

CITY OF OPELOUSAS, LOUISIANA  
FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2007

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

Release Date 4/9/08

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Opelousas, Louisiana'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of August 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 29, 2008 on our consideration of the City of Opelousas' 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

To the Honorable Donald Cravins, Sr., Mayor  
and the Board of Aldermen  
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The other required supplementary information on pages 53 through 56 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The City of Opelousas has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement although not required to be part of the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Opelousas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations," and is also not a required part of the financial statements of the City of Opelousas, Louisiana. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*John S. Dowling & Company*

Opelousas, Louisiana  
February 29, 2008

## BASIC FINANCIAL STATEMENTS

The City of Opelousas basic financial statements comprise the following three components:

Government-wide financial statements - provide readers with a broad overview of the City of Opelousas' finances in a manner similar to a private sector business.

Fund financial statements - provide readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting the City's near-term financial needs.

Notes to financial statements - provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS  
AUGUST 31, 2007

	<u>PRIMARY GOVERNMENT</u>		<u>TOTAL</u>
	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	
<u>ASSETS</u>			
Cash and cash equivalents	\$8,401,554	\$539,781	\$8,941,335
Investments	1,462,491		1,462,491
Receivables (net of allowances for uncollectibles)	919,701	1,991,979	2,911,680
Internal balances	12,926	(12,926)	
Due from other governments	418,709		418,709
Inventory	32,290	21,290	53,580
Restricted assets	1,237,182	8,670,710	9,907,892
Bond issue costs, net	58,259	483,475	541,734
Capital assets (net)	15,823,996	22,542,017	38,366,013
<u>Total assets</u>	<u>28,367,108</u>	<u>34,236,326</u>	<u>62,603,434</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	1,064,557	328,289	1,392,846
Claims payable	403,257		403,257
Interest payable	9,924		9,924
Due to other government units	399,255		399,255
Payable from restricted assets		1,025,190	1,025,190
Taxes paid under protest	2,579		2,579
Long-term liabilities			
Due within one year	521,248	1,029,000	1,550,248
Due in more than one year	6,740,691	17,385,303	24,125,994
<u>Total liabilities</u>	<u>9,141,511</u>	<u>19,767,782</u>	<u>28,909,293</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	11,371,113	8,793,108	20,164,221
Restricted for:			
Insurance claims	2,453,018		2,453,018
Debt service	2,072	6,178,957	6,181,029
Customers' deposits		319,000	319,000
Protest taxes	157		157
Construction	983,796	118,563	1,102,359
Grant provisions		227,998	227,998
Unrestricted	4,415,441	(1,169,082)	3,246,359
<u>Total net assets</u>	<u>19,225,597</u>	<u>14,468,544</u>	<u>33,694,141</u>

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES  
AUGUST 31, 2007

	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS	
	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>FUNCTIONS/PROGRAMS</u></b>						
Governmental Activities						
General government	\$2,082,297	\$60,746		(\$2,021,551)		(\$2,021,551)
Public safety	7,024,273	83,056	\$28,411	(6,743,164)		(6,743,164)
Public works	1,771,894			(1,766,650)		(1,766,650)
Health and welfare	275,158	125,559	94,592	4,240		4,240
Culture and recreation	1,502,444	68,201	3,032	(1,276,571)		(1,276,571)
Economic development	78,011			(78,011)		(78,011)
Insurance claims and costs	999,004			(999,004)		(999,004)
Interest and fees on debt	274,647			(274,647)		(274,647)
<u>Total governmental activities</u>	<u>14,007,728</u>	<u>337,562</u>	<u>126,035</u>	<u>(13,155,358)</u>	<u>0</u>	<u>(13,155,358)</u>
Business-type Activities						
Electric Light and Waterworks	2,762,399	5,189,329			\$2,426,930	2,426,930
Sewer	1,820,778	2,181,081			360,303	360,303
OREC	9,256	7,650			(1,606)	(1,606)
<u>Total business-type activities</u>	<u>4,592,433</u>	<u>7,378,060</u>	<u>0</u>	<u>0</u>	<u>2,785,627</u>	<u>2,785,627</u>
<b><u>Total primary government</u></b>	<b><u>18,600,161</u></b>	<b><u>337,562</u></b>	<b><u>126,035</u></b>	<b><u>(13,155,358)</u></b>	<b><u>2,785,627</u></b>	<b><u>(10,369,731)</u></b>
General Revenues						
Taxes						
Property taxes, levied for general purposes				927,797		927,797
Sales taxes, levied for general purposes				8,715,200		8,715,200
Franchise taxes				1,305,257		1,305,257
Interest and investment earnings				434,009	486,982	920,991
Occupational licenses and other permits				795,843		795,843

Continued on next page.  
The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES - (CONTINUED)  
AUGUST 31, 2007

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	ACTIVITIES	ACTIVITIES	TOTAL
Racino income	\$225,869					\$225,869
Video poker revenue	102,162					102,162
State beer tax	48,053					48,053
State tobacco tax	31,359					31,359
Insurance rebate	67,095					67,095
Miscellaneous	447,488					447,488
Gain on capital assets retired	601					601
Transfers	1,927,036				(\$1,927,036)	
Total general revenues and transfers	15,027,769				(1,440,054)	13,587,715
Change in net assets	1,872,411			1,345,573		3,217,984
Net assets - September 1, 2006	17,353,186			13,122,971		30,476,157
Net assets - August 31, 2007	19,225,597			14,468,544		33,694,141

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

CITY OF OPELOUSAS, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2007

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$2,187,351	\$4,728,937	\$108,899	\$7,025,187
Receivables, net of allowances for uncollectibles -				
Accounts		4,382	907,925	912,307
Due from other funds	13,024	500,000		513,024
Due from other governmental units	418,709			418,709
Inventory - at cost	32,290			32,290
Cash - restricted	1,237,182			1,237,182
<u>Total assets</u>	<u>3,888,556</u>	<u>5,233,319</u>	<u>1,016,824</u>	<u>10,138,699</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	\$704,512		\$34,843	\$739,355
Deferred revenue - protest taxes	2,579			2,579
Due to other funds	576,717		5	576,722
Due to other governmental units	399,255			399,255
Accrued compensated absences	21,105			21,105
<u>Total liabilities</u>	<u>1,704,168</u>	<u>0</u>	<u>34,848</u>	<u>1,739,016</u>
<u>FUND BALANCES</u>				
Reserved for debt service	2,072			2,072
Reserved for construction	1,232,374			1,232,374
Reserved for inventory	32,290			32,290
Reserved for protest taxes	157			157
Unreserved, undesignated				
General Fund	917,495			917,495
Special Revenue funds		\$5,233,319	43,991	5,277,310
Debt Service funds			916,684	916,684
Capital Projects funds			21,301	21,301
<u>Total fund balances</u>	<u>2,184,388</u>	<u>5,233,319</u>	<u>981,976</u>	<u>8,399,683</u>
<u>Total liabilities and fund balances</u>	<u>3,888,556</u>	<u>5,233,319</u>	<u>1,016,824</u>	<u>10,138,699</u>

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
AUGUST 31, 2007

Total fund balances for governmental funds at August 31, 2007		\$8,399,683
Cost of capital assets at August 31, 2007	\$23,688,471	
Less: Accumulated depreciation as of August 31, 2007	<u>(7,874,498)</u>	15,813,973
Long-term liabilities at August 31, 2007		
Bonds payable	(5,665,000)	
Capital leases payable	(60,399)	
Compensated absences	(680,853)	
Municipal Police Employees' Retirement payable	(834,582)	
Retainage payable	(248,578)	
Interest payable	<u>(9,924)</u>	(7,499,336)
Bond issue costs, net		58,259
Assets and liabilities of Internal Service Funds		<u>2,453,018</u>
Net assets at August 31, 2007		<u><u>19,225,597</u></u>

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<u>REVENUES</u>				
Taxes	\$ 2,139,400	\$8,715,200		\$10,854,600
Licenses and permits	795,843			795,843
Intergovernmental	1,002,203		\$21,586	1,023,789
Charges for services	156,652			156,652
Fines and forfeitures	169,642			169,642
Investment earnings			17,269	17,269
Other	547,566	151,026	45,784	744,376
<u>Total revenues</u>	<u>4,811,306</u>	<u>8,866,226</u>	<u>84,639</u>	<u>13,762,171</u>
<u>EXPENDITURES</u>				
Current				
General government	1,902,308	94,460	6,800	2,003,568
Public safety	6,957,545		1,845	6,959,390
Public works	1,698,675		21,611	1,720,286
Health and welfare	266,511			266,511
Culture and recreation	1,205,721	200,600		1,406,321
Economic development	77,098			77,098
Capital outlay	5,529,105			5,529,105
Debt service				
Principal, interest, and other charges	654,111			654,111
<u>Total expenditures</u>	<u>18,291,074</u>	<u>295,060</u>	<u>30,256</u>	<u>18,616,390</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(13,479,768)</u>	<u>8,571,166</u>	<u>54,383</u>	<u>(4,854,219)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	11,279,804			11,279,804
Sale of capital assets	601			601
Operating transfers out	(444,000)	(7,544,768)	(658,000)	(8,646,768)
<u>Total other financing sources (uses)</u>	<u>10,836,405</u>	<u>(7,544,768)</u>	<u>(658,000)</u>	<u>2,633,637</u>

Continued on next page.

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES- (CONTINUED)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<u>NET CHANGE IN FUND BALANCES</u>	(\$2,643,363)	\$1,026,398	(\$603,617)	(\$2,220,582)
<u>FUND BALANCES, beginning of year</u>	<u>4,827,751</u>	<u>4,206,921</u>	<u>1,585,593</u>	<u>10,620,265</u>
<u>FUND BALANCES, end of year</u>	<u><u>2,184,388</u></u>	<u><u>5,233,319</u></u>	<u><u>981,976</u></u>	<u><u>8,399,683</u></u>

The accompanying notes are an integral part of this statement.

