ 31,393	\$ 987,663
Supplies and materials	44,500	44,500	43,394	1,106	45,179
Other services and charges	308,389	308,389	279,305	29,084	429,527
Repairs and maintenance	15,400	15,400	16,593	(1,193)	35,786
Allocated expenditures - services performed for for other departments	(315,300)	(315,300)	(308,500)	(6,800)	(308,500)
Judicial:					
City Court -					
Personal services	399,780	399,780	395,811	3,969	384,076
Supplies and materials	-	-	30	(30)	13,442
Other services and charges	69,250	69,250	63,062	6,188	76,323
Repairs and maintenance	-	-	778	(778)	19,880
Marshall's office -					
Personal services	187,530	192,250	197,770	(5,520)	198,701
Supplies and materials	-	-	334	(334)	1,145
Other services and charges	-	-	1,105	(1,105)	4,677
Repairs and maintenance	5,000	8,000	9,346	(1,346)	7,367
Administration:					
Purchasing -					
Personal services	95,627	104,000	108,567	(4,567)	110,387
Supplies and materials	1,650	1,650	817	833	1,632
Other services and charges	8,600	8,600	7,834	766	11,306
Repairs and maintenance	7,500	7,500	6,588	912	5,447
Civil Service -					
Personal services	114,038	114,038	114,648	(610)	105,199
Supplies and materials	1,408	1,671	1,658	13	1,898
Other services and charges	15,221	16,355	18,149	(1,794)	14,129
Repairs and maintenance	150	-	-	-	-
General -					
Supplies and materials	14,000	14,000	6,854	7,146	9,079
Other services and charges	79,834	125,834	119,669	6,165	42,075
Repairs and maintenance	26,000	26,500	27,424	(924)	49,485
Total general government	2,087,380	2,151,220	2,088,646	62,574	2,245,903

(continued)

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

	2012			Variance with Final Budget	2011
	Budget		Actual	Positive (Negative)	Actual
	Original	Final			
Public Safety -					
Police:					
Personal services	4,395,791	4,586,791	4,818,511	(231,720)	4,955,834
Supplies and materials	80,441	78,551	71,268	7,283	125,249
Other services and charges	531,048	548,003	565,884	(17,881)	613,797
Repairs and maintenance	328,500	347,435	400,308	(52,873)	433,034
Fire department:					
Personal services	2,883,230	2,881,230	2,997,692	(116,462)	2,962,203
Supplies and materials	42,000	35,500	32,444	3,056	35,240
Other services and charges	107,940	109,940	100,822	9,118	105,744
Repairs and maintenance	71,500	78,000	62,301	15,699	64,618
Total public safety	8,440,450	8,665,450	9,049,230	(383,780)	9,295,719
Public Works -					
Streets and drainage:					
Personal services	1,154,025	1,154,025	1,118,769	35,256	1,225,745
Supplies and materials	41,700	41,700	32,234	9,466	55,259
Other services and charges	358,715	343,715	321,321	22,394	368,543
Repairs and maintenance	139,450	154,450	160,291	(5,841)	184,229
Municipal garage:					
Personal services	136,250	136,250	130,655	5,595	140,437
Supplies and materials	8,600	8,600	4,337	4,263	16,042
Other services and charges	7,210	7,210	7,633	(423)	6,192
Repairs and maintenance	7,050	7,050	6,811	239	4,646
Total public works	1,853,000	1,853,000	1,782,051	70,949	2,001,093
Health and Welfare -					
Code enforcement:					
Personal services	433,289	428,639	421,573	7,066	377,424
Supplies and materials	10,550	11,550	7,289	4,261	8,899
Other services and charges	107,150	110,800	94,753	16,047	90,186
Repairs and maintenance	22,700	18,700	13,750	4,950	20,187
Total health and welfare	573,689	569,689	537,365	32,324	496,696

(continued)

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

	2012			Variance with Final Budget	2011
	Budget			Positive (Negative)	Actual
	Original	Final	Actual		
Culture and recreation -					
Recreation Division:					
Personal services	96,800	80,000	63,448	16,552	93,478
Supplies and materials	22,100	23,000	19,814	3,186	17,228
Other services and charges	53,200	53,200	45,051	8,149	36,205
Parks administration:					
Personal services	625,813	623,113	646,994	(23,881)	701,263
Supplies and materials	36,226	30,726	32,521	(1,795)	34,767
Other services and charges	160,464	181,193	173,878	7,315	166,199
Repairs and maintenance	85,247	83,718	89,638	(5,920)	71,818
Tourism:					
Personal services	180,920	180,920	176,748	4,172	171,505
Supplies and materials	17,400	17,200	15,549	1,651	14,687
Other services and charges	138,950	139,150	118,160	20,990	158,046
Repairs and maintenance	40,200	42,700	37,292	5,408	53,770
Museum:					
Personal services	89,799	89,799	84,138	5,661	92,836
Supplies and materials	5,064	5,064	4,156	908	6,350
Other services and charges	35,986	35,986	36,654	(668)	33,427
Repairs and maintenance	8,200	8,200	8,020	180	11,669
Total culture and recreation	1,596,369	1,593,969	1,552,061	41,908	1,663,248
Economic development -					
Community Development:					
Personal services	69,800	78,207	78,229	(22)	89,007
Supplies and materials	1,325	1,325	190	1,135	439
Other services and charges	20,750	26,350	21,065	5,285	53,603
Repairs and maintenance	500	500	-	500	434
Total economic development	92,375	106,382	99,484	6,898	143,483

(continued)