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, 2007

Total net change in fund balances for the year ended August 31, 2007 per Statement of Revenues, Expenditures and Changes in Fund Balances		(\$2,220,582)
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$5,529,105	
Depreciation expense for the year ended August 31, 2007	<u>(638,679)</u>	4,890,426
Bond principal retirement considered an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		340,000
Net income of the Internal Service Funds not included on Statement of Activities		(1,514,817)
Increase in long-term compensated absences		247,966
Amortization on bond issue costs		(6,211)
Change in long-term debt:		
Capital leases payable	45,675	
Municipal Police Employees' Retirement payable	88,755	
Interest payable	<u>1,199</u>	<u>135,629</u>
<u>Total change in net assets for the year ended August 31, 2007 per Statement of Activities</u>		<u>1,872,411</u>

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AUGUST 31, 2007

<u>ASSETS</u>	<u>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u> <u>LIGHT AND</u> <u>WATERWORKS</u> <u>SEWER</u>	<u>ACTIVITIES -</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
	<u>OTHER</u> <u>ENTERPRISE</u> <u>FUNDS</u>	<u>TOTAL</u> <u>ENTERPRISE</u> <u>FUNDS</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$409,198	\$74,581
Investments		\$56,002
Receivables, (net where applicable of of uncollectibles)		\$539,781
Customers	881,532	753,858
Notes		171,996
Other	184,593	184,593
Due from other funds	471,968	471,968
Inventories	21,159	131
<u>Total current assets</u>	<u>1,968,450</u>	<u>828,570</u>
		<u>1,635,390</u>
		<u>7,394</u>
		<u>555</u>
		<u>2,846,807</u>
<u>RESTRICTED ASSETS</u>		
Cash and cash equivalents	7,896,014	774,696
<u>Total restricted assets</u>	<u>7,896,014</u>	<u>774,696</u>
		<u>8,670,710</u>
		<u>0</u>
		<u>8,670,710</u>
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Property, plant and equipment	28,006,195	22,463,763
Less: accumulated depreciation	(19,101,690)	(8,826,251)
<u>Net property, plant and equipment</u>	<u>8,904,505</u>	<u>13,637,512</u>
		<u>50,469,958</u>
		<u>(27,927,941)</u>
		<u>14,093</u>
		<u>(4,070)</u>
		<u>10,023</u>
<u>OTHER</u>		
Deferred financing costs	434,437	49,038
<u>Total assets</u>	<u>19,203,406</u>	<u>15,289,816</u>
		<u>483,475</u>
		<u>34,721,220</u>
		<u>2,856,830</u>

Continued on next page.  
 The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS - (CONTINUED)  
PROPRIETARY FUNDS  
AUGUST 31, 2007

LIABILITIES	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC LIGHT AND WATERWORKS	SEWER	OTHER ENTERPRISE FUNDS	
<u>CURRENT LIABILITIES (from current assets)</u>				
Accounts payable and accrued payable	\$286,864	\$6,580	\$293,444	\$403,257
Claims payable				555
Due to other funds	32,392	487,347	519,739	
Total	319,256	493,927	813,183	403,812
<u>CURRENT LIABILITIES (from restricted assets)</u>				
Bonds payable within one year	420,000	609,000	1,029,000	
Construction payable	284,884		284,884	
Customers' meter deposits	740,306		740,306	
Total	1,445,190	609,000	2,054,190	0
Total current liabilities	1,764,446	1,102,927	2,867,373	403,812
<u>LONG-TERM LIABILITIES</u>				
Revenue bonds payable	9,095,000	8,237,736	17,332,736	
Compensated absences	41,883	10,684	52,567	
Total long-term liabilities	9,136,883	8,248,420	17,385,303	0
Total liabilities	10,901,329	9,351,347	20,252,676	403,812

Continued on next page.  
The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS - (CONTINUED)  
PROPRIETARY FUNDS  
AUGUST 31, 2007

<u>NET ASSETS</u>	<u>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u> <u>LIGHT AND</u> <u>WATERWORKS</u> <u>SEWER</u> <u>OTHER</u> <u>ENTERPRISE</u> <u>FUNDS</u>	<u>ACTIVITIES -</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
Invested in capital assets, net of related debt	\$3,344,294	\$5,448,814
Restricted for:		
Insurance claims		\$2,453,018
Bond retirement	6,091,844	
Construction	39,980	
Customers' meter deposits	319,000	
Grant provisions	\$227,998	
Unrestricted	(1,493,041)	(1,169,082)
<u>Total net assets</u>	<u>8,302,077</u>	<u>14,468,544</u>
	<u>5,938,469</u>	<u>2,453,018</u>

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC LIGHT AND WATERWORKS	SEWER	OTHER ENTERPRISE FUNDS	
<u>OPERATING REVENUES</u>				
Charges for services				
Utilities	\$4,298,558	\$2,145,157	\$6,443,715	
Interest			7,650	
Premiums				\$1,723,672
Other	48,822	35,924	84,746	
<u>Total operating revenues</u>	<u>4,347,380</u>	<u>2,181,081</u>	<u>6,536,111</u>	<u>1,723,672</u>
<u>OPERATING EXPENSES</u>				
Personal services	872,644	241,792	1,114,436	
Supplies and materials	293,028	27,137	320,178	
Other services and charges	792,355	508,577	1,310,175	2,722,820
Repairs and maintenance	57,448	129,333	186,781	
Depreciation	339,388	555,708	895,096	
<u>Total operating expenses</u>	<u>2,354,863</u>	<u>1,462,547</u>	<u>3,826,666</u>	<u>2,722,820</u>
<u>OPERATING INCOME (LOSS)</u>	<u>1,992,517</u>	<u>718,534</u>	<u>2,709,445</u>	<u>(999,148)</u>
<u>NON-OPERATING REVENUES</u> <u>(EXPENSES)</u>				
Investment income	482,812	4,170	486,982	190,331
LCDB grant proceeds	452,924		452,924	
Cleco surcharge	389,025		389,025	
Interest and fiscal charges	(407,536)	(358,231)	(765,767)	
<u>Total non-operating revenues (expenses)</u>	<u>917,225</u>	<u>(354,061)</u>	<u>563,164</u>	<u>190,331</u>

Continued on next page.  
The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC LIGHT AND WATERWORKS	SEWER	TOTAL ENTERPRISE FUNDS	
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	\$2,909,742	\$364,473	\$3,272,609	(\$808,817)
<u>OPERATING TRANSFERS IN (OUT)</u>				
Operating transfers in	90,887	286,105	376,992	1,602,622
Operating transfers out	(1,763,141)	(540,887)	(2,304,028)	(2,308,622)
Total operating transfers in (out)	(1,672,254)	(254,782)	(1,927,036)	(706,000)
Increase (decrease) in net assets	1,237,488	109,691	1,345,573	(1,514,817)
<u>NET ASSETS, beginning of year</u>	7,064,589	5,828,778	13,122,971	3,967,835
<u>NET ASSETS, end of year</u>	8,302,077	5,938,469	14,468,544	2,453,018

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, 2007

	<u>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>ACTIVITIES -</u>
	<u>LIGHT AND</u>	<u>ENTERPRISE</u>	<u>ENTERPRISE</u>	<u>INTERNAL</u>
	<u>WATERWORKS</u>	<u>ENTERPRISE</u>	<u>FUNDS</u>	<u>SERVICE FUND</u>
	<u>SEWER</u>			
	\$4,064,304	\$42,299	\$6,065,726	\$1,716,693
		(75,000)	(75,000)	(187,212)
	(1,122,640)		(1,850,861)	(2,016,595)
		(9,256)	(9,256)	(14,896)
				(506,958)
	<u>(759,775)</u>		<u>(987,184)</u>	
	2,181,889	1,003,493	3,143,425	<u>(1,008,968)</u>

CASH FLOWS FROM OPERATING

<u>ACTIVITIES</u>	
Cash received from customers	
Loan proceeds distributed	
General and administrative expenses paid	
Cash payments to suppliers for goods and services	
Claims paid	
Legal expenses paid	
Insurance paid	
Cash payments to employees for services	
Net cash provided (used) by operating activities	

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Operating transfers in	99,282	286,105	385,387	1,602,622
Operating transfers out	(1,759,682)	(547,720)	(2,307,402)	(2,558,622)
Surcharge and other	843,137		843,137	
Net cash provided (used) by non-capital financing activities	<u>(817,263)</u>	0	<u>(1,078,878)</u>	<u>(956,000)</u>

Continued on next page.  
 The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF CASH FLOWS - (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	<u>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>ACTIVITIES -</u>
	<u>LIGHT AND</u>	<u>ENTERPRISE</u>	<u>ENTERPRISE</u>	<u>INTERNAL</u>
	<u>WATERWORKS</u>	<u>SEWER</u>	<u>FUNDS</u>	<u>SERVICE FUND</u>
	(\$3,270,527)	(\$45,944)	(\$3,316,471)	
	(395,000)	(550,263)	(945,263)	
	(407,536)	(358,231)	(765,767)	
	(1,036)		(1,036)	
	<u>(4,074,099)</u>	<u>(954,438)</u>	<u>(5,028,537)</u>	<u>0</u>

CASH FLOWS FROM CAPITAL  
AND RELATED FINANCING  
ACTIVITIES

Purchase of fixed assets	
Principal on revenue bonds paid	
Interest on revenue bonds paid	
Payment for debt issue cost	
<u>Net cash provided (used) by capital and related financing activities</u>	

CASH FLOWS FROM INVESTING  
ACTIVITIES

Proceeds from sales of investments	\$386,688
Purchase of investments	920,246
Interest on investments	190,331
<u>Net cash provided by investing activities</u>	<u>1,497,265</u>

NET INCREASE (DECREASE) IN CASH

	(1,965,450)	(208,390)	(\$41,957)	(2,215,797)	(467,703)
<u>CASH, September 1, 2006</u>	<u>10,270,662</u>	<u>1,057,667</u>	<u>97,959</u>	<u>11,426,288</u>	<u>1,844,070</u>
<u>CASH, August 31, 2007</u>	<u>8,305,212</u>	<u>849,277</u>	<u>56,002</u>	<u>9,210,491</u>	<u>1,376,367</u>

Continued on next page.  
 The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF CASH FLOWS - (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL
	ELECTRIC LIGHT AND WATERWORKS	SEWER	OTHER ENTERPRISE	ENTERPRISE FUNDS	ACTIVITIES - INTERNAL SERVICE FUND
	\$1,992,517	\$718,534	(\$1,606)	\$2,709,445	(\$999,148)
	310,147	542,587		852,734	1,325
	29,241	13,121		42,362	
	(328,128)	(221,958)	(40,351)	(590,437)	(6,979)
	1,030	137		1,167	
		562		562	
	155,824	(36,387)		119,437	(237,249)
	45,052			45,052	233,083
	(23,794)	(13,103)		(36,897)	
	189,372	284,959	(40,351)	433,980	(9,820)
	2,181,889	1,003,493	(41,957)	3,143,425	(1,008,968)

RECONCILIATION OF OPERATING  
INCOME (LOSS) TO NET CASH  
PROVIDED (USED) BY OPERATING  
ACTIVITIES

Operating income (loss)	2,181,889
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,003,493
Amortization of bond issuance cost	
(Increase) decrease in accounts receivable	(41,957)
(Increase) decrease in inventory	(36,897)
(Increase) decrease in due from others	(9,820)
Increase (decrease) in accounts payable	(23,794)
Increase (decrease) in claims payable	119,437
Increase (decrease) in customers' meter deposits	45,052
Increase (decrease) in accrued compensated absences	(36,897)
Total adjustments	(433,980)
Net cash provided (used) by operating activities	1,747,909

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND  
AUGUST 31, 2007

<u>ASSETS</u>	<u>PAYROLL ACCOUNT</u>
Cash and cash equivalents	\$101,116
Due from other funds	<u>255,412</u>
<u>Total assets</u>	<u><u>356,528</u></u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	\$212,585
Due to other funds	<u>143,943</u>
<u>Total liabilities</u>	<u><u>356,528</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Opelousas, Louisiana 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. In the government-wide financial statements (GWFS) and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For Enterprise funds, GASB Statements Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection 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 and 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

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

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 for blending. Currently, the City has no discretely presented component units.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. FINANCIAL REPORTING ENTITY - 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 with 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 the Statement of Activities display information on all of the nonfiduciary activities of the City of Opelousas, the primary government, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City of Opelousas' Internal Service Fund is a governmental activity. Internal Service Fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION - Continued

FUND FINANCIAL STATEMENTS

Fund financial statements of the City are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements report detailed information about the City of Opelousas. As a general rule, interfund eliminations are not made in the fund financial statements.