CITY OF OPELOUSAS, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

	2012			Variance with Final Budget	2011
	Budget			Positive (Negative)	Actual
	Original	Final	Actual		
Capital outlay -					
General government:					
Administration	32,000	45,500	45,423	77	100,814
Public safety:					
Police department	132,000	132,000	-	132,000	532,887
Fire department	6,000	6,000	5,287	713	81,791
Public works:					
Streets and drainage	39,620	180,100	269,454	(89,354)	93,076
Health and welfare:					
Code enforcement	-	4,000	2,534	1,466	60,000
Culture and recreation:					
Parks administration	12,500	30,500	29,943	557	129,795
Tourism	-	-	-	-	126,905
Total capital outlay	<u>222,120</u>	<u>398,100</u>	<u>352,641</u>	<u>45,459</u>	<u>1,125,268</u>
Debt service -					
Retirement of principal	385,000	385,000	525,960	(140,960)	645,999
Interest	188,313	188,313	203,975	(15,662)	219,655
Commissions	-	300	300	-	300
Issuance costs	-	110,994	110,994	-	-
Total debt service	<u>573,313</u>	<u>684,607</u>	<u>841,229</u>	<u>(156,622)</u>	<u>865,954</u>
Total expenditures	<u>\$15,438,696</u>	<u>\$16,022,417</u>	<u>\$16,302,707</u>	<u>\$(280,290)</u>	<u>\$17,837,364</u>

CITY OF OPELOUSAS, LOUISIANA  
Special Revenue Fund  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for the Year Ended August 31, 2011

	2012			Variance with Final Budget Positive (Negative)	2011 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 8,600,000	\$ 8,800,000	\$ 8,830,928	\$ 30,928	\$ 8,455,814
Other	193,000	70,000	6,818	(63,182)	1,222,560
Total revenues	<u>8,793,000</u>	<u>8,870,000</u>	<u>8,837,746</u>	<u>(32,254)</u>	<u>9,678,374</u>
Expenditures:					
Current -					
General government:					
Other services and charges	85,725	113,000	122,039	(9,039)	109,464
Repairs and maintenance	15,000	69,875	77,278	(7,403)	6,094
Allocated expenditures for services performed by other departments:					
Executive -					
Other services and charges	253,000	253,000	253,000	-	253,000
Total general government	<u>353,725</u>	<u>435,875</u>	<u>452,317</u>	<u>(16,442)</u>	<u>368,558</u>
Capital Outlay	-	87,875	56,141	31,734	299,568
Total expenditures	<u>353,725</u>	<u>523,750</u>	<u>508,458</u>	<u>15,292</u>	<u>668,126</u>
Excess of revenues over expenditures	<u>8,439,275</u>	<u>8,346,250</u>	<u>8,329,288</u>	<u>(16,962)</u>	<u>9,010,248</u>
Other financing uses:					
Transfers from (to) -					
General Fund	(7,362,525)	(7,447,525)	(7,447,525)	-	(9,724,172)
Sewer Fund	(150,000)	(150,000)	(150,000)	-	(560,000)
Electric Light and Waterworks Fund	(800,000)	(800,000)	(800,000)	-	(1,325,000)
Total other financing uses	<u>(8,312,525)</u>	<u>(8,397,525)</u>	<u>(8,397,525)</u>	<u>-</u>	<u>(11,609,172)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	8,666,250	(51,275)	(68,237)	(16,962)	(2,598,924)
Fund balance, beginning	<u>1,600,265</u>	<u>1,600,265</u>	<u>1,600,265</u>	<u>-</u>	<u>4,199,189</u>
Fund balance, ending	<u>\$10,266,515</u>	<u>\$ 1,548,990</u>	<u>\$ 1,532,028</u>	<u>\$(16,962)</u>	<u>\$ 1,600,265</u>



## **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.

#### **Louisiana Community Development Block Grant (LCDBG) Fund**

Accounts for monies reimbursed from the Louisiana Community Development Block Grant for street improvements.

#### **Police Department Detective Fund**

Accounts for monies transferred from the General Fund to be used for detective investigation.

#### **Emergency Shelter Grant Fund**

Accounts for funds received from the State of Louisiana Department of Social Services for the purpose of rehabilitation and operations of the New Life Center and Light House Mission.

#### **Police Witness Fee Fund**

Accounts for monies transferred from the General Fund to be used for witness fees.

#### **Police Seized Fund**

Accounts for monies received when drug assets are made and money is seized.

#### **Industrial Park Fund**

Accounts for funds received from the sale of land, lease income, or rental income in the City's Industrial Park. The funds received are not restricted.

#### **Myrtle Grove Cemetery Fund**

Accounts for funds received from the sale of lots in Myrtle Grove Cemetery. These funds are used for the operating and capital expenditures for the Cemetery.

### **DEBT SERVICE FUND**

#### **Local Assessment Fund**

Accumulates monies for payment of Paving Certificates, Series 1996 of \$71,049. The Paving Certificates were retired by assessments on the real properties along those applicable portions of streets within corporate limits.

### **CAPITAL PROJECTS FUNDS**

#### **Capital Projects Fund**

To account for excess monies from CLECO settlement and other sources designated to be used for operating transfers to other funds as designated by management.

#### **1995 Capital Projects Fund**

To account for the expenditures associated with the acquisition of equipment and improving of public buildings financed by Certificates of Indebtedness, Series 1995.

**CITY OF OPELOUSAS, LOUISIANA**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**August 31, 2012**

**With Comparative Totals as of August 31, 2011**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>	
				<u>2012</u>	<u>2011</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 47,778	\$ 35,079	\$ 17,299	\$ 100,156	\$ 104,637
Receivables -					
Accounts	9,525	-	-	9,525	5,142
Special assessments	-	69,685	-	69,685	143,179
Accrued interest	-	160,640	-	160,640	321,279
<b>TOTAL ASSETS</b>	<u><b>\$ 57,303</b></u>	<u><b>\$ 265,404</b></u>	<u><b>\$ 17,299</b></u>	<u><b>\$ 340,006</b></u>	<u><b>\$ 574,237</b></u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 10,936	\$ -	\$ -	\$ 10,936	\$ 6,533
Due to other funds	36	-	-	36	22,544
<b>Total liabilities</b>	<u><b>\$ 10,972</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 10,972</b></u>	<u><b>\$ 29,077</b></u>
<b>Fund balances:</b>					
Restricted - debt service	\$ -	\$ 265,404	\$ -	\$ 265,404	\$ 495,302
Assigned - public safety	33,086	-	-	33,086	13,864
Assigned - health and welfare	13,245	-	-	13,245	18,922
Assigned - capital expenditures	-	-	17,299	17,299	17,072
<b>Total fund balances</b>	<u><b>46,331</b></u>	<u><b>265,404</b></u>	<u><b>17,299</b></u>	<u><b>329,034</b></u>	<u><b>545,160</b></u>
<b>TOTAL LIABILITIES AND         FUND BALANCES</b>	<u><b>\$ 57,303</b></u>	<u><b>\$ 265,404</b></u>	<u><b>\$ 17,299</b></u>	<u><b>\$ 340,006</b></u>	<u><b>\$ 574,237</b></u>