The various funds of the City are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major 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:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City of Opelousas. It accounts for all financial resources except those required to be accounted for in other funds.

The Sales Tax Fund accounts for the collection and expenditure for the City's two (2) 1 percent sales tax and the 0.2 percent sales tax.

The City reports the following major 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  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION - Continued

FUND 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 specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds. Debt Service funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and 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 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 adequate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds. Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies, or to other government, of the City on a cost reimbursement basis.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION - Continued

FUND FINANCIAL STATEMENTS - Continued

Fiduciary Fund (Not included in government-wide statements).

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the City of Opelousas. The fund accounted for in this category by the City is the Agency Fund. The Agency Fund is as follows:

Agency Fund. Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other funds and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND 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-like activities are presented using the economic resources measurement focus as defined in Item 2 below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. 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.
2. 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.
3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like 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.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All 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.

Services for water and sewer are recorded as revenue when billed to customers on a monthly route reading cycle. At the end of the year, utilities services which have been rendered from the latest date of each route reading cycle to year-end which are unbilled, are accrued for financial reporting purposes.

D. 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 deposit of the City. For the purpose of the Proprietary Fund 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 when purchased.

The City is authorized by LA RS 39:1211-1245 and 33:2955 to invest in the following:

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. DEPOSITS AND INVESTMENTS - Continued

4. Obligations of U.S. Government Agencies, including Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.

Investments are stated at cost except for investments in the Proprietary Funds which are reported at cost or amortized cost. The cost and/or amortized cost approximates market value.

E. 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 (non-current 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.

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. RECEIVABLES AND PAYABLES - Continued

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible, but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Uncollectible amounts due for ad valorem taxes and other 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.

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the adjustment of an allowance account.

F. INVENTORIES AND PREPAID ITEMS

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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. CAPITAL ASSETS

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to GASB No. 34, governments were not required to report general infrastructure assets. The City of Opelousas did not capitalize infrastructure expenditures. During a prior fiscal year, the City began capitalizing infrastructure. However, the City of Opelousas is delaying the retroactive reporting of its major general infrastructure assets until the fiscal year ending August 31, 2007 as is allowed by GASB No. 34.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. CAPITAL ASSETS - Continued

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The City of Opelousas maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

H. RESTRICTED ASSETS

Restricted assets include cash and investments that are legally restricted as to their use.

I. ACCUMULATED VACATION AND SICK LEAVE

In general, the City allows employees to accumulate a maximum of one-third (1/3) of vacation earned during a calendar year. Unused vacation in excess of one-third (1/3) 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. Thru August 31, 2006, an employee shall be paid one-fourth (1/4) of his accumulated sick leave, up to a maximum of thirty (30) days only upon retirement. Effective September 1, 2006, upon regular or disability retirement, employees shall be paid, or his/her beneficiary shall be paid upon employee's death for one-half (1/2) day for each accumulated sick leave day at the regular hourly rate of pay and not to exceed one hundred eighty (180) days.

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 and are allowed to accumulate one year of vacation pay. 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. ACCUMULATED VACATION AND SICK LEAVE - Continued

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 (1/3) of unused vacation shall be accumulated per year.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

K. EQUITY CLASSIFICATIONS

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

1. 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. EQUITY CLASSIFICATIONS – Continued

3. 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 financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

L. COMPARATIVE DATA

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

M. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE (2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information - The City of Opelousas uses the following budget practices:

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

1. Prior to August 15, the Mayor submits to the Council a proposed operating budget for the year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

3. All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress. The budget is legally enacted through passage of an ordinance.
4. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Mayor.
5. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.
6. Budgets for all governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Excess of Expenditures over Appropriations - The following individual funds had actual expenditures over budgeted appropriations for the fiscal year ended August 31, 2007:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Police Seized Fund	-0-	\$1,845	\$(1,845)

Deficits - The following individual funds had deficits in unrestricted net assets and/or fund balances at August 31, 2007:

	<u>Deficit Amount</u>
Electric Light and Waterworks	\$(1,493,041)
Health Self Insurance Fund	(234,361)
Police Seized Fund	(294)

NOTE (3) DEPOSITS AND INVESTMENTS

State law requires deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (3) DEPOSITS AND INVESTMENTS - CONTINUED

The City of Opelousas invests in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2002, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2002 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the state to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2002, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At August 31, 2007, the City of Opelousas has no investments in LAMP.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (3) DEPOSITS AND INVESTMENTS - CONTINUED

At August 31, 2007, the carrying amount of the City of Opelousas' deposits was \$18,849,227, and the bank balances were \$21,341,610. The bank balances were collateralized as follows:

<u>Institution</u>	<u>Bank Balance</u>	<u>Amount Insured by FDIC</u>	<u>Amount Collateralized by Securities held at 3<sup>rd</sup> Party Bank</u>
<i>Interest-bearing</i>			
Hancock Bank	\$3,555,512	\$100,000	\$4,629,974
American Bank	3,555,512	100,000	4,742,158
Mid South Bank	3,555,512	100,000	4,663,262
Washington State Bank	<u>10,675,074</u>	<u>100,000</u>	<u>11,421,804</u>
	<u>21,341,610</u>	<u>400,000</u>	<u>25,457,198</u>

NOTE (4) RECEIVABLES

The receivables of \$2,911,680 at August 31, 2007 consist of the following:

Governmental Activities

<u>Sales Tax Fund</u>	
Sales tax receivable	\$4,382
<u>Emergency Shelter Grant Fund</u>	
Grant receivable	1,368
<u>Debt Service Fund</u>	
Special Assessments	365,230
Accrued interest	541,327
<u>Internal Service Fund</u>	
Insurance receivable	<u>7,394</u>
<u>Total</u>	<u>919,701</u>

Business-type Activities

<u>Electric Light and Waterworks</u>	
Customers' accounts receivable	881,532
CLECO operating fee	142,500
CLECO surcharge	42,093
<u>Sewer Fund</u>	
Customers' accounts receivable	753,858
<u>Rural Economic and Community Development Grant Fund</u>	
Customers' loans receivable	<u>171,996</u>
<u>Total</u>	<u>1,991,979</u>
<u>Total receivables</u>	<u>2,911,680</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (5) ASSESSMENTS RECEIVABLE

The City had \$365,230 in outstanding assessments receivable as of August 31, 2007.

NOTE (6) PROPERTY 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 movable 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, 2006, the City levied taxes at 7.03 mills per dollar of assessed valuation on 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 are not material and have not been booked.

NOTE (7) 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" in the fund financial statements. In the government-wide financial statements, interfund receivables and payables are eliminated within the governmental activities and within the business-type activities. All of these accounts are expected to be repaid within one year from the date of the financial statements. Interfund receivables and payables in the fund financial statements are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$13,024	\$576,717
Special Revenue Funds:		
Sales tax	500,000	
LCDB		5
Enterprise Funds:		
Electric Light and Waterworks	471,968	32,392
Sewer Fund		487,347
Internal Service Funds:		
Internal Service A		555
Internal Service G	555	
Agency Fund:		
Payroll	<u>255,412</u>	<u>143,943</u>
	<u>1,240,959</u>	<u>1,240,959</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

**NOTE (8) GOVERNMENTAL FUND TYPES, SPECIAL REVENUE, DEDICATION OF PROCEEDS AND FLOW OF FUNDS, 2.2 PERCENT SALES AND USE TAX**

The City of Opelousas has a total sales tax of 2.2 percent which was authorized in three separate elections.

The first 1 percent sales tax was levied by authority of a special election held on November 26, 1966, and is dedicated to the following purposes:

1. Constructing 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.
2. Defraying the cost of maintaining sewerage facilities.
3. Providing additional funds not to exceed forty thousand dollars (\$40,000.00) annually for the payment of salaries for municipal employees.

Any monies remaining in the Sales Tax Fund shall be considered as surplus. Such surplus may be used by the City for any of the purposes for which the composition of the tax is authorized.

The second 1 percent sales tax was initially levied by authority of a special election held on April 5, 1975, and was extended through May 31, 2010, by referendum held on April 29, 1995. This sales tax levy is dedicated to the following purpose:

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.

A 0.2 percent sales tax was levied by authority of a special election held on October 3, 1993, and is dedicated for constructing, acquiring, and improving fire, police and street facilities.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

**NOTE (9) RESTRICTED ASSETS**

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. The City is in material compliance with all such significant limitations and restrictions. A summary of restricted assets by fund as of August 31, 2007 is as follows:

	<u>General Fund</u>	<u>Electric Light and Waterworks Fund</u>	<u>Sewer Fund</u>
Construction	\$1,232,374	\$4,335,097	\$970
Bond sinking accounts	2,072	484,690	283,297
Bond reserve accounts		2,016,921	490,429
Customers' deposits		1,059,306	
Ad valorem taxes paid in protest	<u>2,736</u>	<u>          </u>	<u>          </u>
	<u>1,237,182</u>	<u>7,896,014</u>	<u>774,696</u>

**NOTE (10) INTERDEPARTMENTAL - UTILITIES USAGE**

The Electric Light and Waterworks Fund records at cost the sales and purchases of water between departments. The various funds record these purchases as operating expenditures or expenses. Interdepartmental sales of water to various departments amounted to \$93,750. No consolidating or other eliminating entries were made in arriving at the above figure.

**NOTE (11) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended August 31, 2007, for the City of Opelousas is as follows:

	<u>Balances September 1, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances August 31, 2007</u>
<b>Governmental activities:</b>				
Land	\$1,835,029			\$1,835,029
Buildings	7,721,227	\$2,648		7,723,875
Improvements other than buildings	2,161,714	166,122		2,327,836
Machinery and equipment	6,206,911	260,964		6,467,875
Construction in progress		5,347,949		5,347,949
<u>Totals at historical cost</u>	<u>17,924,881</u>	<u>5,777,683</u>	<u>-0-</u>	<u>23,702,564</u>
<b>Less accumulated depreciation</b>				
Buildings	(2,459,844)	(129,698)		(2,589,542)
Improvements other than buildings	(1,304,085)	(59,723)		(1,363,808)
Machinery and equipment	(3,474,635)	(450,583)		(3,925,218)
<u>Total accumulated depreciation</u>	<u>(7,238,564)</u>	<u>(640,004)</u>	<u>-0-</u>	<u>(7,878,568)</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (11) CAPITAL ASSETS - CONTINUED

	<u>Balances</u> <u>September</u> <u>1, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> <u>August</u> <u>31, 2007</u>
Governmental activities capital assets, net	<u>\$10,686,317</u>	<u>\$5,137,679</u>	<u>-0-</u>	<u>\$15,823,996</u>
Business-types activities:				
Land	\$77,698			\$77,698
Buildings	64,451			64,451
Improvements other than buildings	1,262,117			1,262,117
Machinery and equipment	1,315,102	\$2,207		1,317,309
Utility system	42,377,902	91,504		42,469,406
Construction in progress	<u>2,173,873</u>	<u>3,105,104</u>		<u>5,278,977</u>
<u>Totals at historical cost</u>	<u>47,271,143</u>	<u>3,198,815</u>	<u>-0-</u>	<u>50,469,958</u>
Less accumulated depreciation				
Buildings	(37,693)	(2,686)		(40,379)
Improvements other than buildings	(1,252,986)	(2,080)		(1,255,066)
Machinery and equipment	(1,291,842)	(14,114)		(1,305,956)
Utility system	<u>(24,492,686)</u>	<u>(833,854)</u>	<u>—</u>	<u>(25,326,540)</u>
<u>Total accumulated depreciation</u>	<u>(27,075,207)</u>	<u>(852,734)</u>	<u>-0-</u>	<u>(27,927,941)</u>
Business-type capital assets, net	<u>20,195,936</u>	<u>2,346,081</u>	<u>-0-</u>	<u>22,542,017</u>

Depreciation expense was charged to governmental activities as follows:

General government	
Executive	\$80,480
Judicial	
City Court	21,348
Administration	
Purchasing	6,087
Civil Service	828
<u>Total general government</u>	<u>108,743</u>
Public safety	
Police	244,041
Fire	<u>107,136</u>
<u>Total public safety</u>	<u>351,177</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (11) CAPITAL ASSETS - CONTINUED

Public works	
Streets	\$52,267
Municipal garage	<u>5,501</u>
<u>Total public works</u>	<u>57,768</u>
Health and welfare	
Code enforcement	5,643
Summer workers	<u>1,200</u>
<u>Total health and welfare</u>	<u>6,843</u>
Culture and recreation	
Parks and recreation	100,818
Tourism	7,516
Main Street Program	521
Museum	<u>4,380</u>
<u>Total culture and recreation</u>	<u>113,235</u>
Economic development	<u>913</u>
<u>Total economic development</u>	<u>913</u>
	<u>638,679</u>
<u>Total depreciation, expense - General Fund</u>	<u>638,679</u>
Internal Service G	<u>1,325</u>
<u>Total</u>	<u>640,004</u>

NOTE (12) 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 of Opelousas.

The primary term of this Agreement shall be for a period of ten (10) years from August 11, 1991 to August 11, 2002, with the option granted to CLECO to renew such Agreement for three (3) additional ten-year periods. The City of Opelousas renewed this Agreement for a period of ten (10) years from August 11, 2001 to August 11, 2011.

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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

**NOTE (12) FRANCHISE AGREEMENT WITH CLECO - CONTINUED**

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 \$160,000 upon execution of the Agreement.
2. The amount payable by the City to Southwest Louisiana Electric Membership Cooperative (SLEMCO), not to exceed \$4,500,000. The City agreed to pay said amount to SLEMCO immediately and to transfer title for all improvements, additions and replacements furnished by SLEMCO to CLECO.
3. A monthly payment of \$142,500 for 120 months beginning August 11, 2001 for operations.
4. A franchise fee of equal to four percent (4%) of the amounts receivable by CLECO from the sale and delivery of electric energy at retail for residential and commercial purposes, commencing August 11, 2001. 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.

**NOTE (13) FRANCHISE AGREEMENT WITH SLEMCO**

On March 1, 2006, the City of Opelousas entered into a franchise agreement with Southwest Louisiana Electric 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 six (6) years and six (6) months commencing on March 1, 2006 and ending on August 11, 2011.

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."

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (13) FRANCHISE AGREEMENT WITH SLEMCO -CONTINUED

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 four (4%) percent of gross revenue collected by Slemco from its retail sale and delivery of electric energy in the City.

NOTE (14) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The payables of \$1,392,846 at August 31, 2007 are as follows:

Governmental Activities

General Fund

Accounts payable	\$507,851
Retainage payable	248,578
Police Retirement payable	25,182
Accrued wages payable	136,867
Permit deposits payable	16,742
Accrued retirement payable	18,591
Football deposits	200
Due to payroll account	<u>75,703</u>
<u>Total General Fund</u>	1,029,714

Police Seized Fund

Unsettled deposits payable	32,096
Emergency Shelter Grant	
Accounts payable	<u>2,747</u>
<u>Total governmental activities</u>	1,064,557

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (14) ACCOUNTS PAYABLE AND ACCRUED EXPENSES - CONTINUED

Business-type Activities

Electric Light and Waterworks	
Accounts payable	\$44,708
Accrued wages payable	10,686
Accrued retirement payable	1,443
Retainage payable	230,027
Due to payroll account	<u>23,644</u>
<u>Total Electric Light and Waterworks</u>	<u>310,508</u>

Sewer Fund

Accounts payable	3,565
Accrued wages payable	2,656
Accrued retirement payable	359
Due to payroll account	<u>11,201</u>
<u>Total Sewer Fund</u>	<u>17,781</u>

Total business-type activities 328,289

Total accounts payable and accrued expenses 1,392,846

NOTE (15) LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended August 31, 2007:

<u>Governmental Activities</u>	<u>Balances</u> <u>9/01/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>8/31/07</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable					
Refunding bonds,					
Series 2003	\$245,000		\$(120,000)	\$125,000	\$125,000
Public Improvement					
Bonds, Series 2005	5,650,000		(185,000)	5,465,000	195,000
Certificate of Indebtedness,					
Series 2006	<u>110,000</u>		<u>(35,000)</u>	<u>75,000</u>	<u>37,000</u>
<u>Total bonds payable</u>	6,005,000	-0-	(340,000)	5,665,000	357,000
Capital leases	106,074		(45,675)	60,399	48,011
Municipal Police Employees'					
Retirement System payable	923,337		(88,755)	834,582	95,132
Compensated absences					
payable	<u>975,057</u>		<u>(273,099)</u>	<u>701,958</u>	<u>21,105</u>
<u>Total governmental</u>					
<u>activities</u>	<u>8,009,468</u>	-0-	<u>(747,529)</u>	<u>7,261,939</u>	<u>521,248</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

**NOTE (15) LONG-TERM OBLIGATIONS - CONTINUED**

<u>Business-type Activities</u>	<u>Balances</u> <u>9/01/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>8/31/07</u>	<u>Due Within</u> <u>One Year</u>
Accrued compensated absences					
Electric Light and Waterworks	\$65,677		\$(23,794)	\$41,883	
Sewer Fund	23,787		(13,103)	10,684	
Utility Revenue Bonds					
Refunding Bonds,					
Series 2003	515,000		(255,000)	260,000	\$260,000
Series 1998 - Sewer	660,000		(45,000)	615,000	50,000
Series 1999 - Sewer	2,785,908		(180,000)	2,605,908	185,000
Series 2000 - Sewer	4,571,498		(65,000)	4,506,498	70,000
Series 2003 - Sewer	864,593	\$43,737	(49,000)	859,330	44,000
Series 2004 - Water	2,110,000		(200,000)	1,910,000	200,000
Series 2006 - Water	<u>7,800,000</u>		<u>(195,000)</u>	<u>7,605,000</u>	<u>220,000</u>
<u>Total business-type activities</u>	<u>19,396,463</u>	<u>43,737</u>	<u>(1,025,897)</u>	<u>18,414,303</u>	<u>1,029,000</u>
<u>Total long-term obligations</u>	<u>27,405,931</u>	<u>43,737</u>	<u>(1,773,426)</u>	<u>25,676,242</u>	<u>1,550,248</u>

**General Obligation Bonds.** The City of Opelousas issues general obligation bonds to provide funds for the acquisition and construction of major capital projects and to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at August 31, 2007 are as follows:

	<u>Amount</u>
Refunding bonds - Series 2003	2.6%    \$125,000
Public Improvement Bond - Series 2005	4.45%    5,465,000
Certificate of Indebtedness - Series 2006	5.25% <u>75,000</u>
	<u>5,665,000</u>

Refunding Bonds in the original amount of \$1,580,000 were issued on September 1, 1998 for the purpose of refunding the outstanding Certificates of Indebtedness issues, Series 1993, Series 1994, and Series 1995 in the total principal amount at that date of \$2,220,000. The City paid \$699,099 out of existing sinking fund, reserve fund and excess cash funds in order to redeem principal and interest on the refunded bonds. This advance refunding was undertaken to obtain an economic gain of \$94,446.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (15) LONG-TERM OBLIGATIONS - CONTINUED

A public improvement bond in the original amount of \$5,810,000 was issued on December 19, 2005 for the purpose of city wide street improvements. The bond has a stated interest rate of 4.45%.

A certificate of indebtedness in the original amount of \$110,000 was issued on July 25, 2006 for the purpose of purchasing a new fire truck. The bond has a stated interest rate of 5.25%.

Capital Leases

The City entered into a master lease purchase agreement with United Bank & Trust Co. for seven 2006 police cars on November 17, 2005. The first monthly payment was due on December 17, 2005 with the final payment due on November 17, 2008. This agreement requires monthly payments of \$4,161.72 for thirty-six months.

Municipal Police Employees' Retirement System. The Municipal Police Employees' Retirement System (MPERS) liability was incurred on July 1, 1986. -This liability resulted from the merger of the City of Opelousas pension obligations for retired members and beneficiaries into the MPERS of the State of Louisiana. The MPERS liability will be paid in quarterly installments of \$37,773 including interest of 7 percent over a twenty-seven year period which commenced July 1, 1986. This debt will be retired from future revenues of the City.

Compensated Absences. Compensated absences payable consists of the portion of accumulated sick leave of the governmental funds that are not expected to require current resources. The additions and deductions for 2007 represent the net change during the year.