CITY OF OPELOUSAS, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended August 31, 2012  
With Comparative Totals for August 31, 2011

	Special Revenue	Debt Service	Capital Projects	Totals	
				2012	2011
<b>Revenues:</b>					
Intergovernmental	\$102,128	\$ -	\$ -	\$ 102,128	\$ 30,355
Public Safety	23,933	-	-	23,933	23,548
Interest	530	426	227	1,183	1,529
Total revenues	<u>126,591</u>	<u>426</u>	<u>227</u>	<u>127,244</u>	<u>55,432</u>
<b>Expenditures:</b>					
Current -					
General government:					
Executive department	-	-	-	-	-
Assessment charge-offs	-	230,324	-	230,324	232,230
Public safety	4,949	-	-	4,949	30,027
Health and welfare	44,908	-	-	44,908	31,398
Capital outlay	63,189	-	-	63,189	6,183
Total expenditures	<u>113,046</u>	<u>230,324</u>	<u>-</u>	<u>343,370</u>	<u>299,838</u>
Excess (deficiency) of revenues over expenditures	<u>13,545</u>	<u>(229,898)</u>	<u>227</u>	<u>(216,126)</u>	<u>(244,406)</u>
Fund balance, beginning	<u>32,786</u>	<u>495,302</u>	<u>17,072</u>	<u>545,160</u>	<u>789,566</u>
Fund balance, ending	<u>\$ 46,331</u>	<u>\$ 265,404</u>	<u>\$ 17,299</u>	<u>\$ 329,034</u>	<u>\$ 545,160</u>

## **NONMAJOR ENTERPRISE FUND**

### **Rural Economic and Community Development Grant Fund**

Accounts for grant funds to be used to establish a revolving loan fund to facilitate the development of small and emerging private business, industry, and related employment for improving the economy in rural communities.

CITY OF OPELOUSAS, LOUISIANA  
Nonmajor Enterprise Fund  
Rural Economic and Community Development Grant Fund

Statement of Net Assets  
August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 168,841	\$ 141,538
Receivables:		
Notes receivable, net	93,959	117,503
Interest receivable	<u>12,915</u>	<u>12,915</u>
Total assets	<u>275,715</u>	<u>271,956</u>
<b>LIABILITIES</b>		
Liabilities:		
Due to other funds	<u>-</u>	<u>5</u>
<b>NET ASSETS</b>		
Restricted for grant provisions	<u>\$ 275,715</u>	<u>\$ 271,951</u>

CITY OF OPELOUSAS, LOUISIANA  
Nonmajor Enterprise Fund  
Rural Economic and Community Development Grant Fund

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Charges for services		
Miscellaneous	\$ -	\$ 1,506
Interest	<u>3,824</u>	<u>9,173</u>
Total operating revenues	<u>3,824</u>	<u>10,679</u>
Operating expenses:		
Supplies	60	70
Legal fees	<u>-</u>	<u>750</u>
Total operating expenses	<u>60</u>	<u>820</u>
Operating income	3,764	9,859
Net assets, beginning	<u>271,951</u>	<u>262,092</u>
Net assets, ending	<u>\$ 275,715</u>	<u>\$ 271,951</u>

CITY OF OPELOUSAS, LOUISIANA  
Nonmajor Enterprise Fund  
Rural Economic and Community Development Grant Fund

Statement of Cash Flows  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from customers	\$ 27,368	\$ 49,649
Cash payments for supplies	(65)	(70)
Cash payments for legal fees	-	(750)
Net cash provided by operating activities	<u>27,303</u>	<u>48,829</u>
 Net increase in cash	 27,303	 48,829
 Cash and cash equivalents, beginning of period	 <u>141,538</u>	 <u>92,709</u>
 Cash and cash equivalents, end of period	 <u>\$ 168,841</u>	 <u>\$ 141,538</u>
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,764	\$ 9,859
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in receivables	23,544	38,970
Decrease in accounts payable	<u>(5)</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 27,303</u>	<u>\$ 48,829</u>

## **INTERNAL SERVICE FUNDS**

### **Internal Service Fund A**

Accounts for the billing to various funds and the payment for automobile claims. This fund also accounts for the monies held in a claims account for self-insurance purposes in connection with the above coverage.

### **Internal Service Fund G**

Accounts for the billing to various funds and the payment of general liability claims. This fund also accounts for the monies held in a claims account for self-insurance purposes in connection with the above coverage.

### **Workmen's Compensation Fund**

Accounts for the billing to the various funds and the payment of insurance premiums for workmen's compensation coverage. This fund also accounts for the monies held in a claims account for the self-insured portion of each claim for the above coverage.

### **Health Self-Insurance Fund**

Accounts for the collection of health insurance premiums and the payment of individual claims.



## CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Net Assets  
Internal Service Funds  
August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Totals	
					2012	2011
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 2,935	\$ 638,963	\$ 21,379	\$ 663,277	\$ 1,022,812
Accounts receivable	-	1,000	60,000	364,286	425,286	260,263
Due from other funds	-	-	-	-	-	79,445
Total current assets	-	3,935	698,963	385,665	1,088,563	1,362,520
<b>NONCURRENT ASSETS</b>						
Capital assets:						
Equipment, net	-	3,614	-	-	3,614	4,853
Total assets	\$ -	\$ 7,549	\$ 698,963	\$ 385,665	\$ 1,092,177	\$ 1,367,373
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Cash overdraft	\$ 59	\$ -	\$ -	\$ 193,535	\$ 193,594	\$ -
Accounts payable	-	9,300	14,134	247,650	271,084	46,439
Claims payable	-	100,000	-	406,534	506,534	756,808
Due to other funds	110,555	250,445	-	510,523	871,523	884,445
Total liabilities	110,614	359,745	14,134	1,358,242	1,842,735	1,687,692
<b>NET ASSETS</b>						
Restricted for insurance claims	(110,614)	(352,196)	684,829	(972,577)	(750,558)	(320,319)
Total net assets (deficit)	(110,614)	(352,196)	684,829	(972,577)	(750,558)	(320,319)
Total liabilities and net assets	\$ -	\$ 7,549	\$ 698,963	\$ 385,665	\$ 1,092,177	\$ 1,367,373

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Totals	
					2012	2011
Operating revenues:						
Premiums	\$ 428,986	\$ 231,752	\$ 242,704	\$ 1,627,341	\$ 2,530,783	\$ 2,375,748
Miscellaneous	-	1,692	1,533	1,546	4,771	-
Total operating revenues	<u>428,986</u>	<u>233,444</u>	<u>244,237</u>	<u>1,628,887</u>	<u>2,535,554</u>	<u>2,375,748</u>
Operating expenses:						
Claims	13,121	55,462	378,953	2,064,172	2,511,708	2,347,758
Depreciation	-	1,239	-	-	1,239	1,239
Insurance	359,474	88,051	-	-	447,525	416,961
Administrative and other	3,000	6,000	10,000	-	19,000	19,000
Total operating expenses	<u>375,595</u>	<u>150,752</u>	<u>388,953</u>	<u>2,064,172</u>	<u>2,979,472</u>	<u>2,784,958</u>
Operating loss	<u>53,391</u>	<u>82,692</u>	<u>(144,716)</u>	<u>(435,285)</u>	<u>(443,918)</u>	<u>(409,210)</u>
Nonoperating revenues (expenses):						
Investment income	<u>1,409</u>	<u>522</u>	<u>9,203</u>	<u>2,545</u>	<u>13,679</u>	<u>23,960</u>
Total nonoperating revenues (expense)	<u>1,409</u>	<u>522</u>	<u>9,203</u>	<u>2,545</u>	<u>13,679</u>	<u>23,960</u>
Loss before operating transfers	54,800	83,214	(135,513)	(432,740)	(430,239)	(385,250)
Other financing sources						
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	54,800	83,214	(135,513)	(432,740)	(430,239)	(385,250)
Net assets (deficit), beginning	<u>(165,414)</u>	<u>(435,410)</u>	<u>820,342</u>	<u>(539,837)</u>	<u>(320,319)</u>	<u>64,931</u>
Net assets (deficit), ending	<u>\$ (110,614)</u>	<u>\$ (352,196)</u>	<u>\$ 684,829</u>	<u>\$ (972,577)</u>	<u>\$ (750,558)</u>	<u>\$ (320,319)</u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended August 31, 2012  
With Comparative Actual Amounts for August 31, 2011

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Totals	
					2012	2011
Cash flows from operating activities:						
Premiums received	\$ 428,986	\$ 230,752	\$ 284,946	\$ 1,421,076	\$ 2,365,760	\$ 2,571,613
Other receipts	-	1,692	1,533	1,546	4,771	-
General and administrative expenses paid	(3,000)	(6,000)	(10,000)	-	(19,000)	(19,000)
Claims paid	(13,121)	(242,203)	(378,307)	(1,898,142)	(2,531,773)	(2,226,607)
Insurance paid	(359,474)	(93,615)	-	-	(453,089)	(403,508)
Net cash provided (used) by operating activities	53,391	(109,374)	(101,828)	(475,520)	(633,331)	(77,502)
Cash flows from noncapital financing activities:						
(Increase) decrease in cash overdraft	59	-	-	193,535	193,594	(198,184)
Cash received from (paid to) other funds	(55,000)	106,000	-	15,523	66,523	110,000
Net cash provided (used) by noncapital and related financing activities	(54,941)	106,000	-	209,058	260,117	(88,184)
Cash flows from investing activities:						
Interest earnings	1,409	522	9,203	2,545	13,679	23,960
Net cash provided by investing activities	1,409	522	9,203	2,545	13,679	23,960
Net decrease in cash and cash equivalents	(141)	(2,852)	(92,625)	(263,917)	(359,535)	(141,726)
Cash and cash equivalents, beginning of the year	141	5,787	731,588	285,296	1,022,812	1,164,538
Cash and cash equivalents, end of the year	\$ -	\$ 2,935	\$ 638,963	\$ 21,379	\$ 663,277	\$ 1,022,812
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 53,391	\$ 82,692	\$ (144,716)	\$ (435,285)	\$ (443,918)	\$ (409,210)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:						
Depreciation	-	1,239	-	-	1,239	1,239
Changes in assets and liabilities:						
Accounts receivable	-	(1,000)	42,242	(206,265)	(165,023)	195,865
Accounts payable	-	(5,564)	646	229,563	224,645	(34,688)
Claims payable	-	(186,741)	-	(63,533)	(250,274)	169,292
Net cash provided (used) by operating activities	\$ 53,391	\$ (109,374)	\$ (101,828)	\$ (475,520)	\$ (633,331)	\$ (77,502)

CITY OF OPELOUSAS, LOUISIANA

Schedule of Insurance In Force (Unaudited)  
August 31, 2012

Company Name	Policy Number	Period From	Period To	Coverage Type	Coverage Amount
VFIS	VFIS-CM-1058870-02	2/9/2012	2/9/2013	Fire - Auto	\$ 1,000,000
VFIS	VFIS-TR-2064552-2	2/9/2012	2/9/2013	Fire - General Liability	1,000,000
Continental Casualty	PSR 4029485833	4/17/2012	4/17/2013	Building and business personal property	16,628,250
Lexington Insurance Company	03142-8128	4/17/2012	4/17/2013	Law Enforcement Professional Liability	1,000,000
American Alternative Insurance Corporation	4BA2IM2017833-00	5/1/2012	5/1/2013	Contractors Equipment	1,500,000
Safety National Casualty Corporation	AGC4046119	5/1/2012	5/1/2013	Workers' Compensation	1,000,000
The Travelers Indemnity Company of America	8109157P109	6/18/2012	6/18/2013	Automobiles	1,000,000
National Union Fire Insurance	01-801-99-78	4/17/2012	4/17/2013	Public officials and employee liability	1,000,000
Fidelity and Deposit Company	CCP 1406545 18	1/15/2012	1/15/2013	Clerks and cashier dishonesty blanket bond	10,000 per occurrence
Western Surety Company	69250888	11/15/2012	11/15/2013	Public officer bond - Accountant I	50,000
	70268079	1/1/2012	1/1/2013	Public officer bond - Mayor	50,000
	702360.11	1/25/2012	1/25/2013	Public officer bond - City clerk/tax collector	50,000