Revenue Bonds

The City of Opelousas also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at August 31, 2007 are as follows:

		<u>Amount</u>
Utility Revenue Bonds, Series 1998 (sewer)	2.45%	\$615,000
Series 2003 Refunding Bonds (sewer)	2.50%	260,000
Utility Revenue Bonds, Series 1999 (sewer)	3.45%	2,605,908
Utility Revenue Bonds, Series 2000 (sewer)	3.45%	4,506,498
Utility Revenue Bonds, Series 2003 (sewer - in progress)	3.45%	859,330
Utility Revenue Bonds, Series 2004 (Electric Light & Waterworks)	3.65%	1,910,000
Utility Revenue Bonds, Series 2006 (Electric Light & Waterworks)	4.0 - 5.0%	<u>7,605,000</u>
		<u>18,361,736</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

**NOTE (15) LONG-TERM OBLIGATIONS - CONTINUED**

Debt Service Requirements

The annual debt service requirements including interest to amortize all long-term obligations outstanding at August 31, 2007 are as follows:

Governmental Activities

Year Ending August 31,	Refunding Bonds	Public Improvement Bonds	Certificate of Indebtedness	Capital Leases	Municipal Police Employees' Retirement	Compensated Absences
2008	\$128,250	\$438,193	\$40,938	\$49,941	\$151,092	
2009		564,515	39,995	12,485	151,092	
2010		569,830			151,092	
2011		569,255			151,092	
2012		573,012			151,092	
2013-2017		2,886,833			308,914	
2018-2022		<u>1,766,405</u>				
	128,250	7,368,043	80,933	62,426	1,064,374	
Less interest	<u>(3,250)</u>	<u>(1,903,043)</u>	<u>(5,933)</u>	<u>(2,027)</u>	<u>(229,792)</u>	
Net	<u>125,000</u>	<u>5,465,000</u>	<u>75,000</u>	<u>60,399</u>	<u>834,582</u>	<u>701,958</u>

Business-type Activities

Year Ending August 31,	Compensated Absences	Refunding Bond	Utility Revenue Bonds					
		Series 2003	Series 1998	Series 1999	Series 2000	Series 2003	Series 2004	Series 2006
2008		\$266,500	\$68,143	\$293,823	\$254,070	\$125,568	\$269,715	\$539,921
2009			66,667	291,515	426,305	129,830	277,415	624,746
2010			65,193	294,010	426,628	176,854	279,568	575,965
2011			63,718	291,110	431,555	176,944	276,355	579,065
2012			67,242	293,012	420,890	176,876	282,960	581,528
2013-2017			331,433	1,465,368	2,048,748	691,948	853,765	3,023,813
2018-2022			66,917	433,693	2,170,930			3,204,619
2023-2027								<u>1,969,381</u>
Total	<u>\$52,567</u>	<u>266,500</u>	<u>729,313</u>	<u>3,362,531</u>	<u>6,179,126</u>	<u>1,478,020</u>	<u>2,239,778</u>	<u>11,099,038</u>
Less: interest		(6,500)	(94,938)	(660,848)	(1,460,903)	(540,375)	(329,778)	(3,494,038)
DEQ administrative fee			<u>(19,375)</u>	<u>(95,775)</u>	<u>(211,725)</u>	<u>(78,315)</u>		
Net	<u>52,567</u>	<u>260,000</u>	<u>615,000</u>	<u>2,605,908</u>	<u>4,506,498</u>	<u>859,330</u>	<u>1,910,000</u>	<u>7,605,000</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (15) LONG-TERM OBLIGATIONS - CONTINUED

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

The following is a recap of principal, interest, and other charges shown as debt service expenditures in the General Fund:

	<u>General Fund</u>
Principal	\$385,675
Interest and related costs	<u>268,436</u>
	<u>654,111</u>

As of August 31, 2007, General Fund has \$2,072 available to service general long-term debt.

NOTE (16) PENSION PLANS

The City has several pension plans covering substantially all of its employees, as follows:

- Municipal Employees' Retirement System of Louisiana
- State of Louisiana - Municipal Police Employees' Retirement System
- State of Louisiana - Firefighters' Retirement System
- Louisiana State Employees' Retirement System

Substantially all employees are covered under the Municipal Employees' Retirement System of Louisiana except for firemen and policemen which are covered under the Firefighters' Retirement System and Municipal Police Employees' Retirement System, respectively. The City Court Judge is covered under the Louisiana State Employees' Retirement System. Details concerning these plans follow:

1. Municipal Employees' Retirement System of Louisiana

Plan Description

The Municipal Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer public employee retirement system (PERS) as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City are members of Plan A.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (16) PENSION PLANS - CONTINUED

1. Municipal Employees' Retirement System of Louisiana - Continued

Plan Description - Continued

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty (60) at date of employment. 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 Municipal Employees' Retirement System of Louisiana 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, 7937 Office Park Boulevard, Baton Rouge, LA 70809.

Funding Policy

Plan members are required to contribute 9.25 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. This rate was 16.25 percent of annual covered payroll until June 30, 2007. As of July 1, 2007, the current rate was changed to 13.50 percent of annual covered payroll. The contribution requirements of 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, 2007, 2006 and 2005 were \$499,429, \$491,705 and \$402,139, respectively, equal to the required contributions for each year.

2. State of Louisiana - Municipal Police Employees' Retirement System

Plan Description

The Municipal Police Employees' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS).

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (16) PENSION PLANS - CONTINUED

2. State of Louisiana - Municipal Police Employees' Retirement System - Continued

Plan Description - Continued

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria. 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 Municipal Police Employees' Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Suite 270, Baton Rouge, LA 70809-7017.

Funding Policy

Plan members are required to contribute 7.5 percent of their annual covered salary. The City was required to contribute 15.50 percent of annual covered payroll until June 30, 2007. As of July 1, 2007, the current rate was changed to 13.75 percent as established by state statute. The City's contributions to the System for the years ended August 31, 2007, 2006 and 2005 were \$398,091, \$331,670 and \$388,112, respectively, equal to the required contributions for each year.

3. State of Louisiana - Firefighters' Retirement System

Plan Description

The Firefighters' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS), as established and provided for by R.S. 11:2251 through 2269 of the Louisiana Revised Statutes (LRS).

Membership is mandatory as a condition of employment beginning on date employed if the employee is on a permanent basis as a firefighter, not participating in another publicly funded retirement system and under age fifty (50) at date of employment. 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (16) PENSION PLANS - CONTINUED

3. State of Louisiana - Firefighters' Retirement System - Continued

Plan Description - Continued

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, P. O. Box 94095 Capitol Station, Baton Rouge, LA 70804-9095.

Funding Policy

Plan members are required to contribute 8 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. This rate was 15.5 percent of annual covered payroll until June 30, 2007. As of July 1, 2007, the current rate was changed to 13.75 percent 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, 2007, 2006 and 2005 were \$288,412, \$259,942 and \$296,289, respectively, equal to the required contributions for each year.

4. Louisiana State Employees' Retirement System

Plan Description

The Louisiana State Employees' Retirement System (LASERS) is a qualified defined benefit pension and retirement plan as established and provided for by R.S. 11:558 of the Louisiana Revised Statutes (LRS).

Membership is mandatory as a condition of employment. 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 benefit are entitled to a retirement benefit payable monthly for life, equal to 2.5 percent 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 percent of four final average compensation. Most employees reach 100 percent 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 required supplemental information. That report may be obtained by writing to LASERS, P.O. Box 44213, Baton Rouge, LA 70804.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (16) PENSION PLANS - CONTINUED

4. Louisiana State Employees' Retirement System - Continued

Funding Policy

Plan members are required to contribute 11.5 percent of their annual covered salary. The City was required to contribute 19.10 percent of annual covered payroll until June 30, 2007, as established by state statute. As of July 1, 2007, the current rate was changed to 20.4 percent of annual covered payroll. The City's contributions to the System for the years ended August 31, 2007, 2006 and 2005 were \$6,404, \$6,438 and \$5,278, respectively, equal to the required contributions each year.

NOTE (17) SEGMENT INFORMATION

Enterprise Funds include the Electric Light and Waterworks and Sewer Funds which provide utility services to residents and the Rural Economic and Community Development Fund which accounts for grant funds to establish a revolving loan fund to help local businesses improve the local economy.

NOTE (18) RESTRICTED NET ASSETS

A breakdown of the restricted portion of net assets follows:

Governmental Activities

Insurance claims	
Internal Service A	\$289,652
Internal Service G	1,420,505
Workmen's Compensation Fund	977,222
Health Self Insurance Fund	<u>(234,361)</u>
<u>Total</u>	2,453,018

Certificates of Indebtedness

Sinking	2,072
Public improvement bond	
Construction fund	983,796
Property taxes paid under protest	<u>157</u>

Total governmental activities 3,439,043

Business-type Activities

Debt Service - Utility Revenue Bonds	
Cash and investments	
Sinking funds	\$690,375
Bond reserve funds	1,970,083
Bond contingency funds	<u>4,295,117</u>
<u>Total cash and investments</u>	6,955,575

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (18) RESTRICTED NET ASSETS - CONTINUED

Bonds payable within one year		\$(1,029,000)
Net restricted for debt service		(284,884)
Construction payable		<u>537,266</u>
Depreciation and Contingency funds		6,178,957
Grant restrictions		227,998
Construction		118,563
Customers' meter deposits		
Cash and investments	\$1,059,306	
Deposits payable	<u>(740,306)</u>	<u>319,000</u>
<u>Total business-type activities</u>		<u>6,844,518</u>

NOTE (19) LITIGATION

Various suits and claims are pending against the City, its insurers, and others. In accordance with Statement of Financial Accounting Standards No. 5, the City's Internal Service Fund has provided for, in its financial statements, potential losses from the aforementioned pending suits and claims estimated by the City attorney.

One individual suit concerns the annual 2 ½ percent raise for fiscal years 1984 through 1991. In this suit, City employees are demanding payment as well as lost retirement benefits. On November 13, 2007, the City of Opelousas accepted a proposed settlement agreement. The proposed settlement requires a total payment of \$800,000 to be paid in five equal annual installments of \$160,000. The first of which will be due on or before August 31, 2008.

NOTE (20) 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.

NOTE (21) 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, Internal Service Fund A, Workmen's Compensation Fund and Health Self Insurance Fund, respectively) as of August 31, 2007. Most funds of the City participate in the self-insurance funds by making payments based on premiums necessary to cover claims, administrative cost, and commercial insurance premiums, if applicable.

For the fiscal year ending August 31, 2007, 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007

NOTE (21) SELF-INSURANCE – CONTINUED

For the fiscal year ended August 31, 2007, 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 claim liabilities which is included in the financial statements as accounts payable and accrued expenses and claims payable for the self-insurance funds follows:

	<u>Internal Service Fund A</u>	<u>Internal Service Fund G</u>	<u>Workmen's Compensation Fund</u>	<u>Health Self Insurance Fund</u>	<u>Total</u>
Beginning balance		\$898	\$132,601	\$137,636	\$271,135
Claims incurred	\$56,068	149,163	187,147	1,620,051	2,012,429
Claims paid	(56,068)	(50,061)	(287,210)	(1,486,968)	(1,880,307)
Ending balance	<u>-0-</u>	<u>100,000</u>	<u>32,538</u>	<u>270,719</u>	<u>403,257</u>

NOTE (22) ACCOUNTS RECEIVABLE - UTILITY FUNDS

As of August 31, 2007, the customer receivables recorded in the Electric Light and Waterworks Fund and Sewer Fund are net of allowances for uncollectible accounts. These allowances are \$188,265 and \$166,951, respectively.