CITY OF OPELOUSAS, LOUISIANA  
Enterprise Funds  
Utility Funds

Schedule of Number of Utility Customers  
(Unaudited)  
August 31, 2012

Records maintained by the City indicated the following number of customers were being serviced during the month of August 31, 2012 and 2011:

<u>Department</u>	<u>2012</u>	<u>2011</u>
Water	7,334	7,589
Sewerage	6,385	6,437

**COMPLIANCE  
AND  
INTERNAL CONTROL**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Nixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA,PFS,CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Cheryl L. Bartley, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dauzat, CPA  
Matthew E. Margaglio, CPA  
Jane R. Hebert, CPA  
Bryan K. Joubert, CPA  
Stephen J. Anderson, CPA  
W. Jeffrey Lowry, CPA

Retired:  
Conrad O. Chapman, CPA\* 2006  
Tynes E. Nixon, Jr., CPA 2011

\* A Professional Accounting Corporation

## OFFICES

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

408 West Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-6833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

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

The Honorable Donald Cravins, Sr., Mayor  
and Members of the Board of Aldermen  
City of Opelousas, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2012, which collectively comprise the City of Opelousas, Louisiana's basic financial statements and have issued our report thereon dated February 27, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of the City of Opelousas, Louisiana, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Opelousas, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Opelousas, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Opelousas, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be material weaknesses as Items #12-2, #12-6 and #12-8.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be significant deficiencies as Items #12-1, #12-3, #12-4, #12-5, and #12-7.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Opelousas, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as Item #12-9.

The City of Opelousas, Louisiana's responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the City of Opelousas, Louisiana's responses and, accordingly, we express no opinion on it.

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

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 27, 2013



**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>CURRENT YEAR (8/31/12) --</b>						
<b><u>Internal Control:</u></b>						
12-1	Unknown	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Laura Balthazar, Chief Administrative Officer	N/A
12-2	2010	The City did not maintain an adequate listing of accounts payable and, therefore, did not agree or reconcile the balance to the general ledger during the year.		The City's present accounting software is not capable of producing an accounts payable listing. The City is currently preparing for new accounting software to be installed that will more adequately meet the financial reporting needs of the City.	Karen Frank, City Clerk	06/30/13

(continued)

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (8/31/12) --						
<u>Internal Control:</u>						
12-3	Unknown	Although the City has performed an annual physical inventory of assets, the inventory listing is not reconciled to the recorded assets.		The inventory listing will be reconciled to the recorded assets. Department heads will be required to perform inventory on a quarterly basis and turn in results to a designated employee who will reconcile department results to the recorded assets.	Karen Frank, City Clerk	06/30/13
12-4	2011	The City's credit card policy does not address the allowable business uses for the City's Wal-Mart and Visa cards, any additional documentation requirements to be included with the purchase receipt, required approvers and the monitoring of card usage.		The City's credit card policy will be evaluated and amended to include the allowable business uses for Wal-Mart and Visa credit cards. The amended policy will also address additional documentation requirements, required approvers and monitoring of card usage.	Laura Balthazar, Chief Administrative Officer	04/30/13

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>CURRENT YEAR (8/31/12) --</b>						
<b><u>Internal Control:</u></b>						
12-5	2011	The City is being charged finance fees and late charges on credit cards and lease payments as a result of consistently making payments late. Procedures should be implemented to ensure the timely payment of all credit card statements and lease payments in order to eliminate finance fees and late charges.		The City will modify the manner in which credit cards and lease payments are made. These payments will be included in the monthly appropriations that are paid on the first of each month to ensure that payments are remitted in a timely manner and ensure that no additional late fees are incurred.	Laura Balthazar, Chief Administrative Officer	04/30/13
12-6	Unknown	The City does not have complete and accurate records for customer deposits for both the utility system and electrical permits. A system of controls should be developed to ensure that an accurate listing is maintained for customer utility deposits and also deposits for electrical permits.		Management will designate an employee to reconcile the utility customer subsidiary to the general ledger. In addition, a subsidiary ledger of electrical permits outstanding will be developed and maintained. Procedures will be implemented to reconcile these subsidiary ledgers to the general ledger on a monthly basis.	Karen Frank, City Clerk	08/31/13

(continued)

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (8/31/12) --						
<u>Internal Control:</u>						
12-7	2011	The City does not have written policies and procedures for contracts/contracting, including leasing. The City also does not have centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts. The City should adopt and implement formal written policies and procedures for contracts/contracting. These policies and procedures should address the types of services requiring written contracts, standards terms and conditions, legal review requirements, the approval process, and the monitoring process. The City should also consider developing and implementing centralized control and oversight over contracts/contracting.		The City will adopt and implement policies and procedures whereas someone is specifically identified with oversight responsibility of all contracts and that a list of all contracts is maintained summarizing significant provisions of such contracts.	Laura Balthazar, Chief Administrative Officer	04/30/13

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>CURRENT YEAR (8/31/12) --</b>						
<b><u>Internal Control:</u></b>						
12-8	2012	The Accounts Payable clerk's duties included entering invoices into the computer system and also preparing checks for disbursement and mailing out the signed checks to the various vendors of the City. On June 25, 2012 the City was contacted by its Fiscal Agent Bank that a city employee had deposited thirteen checks drawn on the City's operating account payable to vendors and one check payable to the City from a vendor into her personal checking account totaling \$11,941.60 between May 2011 and June 2012. One check in the amount of \$3,096.22 was returned by the bank. The resulting loss to the City amounted to \$8,845.38.		<p>The accounts payable clerk was the city employee identified by the bank. This employee was immediately put on administrative leave pending investigation. This employee then resigned on June 29, 2012. She was arrested and charged with Misdemeanor Theft and Felony. This individual plead guilty in District Court on January 23, 2013 and was sentenced to 2 years supervised probation. She was also order to pay restitution in the amount of \$8,845.38.</p> <p>When the City was informed of the situation by the bank, the City Clerk requested that all future bank statements include copies of both the front and back of cleared checks. The individual performing bank reconciliations now reviews the endorsements of all checks that clear the City's bank account in order to identify any suspicious transactions. Also all payments are now mailed out by an individual outside of the accounts payable department.</p>	Laura Balthazar, Chief Administrative Officer	08/31/12

(continued)

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (8/31/12) --						
<u>Compliance:</u>						
12-9	2012	As of August 31, 2012 the amount of funds on deposit with one local depositing authority were not properly secured. LSA-R.S. 39:1225 requires the amount of security to be equal to one hundred percent of the amount of collected funds on deposit except that portion of the deposits insured by FDIC. The local depositing authority had deposits of the City in excess of securities pledged equal to \$124,021 or 1.2% of total deposits.		Upon notification of the deficiency by the auditors, the City Clerk contacted the financial institution which immediately pledged securities to secure the funds on deposit. Also, procedures will be established to monitor bank balances and securities pledged reports on a monthly basis.	Karen Frank, City Clerk	03/31/13

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (8/31/11) --</b>						
<b><u>Internal Control:</u></b>						
11-1	Unknown	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	See current year finding 12-1.		
11-2	Unknown	Loan files for loans made under the ORECD loan program do not contain adequate documentation.	Yes			
11-3	Unknown	Although the City has performed an annual physical inventory of assets, the inventory listing is not reconciled to the recorded assets.	No	See current year finding 12-3.		
11-4	2010	The City did not maintain an adequate listing of accounts payable and, therefore, did not agree or reconcile the balance to the general ledger during the year.	No	See current year finding 12-2.		

(continued)

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (8/31/11) --						
<u>Internal Control:</u>						
11-5	Unknown	In our examination of the City's purchasing procedures, we found numerous incidences in various department were the City failed to obtain purchase orders as required by the City's purchasing policy. Failure to adhere to the purchasing policy was most prominently noted in the police department.	Yes			
11-6	2011	In our examination of purchases made with the City's credit card, we found that purchase orders are not being obtained for purchases greater than \$300. We also found that authorized users are routinely splitting transactions in order to reduce the transaction total to below the \$300 purchase order requirement threshold. In many instances, authorized users are not returning credit cards within the City's prescribed time frame.	Yes			
11-7	2011	The City's credit card policy does not address the allowable business uses for the City's Wal-Mart and Visa cards, any additional documentation requirements to be included with the purchase receipt, required approvers and the monitoring of card usage.	No	See current year finding 12-4.		

(continued)



**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (8/31/11) --</b>						
<b><u>Internal Control:</u></b>						
11-8	2011	The City is being charged finance fees and late charges on credit cards and lease payments as a result of consistently making payments late. Procedures should be implemented to ensure the timely payment of all credit card statements and lease payments in order to eliminate finance fees and late charges.	No	See current year finding 12-5.		
11-9	Unknown	The City does not have complete and accurate records for customer deposits for both the utility system and electrical permits. A system of controls should be developed to ensure that an accurate listing is maintained for customer utility deposits and also deposits for electrical permits.	No	See current year finding 12-6.		
11-10	2011	Several months after the fiscal year ended, the police department submitted numerous invoices to the accounts payable department for payment for expenditures incurred during the fiscal year. A system of controls should be developed to ensure that all invoices of the City are turned in for payment in a timely manner.	Yes			

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (8/31/11) --</b>						
<b><u>Internal Control:</u></b>						
11-11	2011	The City does not have written policies and procedures for budgeting. Based upon discussion with the City Clerk, the City follows the Louisiana Budget Act. We recommend that the City prepare and adopt formal written policies and procedures for budgeting which includes policies and procedures for preparing, adopting, monitoring, and amending the	Yes			
11-12	2011	The City's purchasing policies and procedures do not completely address the processing, reviewing, and approving of disbursements. We recommend that consideration be given to amending the City's purchasing policy to include policies and procedures for the processing of disbursements by the accounts payable department.	Yes			
11-13	2011	The City has no written policies and procedures for receipts, including receiving, recording, and preparing deposits. We recommend that that the City adopt policies and procedures for receipts, included receiving, recording, and preparing deposits. The need for segregation of duties needs to be considered when drafting these policies and procedures.	Yes			

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (8/31/11) --</b>						
<b><u>Internal Control:</u></b>						
11-14	2011	The City does not have written policies and procedures for contracts/contracting, including leasing. The City also does not have centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts. The City should adopt and implement formal written policies and procedures for contracts/contracting. These policies and procedures should address the types of services requiring written contracts, standards terms and conditions, legal review requirements, the approval process, and the monitoring process. The City should also consider developing and implementing centralized control and oversight over contracts/contracting.	No	See current year finding 12-7.		

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (8/31/11) --</b>						
<b><u>Compliance:</u></b>						
11-15	2011	The City did not amend the Sales Tax Special Revenue Fund budget in accordance with LSA-RS 39:1311(A)(2) that states when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are exceeding the total budgeted expenditures by five percent or more, the budget must be amended. Total expenditures exceeded budgeted expenditures by 25% or \$133,682.	Yes			
11-16	2011	The City did not comply with the sinking fund deposit requirements for its various bond issues. The bond issues require that amounts be transferred monthly into the sinking fund accounts. The required transfers were not made in full to these accounts for the fiscal year ended August 31, 2011. It is recommended that the City fully comply with the sinking fund deposit transfers as required by the bond issues.	Yes			
<b><u>Management Letter:</u></b>						
11-17	2010	The City of Opelousas named the North Park Civic Center in honor of a living person.	Yes			

(continued)