As of August 31, 2007, customer receivables include unbilled revenue for the Electric Light and Waterworks Fund and Sewer Fund of \$604,507 and \$536,072, respectively. These amounts represent revenue earned which is not billed until the next billing cycle.

A summary of accounts receivable in the Utility Funds is as follows:

	<u>Electric Light and Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Billed accounts receivable	\$465,290	\$384,737	\$850,027
Unbilled accounts receivable	<u>604,507</u>	<u>536,072</u>	<u>1,140,579</u>
	1,069,797	920,809	1,990,606
Allowance for uncollectibles	<u>(188,265)</u>	<u>(166,951)</u>	<u>(355,216)</u>
	<u>881,532</u>	<u>753,858</u>	<u>1,635,390</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES  
MAJOR FUNDS

**CITY OF OPELOUSAS, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006**

	2007				2006 ACTUAL
	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
	ORIGINAL	FINAL			
<b>REVENUES</b>					
Taxes	\$2,008,644	\$2,050,000	\$2,139,400	\$89,400	\$2,137,573
Licenses and permits	832,500	778,650	795,843	17,193	773,515
Intergovernmental	497,680	478,505	1,002,203	523,698	988,020
Charges for services	476,550	362,482	156,652	(205,830)	165,219
Fines and forfeitures	3,000	308,159	169,642	(138,517)	125,667
Other	282,789	368,254	547,566	179,312	532,269
<u>Total revenues</u>	<u>4,101,163</u>	<u>4,346,050</u>	<u>4,811,306</u>	<u>465,256</u>	<u>4,722,263</u>
<b>EXPENDITURES</b>					
Current					
General government	1,955,554	2,190,395	1,902,308	288,087	1,951,259
Public safety	6,976,142	7,211,504	6,957,545	253,959	6,728,412
Public works	2,022,820	1,886,620	1,698,675	187,945	1,967,110
Health and welfare	283,876	292,220	266,511	25,709	241,235
Culture and recreation	1,494,483	1,331,981	1,205,721	126,260	1,384,475
Economic development	100,749	80,333	77,098	3,235	97,942
Capital outlays	145,350	6,345,139	5,529,105	816,034	1,817,700
Debt service					
Principal, interest, and other charges	478,800	655,716	654,111	1,605	641,306
<u>Total expenditures</u>	<u>13,457,774</u>	<u>19,993,908</u>	<u>18,291,074</u>	<u>1,702,834</u>	<u>14,829,439</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>					
	(9,356,611)	(15,647,858)	(13,479,768)	2,168,090	(10,107,176)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	9,421,804	11,539,804	11,279,804	(260,000)	8,746,750
Inception of capital leases					138,866
General obligation bond					5,920,000
Sale of capital assets			601	601	30,933
Operating transfers out			(444,000)	(444,000)	(340,000)
<u>Total other financing sources (uses)</u>	<u>9,421,804</u>	<u>11,539,804</u>	<u>10,836,405</u>	<u>(703,399)</u>	<u>14,496,549</u>

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON SCHEDULE - (CONTINUED)  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>				<u>2006</u> <u>ACTUAL</u>
	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>NET CHANGE IN FUND</u> <u>BALANCE</u>	<u>\$65,193</u>	<u>(\$4,108,054)</u>	<u>(\$2,643,363)</u>	<u>\$1,464,691</u>	<u>\$4,389,373</u>
<u>FUND BALANCE,</u> beginning of year			<u>4,827,751</u>		<u>438,378</u>
<u>FUND BALANCE,</u> end of year			<u>2,184,388</u>		<u>4,827,751</u>

**CITY OF OPELOUSAS, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGETARY COMPARISON SCHEDULE**  
**SALES TAX FUND**  
**FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006**

	2007				
	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	ORIGINAL	FINAL			
<b>REVENUES</b>					
Taxes - sales	\$7,716,000	\$8,000,000	\$8,715,200	\$715,200	\$8,911,006
Other	58,500	132,800	151,026	18,226	97,123
<b>Total revenues</b>	<b>7,774,500</b>	<b>8,132,800</b>	<b>8,866,226</b>	<b>733,426</b>	<b>9,008,129</b>
<b>EXPENDITURES</b>					
Current					
General government					
Other services and charges	112,160	82,001	89,263	(7,262)	94,324
Repairs and maintenance	2,000	4,300	2,197	2,103	182
Allocated expenditures for services performed by other departments:					
Executive	3,000	3,000	3,000		3,000
Culture and recreation					
Other services and charges	191,400	200,600	200,600		191,400
<b>Total expenditures</b>	<b>308,560</b>	<b>289,901</b>	<b>295,060</b>	<b>(5,159)</b>	<b>288,906</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>7,465,940</b>	<b>7,842,899</b>	<b>8,571,166</b>	<b>728,267</b>	<b>8,719,223</b>
<b>OTHER FINANCING USES</b>					
Operating transfers out					
General Fund	(7,491,268)	(7,491,268)	(7,491,268)		(7,255,644)
Sewer Fund	(8,500)	(8,500)	(53,500)	(45,000)	(158,500)
Electric Light and Waterworks Fund					(29,640)
<b>Total other financing uses</b>	<b>(7,499,768)</b>	<b>(7,499,768)</b>	<b>(7,544,768)</b>	<b>(45,000)</b>	<b>(7,443,784)</b>

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CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON SCHEDULE - (CONTINUED)  
SALES TAX FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>			<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>		<u>ACTUAL</u>		
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>NET CHANGE IN FUND BALANCE</u>	<u>(\$33,828)</u>	<u>\$343,131</u>	<u>\$1,026,398</u>	<u>\$683,267</u>	<u>\$1,275,439</u>
<u>FUND BALANCE, beginning of year</u>			<u>4,206,921</u>		<u>2,931,482</u>
<u>FUND BALANCE, end of year</u>			<u>5,233,319</u>		<u>4,206,921</u>

OTHER SUPPLEMENTARY INFORMATION  
(OPTIONAL)

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF OPELOUSAS, LOUISIANA  
COMPARATIVE BALANCE SHEET  
GENERAL FUND  
AUGUST 31, 2007 AND 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$2,187,351	\$881,211
Due from other funds	13,024	5,344
Due from other governmental units	418,709	240,926
Inventory - at cost	32,290	35,624
Restricted asset:		
Cash and cash equivalents	1,237,182	5,056,595
<u>Total assets</u>	<u>3,888,556</u>	<u>6,219,700</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$704,512	\$694,872
Deferred revenue - protest taxes	2,579	2,579
Due to other funds	576,717	76,656
Due to other governmental units	399,255	399,255
Accrued compensated absences	21,105	218,587
<u>Total liabilities</u>	<u>1,704,168</u>	<u>1,391,949</u>
<u>FUND BALANCE</u>		
Reserved for debt service	2,072	2,017
Reserved for construction	1,232,374	5,051,859
Reserved for inventory	32,290	35,624
Reserved for protest taxes	157	140
Unreserved, undesignated	917,495	(261,889)
<u>Total fund balance</u>	<u>2,184,388</u>	<u>4,827,751</u>
<u>Total liabilities and fund balance</u>	<u>3,888,556</u>	<u>6,219,700</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	BUDGET	ACTUAL		
<b><u>REVENUES</u></b>				
Taxes	\$2,050,000	\$2,139,400	\$89,400	\$2,137,573
Licenses and permits	778,650	795,843	17,193	773,515
Intergovernmental	478,505	1,002,203	523,698	988,020
Charges for services	362,482	156,652	(205,830)	165,219
Fines and forfeitures	308,159	169,642	(138,517)	125,667
Other	368,254	547,566	179,312	532,269
<u>Total revenues</u>	<u>4,346,050</u>	<u>4,811,306</u>	<u>465,256</u>	<u>4,722,263</u>
<b><u>EXPENDITURES</u></b>				
Current				
General government	2,190,395	1,902,308	288,087	1,951,259
Public safety	7,211,504	6,957,545	253,959	6,728,412
Public works	1,886,620	1,698,675	187,945	1,967,110
Health and welfare	292,220	266,511	25,709	241,235
Culture and recreation	1,331,981	1,205,721	126,260	1,384,475
Economic development	80,333	77,098	3,235	97,942
Capital outlays	6,345,139	5,529,105	816,034	1,817,700
Debt service				
Principal, interest, and other charges	655,716	654,111	1,605	641,306
<u>Total expenditures</u>	<u>19,993,908</u>	<u>18,291,074</u>	<u>1,702,834</u>	<u>14,829,439</u>
<b><u>DEFICIENCY OF REVENUES</u></b>				
<b><u>UNDER EXPENDITURES</u></b>	<b><u>(15,647,858)</u></b>	<b><u>(13,479,768)</u></b>	<b><u>2,168,090</u></b>	<b><u>(10,107,176)</u></b>
<b><u>OTHER FINANCING SOURCES</u></b>				
<b><u>(USES)</u></b>				
Operating transfers in	11,539,804	11,279,804	(260,000)	8,746,750
Inception of capital leases				138,866
General obligation bond proceeds				5,920,000
Sale of capital assets		601	601	30,933
Operating transfers out		(444,000)	(444,000)	(340,000)
<u>Total other financing sources (uses)</u>	<u>11,539,804</u>	<u>10,836,405</u>	<u>(703,399)</u>	<u>14,496,549</u>

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>NET CHANGE IN FUND BALANCE</u>	<u>(\$4,108,054)</u>	<u>(\$2,643,363)</u>	<u>\$1,464,691</u>	<u>\$4,389,373</u>
<u>FUND BALANCE</u> , beginning of year		<u>4,827,751</u>		<u>438,378</u>
<u>FUND BALANCE</u> , end of year		<u>2,184,388</u>		<u>4,827,751</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>TAXES</u>				
Ad valorem	\$823,000	\$834,143	\$11,143	\$837,125
Franchise	1,227,000	1,305,257	78,257	1,300,448
<u>LICENSES AND PERMITS</u>				
Occupational licenses	718,000	733,847	15,847	713,611
Beer and liquor permits	38,000	39,845	1,845	36,679
Building permits	6,575	5,899	(676)	6,696
Other	16,075	16,252	177	16,529
<u>INTERGOVERNMENTAL REVENUES</u>				
State beer tax	47,000	48,053	1,053	51,145
State tobacco tax		31,359	31,359	
Highway maintenance	13,680	13,680		13,680
Insurance rebate	55,000	67,095	12,095	62,651
Video poker	115,000	102,162	(12,838)	116,951
Housing Authority payment in lieu of taxes		93,654	93,654	
Federal grants				
DARE reimbursement grant		42,425	42,425	44,924
DOTD Grant				79,777
LA Hwy Safety Commission Grant		38,631	38,631	
DARE Grant	40,000	2,000	(38,000)	2,000
Hurricane relief funds				347,088
Miscellaneous police grants		28,411	28,411	200
Racino revenue	200,000	225,869	25,869	216,953
Main Street Facade Grant				1,000
Leivieux Village Landscape Grant		63,233	63,233	
Code Enforcement Grant		220,151	220,151	
OP Master Plan for Atchafalaya				20,469
Americorps Vista Grant	7,825	7,826	1	31,182
Parish Government reimbursement - Prisoner housing		17,654	17,654	
<u>CHARGES FOR SERVICES</u>				
Inspection fees	176,400	59,247	(117,153)	65,619
Grass cutting fees	5,000	5,244	244	4,486
Park fees	55,300	71,967	16,667	72,489
Sports sponsorships	17,382	8,000	(9,382)	7,610
Other	100,350	12,194	(88,156)	15,015
Police security	8,050		(8,050)	