**CITY OF OPELOUSAS, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended August 31, 2012**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (8/31/11) --</b>						
<b><u>Management Letter:</u></b>						
11-18	2011	All employee timesheets for the pay period ending June 25, 2011 were examined. In two instances, the employee did not sign their timesheet as required. In three instances, a supervisor did not sign the timesheet as required. We recommend that steps be taken to ensure all timesheets are signed by both the employee and their supervisor as required.	Yes			

**CITY OF OPELOUSAS, LOUISIANA**

**INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**Fiscal Year Ended August 31, 2012**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Nixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA,PFS,CSA\*  
Marshall W. Guldry, CPA  
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Cheryl L. Bartley, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dautat, CPA  
Matthew E. Margaglio, CPA  
Jane R. Hebert, CPA  
Bryan K. Joubert, CPA  
Stephen J. Anderson, CPA  
W. Jeffrey Lowry, CPA

Retired:  
Conrad O. Chapman, CPA\* 2006  
Tyne E. Nixon, Jr., CPA 2011

\* A Professional Accounting Corporation

## OFFICES

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

406 West Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
WWW.KCSRCPAS.COM

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Donald Cravins, Sr., Mayor  
and Members of the City Council  
Opelousas, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City of Opelousas, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City of Opelousas, Louisiana's compliance with certain laws and regulations during the period ended August 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the City of Opelousas, Louisiana is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specific users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### ***I. Credit Cards***

1. Obtain from management a listing of all active credit cards (and bank debit cards if applicable) for the period under examination, including the card numbers and the names of the persons who maintained possession of the cards.

We obtained a listing of all active credit cards for the period under examination. The City utilizes three types of credit cards, a general credit card (VISA), a store credit card (Wal-Mart), and fuel credit cards (FleetRite Net).

The Wal-Mart credit cards are stored in a lock box maintained by the Mayor's secretary. Authorized individuals must sign out the card from the Mayor's secretary.

The Visa card is stored in the City Clerk's office. Authorized users must sign out this card from the City Clerk.

The list of FleetRite Net cards is maintained by the Chief Administrative Officer. A card is issued for each city vehicle and is kept in the respective vehicle's glove compartment. Each authorized user is issued a pin number which must be entered in order to use the card.

2. Obtain and review the entity's written policies and procedures for credit cards (and debit cards if applicable) and determine if the following is addressed:

- How cards are to be controlled
- Allowable business uses
- Documentation requirements
- Required approvers
- Monitoring card usage

The City's credit card policy addresses how credit cards are to be controlled. The policy also addresses allowable business uses for the fuel credit cards only. The City's policy also requires that a receipt be turned in for all credit card purchases. The policy does not address the allowable business uses for the Wal-Mart and Visa cards, any additional documentation requirements to be included with the receipt, required approvers and the monitoring of card usage.

3. Obtain the monthly statements for all credit cards (general, stores, and gasoline) used during the period under examination and select for detailed review, the two largest (dollar amount) statements for each card. (Note: For a debit card, select the two monthly bank statements with the largest dollar amount of debit charges):

The monthly statements for all credit cards used during the period under examination were obtained. The two largest (dollar amount) statements for each card were selected for detailed testing.

- A. Obtain the entity's supporting documentation for the purchases/charges shown on the selected monthly statements:

- Determine if each purchase is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)

There were no exceptions noted as a result of procedures performed



- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)

Based upon review of the 48 credit card transactions tested, it appears that a specific business/public purpose is only documented when purchases are made for a specific function or event. In other instances, e.g., purchases of supplies, only the department code is included on the receipt.

- Other documentation as may be required by policy (e.g., purchase order, authorization, etc.)

The City's purchasing policy requires that a purchase order be obtained for all purchases greater than \$300. Of the 48 transactions tested, a purchase order was not obtained for one transaction requiring one.

- Determine if each purchase is:

- In accordance with thresholds or guidelines established in the policies and procedures

There were no exceptions noted as a result of procedures performed

- For an appropriate and necessary business purpose relative to the entity

There were no exceptions noted as a result of procedures performed.

- Determine if any purchases were made for personal purposes. If there are purchases made for personal purposes, determine the date(s) of reimbursement.  
There were no exceptions noted as a result of procedures performed.

- Determine if any purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law (i.e., large or recurring purchases requiring the solicitation of bids or quotes).

There were no exceptions noted as a result of procedures performed. There were also no instances of noncompliance with the Louisiana Public Bid Law identified.

- B. Determine if there was any duplication of expenses by comparing all travel and related purchases to the appropriate person's expense reimbursement report(s).

There were no exceptions noted as a result of procedures performed.

- C. Determine if each monthly credit card statement (including supporting documentation) was reviewed and approved, in writing, by someone other than the person making the purchases. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality.)

The Wal-Mart credit card statements are reviewed by the Mayor's secretary. Through this process she matches submitted receipts to the statement. The Visa statement is reviewed by the City Clerk. The FleetRite Net fuel purchases statement is reviewed by the Chief Administrative Officer. These individuals code the various invoices/purchases but do not actually initial their review. Based upon discussions with the City Clerk, the coding of the expenditures alerts the accounts payable clerk that the invoice has been reviewed. Also each disbursement must have three signatures. The invoices are attached to the checks when presented for signature. According to the City Clerk, this process allows for further review.

- D. Determine if finance charges and/or late fees were assessed on the monthly statements.

Based upon review of the credit card statements, it appears that payments are made consistently late. The City is also consistently paying finance charges and late fees.

## **II. Contracts**

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1. Obtain and review the entity's written policies and procedures for contracts/contracting, including leasing, and determine if the following is addressed:

- Types of services requiring written contracts
- Standard terms and conditions
- Legal review
- Approval process
- Monitoring process

The City currently does not have written policies and procedures for contracts/contracting, including leasing.

2. Determine if the entity has centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts.

The City does not have centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts.

3. Obtain and review the accounting records (e.g., general ledgers, accounts payable vendor history reports, invoices, etc.) for the period under examination to identify individuals/businesses being paid for contracted services (e.g., professional, technical, etc.). Select the five “vendors” that were paid the most money during the period and for each:

- Determine if there is a formal/written contract that supports the services arrangement and the total amount paid.

There were no exceptions noted as a result of procedures performed.

- Determine the business legitimacy of the vendor if not known by the auditor (e.g., look-up the vendor on the LA Secretary of State’s website).

There were no exceptions noted as a result of procedures performed.

4. Obtain a listing of all active contracts and the expenditures made during the period under examination. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period.

- (1) Services
- (2) Materials and supplies
- (3) Public works

There were no exceptions noted as a result of procedures performed.

- A. Obtain the selected contracts and the related paid invoices and:

- Determine if the contract is a related party transaction.

There were no exceptions noted as a result of procedures performed.

- Determine if the transaction is subject to the Louisiana Public Bid Law:

- If yes, determine if the entity complied with all requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder, etc.)

There were no exceptions noted as a result of procedures performed.

- If no, determine if the entity provided an open and competitive atmosphere (a good business practice) for the transaction/work.

There were no exceptions noted as a result of procedures performed.

- Determine if the contract was awarded under the *request for proposals* (RFP) method. If done so, obtain all proposals and the evaluation/scoring documents to determine if the contract was awarded to the most responsible offeror whose proposal was the most advantageous taking into consideration price and other evaluation factors set forth in the *request for proposals*.

This attribute was not applicable to the contract tested.

- Determine if the procurement was made “off” state contract (as opposed to following the competitive bidding requirements of the Louisiana Public Bid Law). If done so, determine if the board formally adopted the use of the Louisiana Procurement Code (R.S. 39:1551-1755), the set of laws that govern most state agencies’ purchases of certain services, materials and supplies, and major repairs.

Vehicles were purchased under state contract in connection with one contract tested. Although the City has a procurement policy in place, there is no documentation evidencing whether or not the board formally adopted the use of the Louisiana Procurement Code (R.S. 39:1551-1755).

- Determine if the procurement related to homeland security and was made from federal General Services Administration (GSA) supply schedules. If done so, determine if the entity (1) utilized a Louisiana licensed distributor; (2) used the competitive ordering procedures of the federal GSA; and (3) received prior approval from the director of the State Office of Homeland Security and Emergency Preparedness, or his designee.

This attribute was not applicable to the contract tested.

- Determine if the entity “piggybacked” onto another agency’s contract. If done so, determine if there is documentation on file that clearly demonstrates the contract was a previously bid, viable contract and the price paid by the entity was the same as that contract’s bid price.

This attribute was not applicable to the contract tested.

- Determine if the contract was amended. If done so, determine whether the original contract contemplated or provided for such an amendment. Furthermore, determine if the amendment is outside the scope of the original contract, and if so, whether it should have been separately bid and contracted.

There were no exceptions noted as a result of procedures performed.

- Determine if the invoices received and payments made during the period complied with the terms and conditions of the contract.

There were no exceptions noted as a result of procedures performed.

- Determine if there is written evidence that the entity's legal advisor reviewed the contract and advised entering into the contract.

There was no documentation available to determine if the City's legal advisor reviewed the contract and advised prior to entering into the contract except in one instance.

- Determine if there is documentation of board approval, if required.

There were no exceptions noted as a result of procedures performed.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of the City of Opelousas, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 27, 2013

**City of Opelousas**  
**Management's Corrective Action Plan**  
**August 31, 2012**

***I. Credit Cards***

**Finding – Question 2:** The City's credit card policy does not address the allowable business uses for the Wal-Mart and Visa cards, any additional documentation requirements to be included with the purchase receipt, required approvers and the monitoring of card usage.

**Recommendation:** We recommend that the City's credit card policy be amended to include an explanation of allowable business uses for the Wal-Mart and Visa credit cards. The policy should also address documentation requirements, required approvers, authorized users, and how the card usage is monitored.

**Corrective Action Plan:** The City's credit card policy will be evaluated and amended to include an explanation of allowable business uses for the Wal-Mart and Visa credit cards. The amended policy will also address documentation requirements, required approvers, authorized users, and how the card usage is monitored.

**Name of Contact Person:** Laura Balthazar, Chief Administrative Officer

**Anticipated Completion Date:** April 30, 2013

**Finding – Question 3(A):** A purchase order was not obtained for one of the 48 credit card transactions reviewed.

**Recommendation:** We recommend that the City strengthen the enforcement of its procurement policy to ensure that all a purchase order is obtained for all purchases for which one is required.

**Corrective Action Plan:** The lack of a purchase order identified was an oversight. The City will more closely monitor disbursements to ensure that a purchase order is obtained for all purchase for which one is required.

**Name of Contact Person:** Laura Balthazar, Chief Administrative Officer

**Anticipated Completion Date:** April 30, 2013

**Finding - Question 3(D):** The City is being charged finance fees and late charges on credit cards as a result of consistently making payments late.

**Recommendation:** Procedures should be implemented to ensure the timely payment of all credit card statements in order to eliminate finance fees and late charges.

**City of Opelousas**  
**Management's Corrective Action Plan**  
**August 31, 2012**

**Corrective Action Plan:** The City will modify the manner in which credit card payments are made. These payments will be included in the monthly appropriations that are paid on the first of each month to ensure that payments are remitted in a timely manner and to also ensure that no additional late fees are incurred.

**Name of Contact Person:** Laura Balthazar, Chief Administrative Officer

**Anticipated Completion Date:** April 30, 2013

***II. Contracts***

**Finding – Questions 1 and 2:** The City currently does not have written policies and procedures for contracts/contracting, including leasing. The City does not have centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts.

**Recommendation:** The City should adopt and implement formal written policies and procedures for contracts/contracting. These policies and procedures should address the types of services requiring written contracts, standard terms and conditions, legal review requirements, the approval process, and the monitoring process. The City should also consider developing and implementing centralized control and oversight over contracts/contracting.

**Corrective Action Plan:** The City will adopt and implement policies and procedures whereas someone is specifically identified with oversight responsibility of all contracts and that a list of all contracts is maintained summarizing significant provisions of such contracts.

**Name of Contact Person:** Laura Balthazar, Chief Administrative Officer

**Anticipated Completion Date:** April 30, 2013