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>FINES AND FORFEITURES</u>				
Court fines	\$308,159	\$169,642	(\$138,517)	\$125,213
Seizures and forfeitures				454
<u>OTHER</u>				
Tourism/Museum	2,190	11,786	9,596	8,044
Interest earned	184,500	226,409	41,909	202,913
Donations	5,500	16,472	10,972	37,137
Rent	17,055	116,475	99,420	97,946
Cable - pole rental	20,064		(20,064)	23,816
Spice & Music Festival	120,000	70,887	(49,113)	123,135
Workers' compensation		55,498	55,498	12,558
Miscellaneous	18,945	50,039	31,094	26,720
<u>Total revenues</u>	<u>4,346,050</u>	<u>4,811,306</u>	<u>465,256</u>	<u>4,722,263</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	BUDGET	ACTUAL		
<u>CURRENT</u>				
<u>GENERAL GOVERNMENT</u>				
<u>EXECUTIVE</u>				
Personal services	\$947,700	\$948,361	(\$661)	\$830,403
Supplies and materials	47,700	35,970	11,730	54,402
Other services and charges	310,200	251,013	59,187	370,885
Hazard Mitigation	3,300		3,300	3,750
Repairs and maintenance	66,500	30,483	36,017	38,920
Allocated expenditures - services performed for other departments	(315,300)	(315,300)		(316,200)
<u>JUDICIAL</u>				
City Court				
Personal services	300,301	299,313	988	270,378
Supplies and materials	8,500	16,397	(7,897)	10,447
Other services and charges	136,700	124,379	12,321	109,837
Repairs and maintenance	9,400	7,396	2,004	45,806
Marshall's office				
Personal services	169,484	169,854	(370)	162,896
Supplies and materials	1,000	1,480	(480)	1,385
Other services and charges	4,600	4,865	(265)	4,231
Repairs and maintenance	9,600	13,312	(3,712)	13,677
<u>ADMINISTRATION</u>				
Purchasing				
Personal services	93,450	93,156	294	72,271
Supplies and materials	775	986	(211)	422
Other services and charges	6,150	4,820	1,330	5,927
Repairs and maintenance	75,300	1,060	74,240	582
Civil Service				
Personal services	137,035	133,296	3,739	124,870
Supplies and materials	1,500	2,077	(577)	1,720
Other services and charges	11,050	7,677	3,373	10,636
Repairs and maintenance	150	819	(669)	264
General				
Supplies and materials	10,300		10,300	
Other services and charges	80,000	56,984	23,016	133,750
Repairs and maintenance	75,000	13,910	61,090	
Total general government	<u>2,190,395</u>	<u>1,902,308</u>	<u>288,087</u>	<u>1,951,259</u>

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CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE</u>	<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>PUBLIC SAFETY</u>				
Police department				
Personal services	\$3,686,353	\$3,644,397	\$41,956	\$3,549,707
Supplies and materials	136,001	108,014	27,987	128,934
Other services and charges	443,450	450,977	(7,527)	645,508
Repairs and maintenance	358,700	292,181	66,519	292,552
Fire department				
Personal services	2,416,300	2,307,197	109,103	1,827,849
Supplies and materials	23,500	29,055	(5,555)	23,059
Other services and charges	106,900	83,326	23,574	220,722
Repairs and maintenance	40,300	42,398	(2,098)	40,081
<u>Total public safety</u>	<u>7,211,504</u>	<u>6,957,545</u>	<u>253,959</u>	<u>6,728,412</u>
<u>PUBLIC WORKS</u>				
Streets and drainage				
Personal services	961,330	933,741	27,589	965,687
Supplies and materials	68,600	52,065	16,535	65,196
Other services and charges	517,565	405,905	111,660	596,143
Repairs and maintenance	121,200	104,370	16,830	133,331
Municipal garage				
Personal services	199,900	186,826	13,074	170,943
Supplies and materials	15,200	13,339	1,861	14,599
Other services and charges	(6,900)	(8,152)	1,252	5,194
Repairs and maintenance	9,725	10,581	(856)	16,017
<u>Total public works</u>	<u>1,886,620</u>	<u>1,698,675</u>	<u>187,945</u>	<u>1,967,110</u>
<u>HEALTH AND WELFARE</u>				
Code enforcement				
Personal services	161,225	157,025	4,200	128,767
Supplies and materials	9,300	14,014	(4,714)	4,398
Other services and charges	118,695	90,785	27,910	100,684
Repairs and maintenance	3,000	4,687	(1,687)	2,467
Summer workers				
Personal services				4,894
Other services and charges				25
<u>Total health and welfare</u>	<u>292,220</u>	<u>266,511</u>	<u>25,709</u>	<u>241,235</u>

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>CULTURE AND RECREATION</u>				
Recreation division				
Personal services	\$109,805	\$96,433	\$13,372	\$110,473
Supplies and materials	24,950	14,610	10,340	34,438
Other services and charges	29,950	33,834	(3,884)	34,074
Repairs and maintenance	1,200	435	765	
Parks administration				
Personal services	575,951	563,251	12,700	556,743
Supplies and materials	39,000	34,074	4,926	36,450
Other services and charges	111,550	77,901	33,649	149,560
Repairs and maintenance	64,500	49,975	14,525	62,794
Tourism				
Personal services	106,840	96,418	10,422	67,698
Supplies and materials	3,800	3,293	507	4,040
Other services and charges	87,050	80,761	6,289	13,645
Repairs and maintenance	18,225	5,849	12,376	24,358
Main Street Program				
Personal services	40,138	41,815	(1,677)	67,772
Supplies and materials	3,427	3,508	(81)	8,920
Other services and charges	17,099	18,493	(1,394)	114,430
Repairs and maintenance		944	(944)	7,628
Museum				
Personal services	63,936	56,837	7,099	55,271
Supplies and materials	3,400	3,947	(547)	3,006
Other services and charges	22,660	14,280	8,380	21,951
Repairs and maintenance	8,500	9,063	(563)	11,224
<u>Total culture and recreation</u>	<u>1,331,981</u>	<u>1,205,721</u>	<u>126,260</u>	<u>1,384,475</u>
<u>ECONOMIC DEVELOPMENT</u>				
Economic Development				
Personal services	1,690	2,500	(810)	1,619
Supplies and materials	300	286	14	1,309
Other services and charges	17,000	16,654	346	15,502
Repairs and maintenance	600		600	720
Community Development				
Personal services	40,318	37,005	3,313	49,069
Supplies and materials	1,200	2,423	(1,223)	1,643
Other services and charges	18,125	17,125	1,000	27,112
Repairs and maintenance	1,100	1,105	(5)	968
<u>Total economic development</u>	<u>80,333</u>	<u>77,098</u>	<u>3,235</u>	<u>97,942</u>

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>CAPITAL OUTLAY</u>				
General government				
Executive	\$2,500	\$24,313	(\$21,813)	\$9,514
Administration				
General		11,532	(11,532)	785,000
Judicial				
Marshall	2,500	2,500		
Public safety				
Police department	96,444	116,593	(20,149)	183,308
Fire department	5,000	2,240	2,760	143,135
Public works				
Streets and drainage	6,033,011	5,211,642	821,369	404,966
Municipal garage	7,600	5,824	1,776	13,973
Health and Welfare				
Code enforcement	133,795	94,592	39,203	30,305
Culture and recreation				
Parks administration	49,300	48,383	917	247,499
Tourism	5,519	11,486	(5,967)	
Main Street program	5,970		5,970	
Museum	3,500		3,500	
<u>Total capital outlay</u>	<u>6,345,139</u>	<u>5,529,105</u>	<u>816,034</u>	<u>1,817,700</u>
<u>DEBT SERVICE</u>				
Principal	354,944	385,675	(30,731)	369,301
Interest	263,570	267,836	(4,266)	210,319
Commissions	2,202	600	1,602	300
Bond issuance costs	35,000		35,000	61,386
<u>Total debt service</u>	<u>655,716</u>	<u>654,111</u>	<u>1,605</u>	<u>641,306</u>
<u>Total expenditures</u>	<u>19,993,908</u>	<u>18,291,074</u>	<u>1,702,834</u>	<u>14,829,439</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF OTHER FINANCING SOURCES (USES) -  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>OPERATING TRANSFERS IN</u>				
Sales Tax Fund	\$7,491,268	\$7,491,268		\$7,255,644
Electric Light and Waterworks Fund	1,530,536	1,530,536		1,491,106
Internal Service G	600,000	600,000		
Local Assessment Fund	445,000	445,000		
Equipment Acquisition Fund	473,000	213,000	(\$260,000)	
Workers Compensation Fund	600,000	600,000		
Sewer Fund	400,000	400,000		
<u>Total operating transfers in</u>	<u>11,539,804</u>	<u>11,279,804</u>	<u>(260,000)</u>	<u>8,746,750</u>
<u>INCEPTION OF CAPITAL LEASES</u>				
<u>Total inception of capital leases</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,866</u>
<u>GENERAL OBLIGATION BOND PROCEEDS</u>				
<u>Total bond proceeds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,920,000</u>
<u>SALE OF CAPITAL ASSETS</u>				
<u>Total sale of capital assets</u>	<u>0</u>	<u>601</u>	<u>601</u>	<u>30,933</u>
<u>OPERATING TRANSFERS OUT</u>				
Health Self Insurance Fund		(444,000)	(444,000)	(340,000)
<u>Total operating transfers out</u>	<u>0</u>	<u>(444,000)</u>	<u>(444,000)</u>	<u>(340,000)</u>
<u>Total other financing sources</u>	<u>11,539,804</u>	<u>10,836,405</u>	<u>(703,399)</u>	<u>14,496,549</u>

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF OPELOUSAS, LOUISIANA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2007 AND 2006

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTALS</u>	
				<u>2007</u>	<u>2006</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$77,471	\$10,127	\$21,301	\$108,899	\$729,887
Receivables					
Accounts	1,368			1,368	1,020
Special assessments		365,230		365,230	367,616
Accrued interest		541,327		541,327	520,171
<u>Total assets</u>	<u>78,839</u>	<u>916,684</u>	<u>21,301</u>	<u>1,016,824</u>	<u>1,618,694</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable and accrued	\$34,843			\$34,843	\$33,096
Due to other funds	5			5	5
<u>Total liabilities</u>	<u>34,848</u>	<u>0</u>	<u>0</u>	<u>34,848</u>	<u>33,101</u>
<u>FUND BALANCES</u>					
Unreserved, undesignated	43,991	\$916,684	\$21,301	981,976	1,585,593
<u>Total fund balances</u>	<u>43,991</u>	<u>916,684</u>	<u>21,301</u>	<u>981,976</u>	<u>1,585,593</u>
<u>Total liabilities and fund balances</u>	<u>78,839</u>	<u>916,684</u>	<u>21,301</u>	<u>1,016,824</u>	<u>1,618,694</u>

**CITY OF OPELOUSAS, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS	
				2007	2006
<b>REVENUES</b>					
Intergovernmental	\$21,586			\$21,586	\$15,325
Investment earnings		\$17,269		17,269	17,170
Other	2,991	33,793	\$9,000	45,784	23,101
<u>Total revenues</u>	<u>24,577</u>	<u>51,062</u>	<u>9,000</u>	<u>84,639</u>	<u>55,596</u>
<b>EXPENDITURES</b>					
Current					
General government		6,800		6,800	6,800
Public safety	1,845			1,845	
Health and welfare	21,611			21,611	22,550
Principal retirement					7,105
Interest and other charges					426
<u>Total expenditures</u>	<u>23,456</u>	<u>6,800</u>	<u>0</u>	<u>30,256</u>	<u>36,881</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	<u>1,121</u>	<u>44,262</u>	<u>9,000</u>	<u>54,383</u>	<u>18,715</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers out		(445,000)	(213,000)	(658,000)	
<u>Total other financing sources (uses)</u>	<u>0</u>	<u>(445,000)</u>	<u>(213,000)</u>	<u>(658,000)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	1,121	(400,738)	(204,000)	(603,617)	18,715
<b>FUND BALANCES, beginning of year</b>					
	42,870	1,317,422	225,301	1,585,593	1,566,878
<b>FUND BALANCES, end of year</b>					
	<u>43,991</u>	<u>916,684</u>	<u>21,301</u>	<u>981,976</u>	<u>1,585,593</u>

## NON-MAJOR 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 arrests 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 operating and capital expenditures for the Cemetery.

CITY OF OPELOUSAS, LOUISIANA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
AUGUST 31, 2007 AND 2006

	LCDBG FUND	POLICE DEPARTMENT DETECTIVE FUND	EMERGENCY SHELTER GRANT FUND	POLICE WITNESS FEE FUND	POLICE SEIZED FUND	INDUSTRIAL PARK FUND	MYRTLE GROVE CEMETERY FUND	TOTALS
								2007 2006
<u>ASSETS</u>								
Cash and cash equivalents	\$5	\$2,351	\$1,393	\$7,552	\$31,802	\$16,627	\$17,741	\$77,471 \$74,951
Accounts receivable			1,368					1,368 1,020
Total assets	<u>5</u>	<u>2,351</u>	<u>2,761</u>	<u>7,552</u>	<u>31,802</u>	<u>16,627</u>	<u>17,741</u>	<u>78,839 75,971</u>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>LIABILITIES</u>								
Accounts payable and accrued expenses			\$2,747		\$32,096			\$34,843 \$33,096
Due to other funds	\$5							5 5
Total liabilities	<u>5</u>	<u>0</u>	<u>2,747</u>	<u>0</u>	<u>32,096</u>	<u>0</u>	<u>0</u>	<u>34,848 33,101</u>
<u>FUND BALANCES</u>								
Unreserved, undesignated		\$2,351	14	\$7,552	(294)	\$16,627	\$17,741	43,991 42,870
Total fund balances	<u>0</u>	<u>2,351</u>	<u>14</u>	<u>7,552</u>	<u>(294)</u>	<u>16,627</u>	<u>17,741</u>	<u>43,991 42,870</u>
Total liabilities and fund balances	<u>5</u>	<u>2,351</u>	<u>2,761</u>	<u>7,552</u>	<u>31,802</u>	<u>16,627</u>	<u>17,741</u>	<u>78,839 75,971</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	POLICE DEPARTMENT DETECTIVE FUND	EMERGENCY SHELTER GRANT FUND	POLICE WITNESS FEE FUND	POLICE SEIZED FUND	INDUSTRIAL PARK FUND	MYRTLE GROVE CEMETERY FUND	TOTALS
							2007      2006
<u>REVENUES</u>							
Intergovernmental		\$21,586					\$21,586      \$15,325
Other - interest	\$71	5	\$288	\$1,297	\$641	\$689	2,991      2,718
Total revenues	0	21,591	288	1,297	641	689	24,577      18,043
<u>EXPENDITURES</u>							
Current							
Public safety				1,845			1,845
Health and welfare		21,611					21,611      22,550
Total expenditures	0	21,611	0	1,845	0	0	23,456      22,550
<u>NET CHANGE IN FUND</u>							
<u>BALANCES</u>	0	(20)	288	(548)	641	689	1,121      (4,507)
<u>FUND BALANCES</u>							
beginning of year	2,280	34	7,264	254	15,986	17,052	42,870      47,377
<u>FUND BALANCES (deficit)</u>							
end of year	2,351	14	7,552	(294)	16,627	17,741	43,991      42,870

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
POLICE DEPARTMENT DETECTIVE FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>REVENUES</u>				
Other - interest	\$70	\$71	\$1	\$66
<u>Total revenues</u>	<u>70</u>	<u>71</u>	<u>1</u>	<u>66</u>
<u>EXPENDITURES</u>				
Miscellaneous	70		70	
<u>Total expenditures</u>	<u>70</u>	<u>0</u>	<u>70</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>0</u>	71	<u>71</u>	66
<u>FUND BALANCE,</u>				
beginning of year		<u>2,280</u>		<u>2,214</u>
<u>FUND BALANCE, end of year</u>		<u>2,351</u>		<u>2,280</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
EMERGENCY SHELTER GRANT FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>REVENUES</u>				
Intergovernmental				
Housing and urban development	\$21,915	\$21,586	(\$329)	\$15,325
Other - interest		5	5	6
<u>Total revenues</u>	<u>21,915</u>	<u>21,591</u>	<u>(324)</u>	<u>\$15,331</u>
<u>EXPENDITURES</u>				
Current				
Health and welfare				
Transfer to subrecipient	21,380	21,060	320	22,000
Administrative	535	551	(16)	550
<u>Total expenditures</u>	<u>21,915</u>	<u>21,611</u>	<u>304</u>	<u>22,550</u>
<u>NET CHANGE IN FUND</u>				
<u>BALANCE</u>	<u>0</u>	(20)	<u>(20)</u>	(7,219)
<u>FUND BALANCE,</u>				
beginning of year		<u>34</u>		<u>7,253</u>
<u>FUND BALANCE, end of year</u>		<u>14</u>		<u>34</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
POLICE WITNESS FEE FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>			<u>2006</u> <u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	
<u>REVENUES</u>				
Other - interest	\$250	\$288	\$38	\$258
<u>Total revenues</u>	<u>250</u>	<u>288</u>	<u>38</u>	<u>258</u>
<u>EXPENDITURES</u>				
Witness fees	150		150	
<u>Total expenditures</u>	<u>150</u>	<u>0</u>	<u>150</u>	<u>0</u>
<u>NET CHANGE IN FUND</u>				
<u>BALANCE</u>	<u>100</u>	288	<u>188</u>	258
<u>FUND BALANCE,</u>				
beginning of year		<u>7,264</u>		<u>7,006</u>
<u>FUND BALANCE, end of year</u>		<u>7,552</u>		<u>7,264</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
POLICE SEIZED FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>2006</u> <u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>REVENUES</u>				
Other - interest	\$800	\$1,297	\$497	\$1,197
<u>Total revenues</u>	<u>800</u>	<u>1,297</u>	<u>497</u>	<u>1,197</u>
<u>EXPENDITURES</u>				
Current				
Public safety				
Seized Money Expense		1,845	(1,845)	
<u>Total expenditures</u>	<u>0</u>	<u>1,845</u>	<u>(1,845)</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>800</u>	(548)	<u>(1,348)</u>	1,197
<u>FUND BALANCE (deficit), beginning of year</u>		<u>254</u>		<u>(943)</u>
<u>FUND BALANCE (deficit), end of year</u>		<u>(294)</u>		<u>254</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
INDUSTRIAL PARK FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>REVENUES</u>				
Other - interest	\$ 600	\$641	\$41	\$574
<u>Total revenues</u>	<u>600</u>	<u>641</u>	<u>41</u>	<u>574</u>
<u>EXPENDITURES</u>				
<u>Total expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND</u>				
<u>BALANCE</u>	<u>600</u>	641	<u>41</u>	574
<u>FUND BALANCE</u> , beginning of year		<u>15,986</u>		<u>15,412</u>
<u>FUND BALANCE</u> , end of year		<u>16,627</u>		<u>15,986</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
MYRTLE GROVE CEMETERY FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2006 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>REVENUES</u>				
Other - interest	\$650	\$689	\$39	\$617
<u>Total revenues</u>	<u>650</u>	<u>689</u>	<u>39</u>	<u>617</u>
<u>EXPENDITURES</u>				
Miscellaneous	650		650	
<u>Total expenditures</u>	<u>650</u>	<u>0</u>	<u>650</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>0</u>	689	<u>689</u>	617
<u>FUND BALANCE, beginning of year</u>				
		<u>17,052</u>		<u>16,435</u>
<u>FUND BALANCE, end of year</u>				
		<u>17,741</u>		<u>17,052</u>

NON-MAJOR DEBT SERVICE FUNDLocal 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.

CITY OF OPELOUSAS, LOUISIANA  
COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUND  
LOCAL ASSESSMENT FUND  
AUGUST 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$10,127	\$429,635
Receivables		
Special assessment	365,230	367,616
Accrued interest	<u>541,327</u>	<u>520,171</u>
<u>Total assets</u>	<u>916,684</u>	<u>1,317,422</u>
<u>LIABILITIES</u>		
<u>Total liabilities</u>	<u>0</u>	<u>0</u>
<u>FUND BALANCE</u>		
Unreserved - undesignated	<u>\$916,684</u>	<u>1,317,422</u>
<u>Total fund balance</u>	<u>916,684</u>	<u>1,317,422</u>
<u>Total liabilities and fund balance</u>	<u>916,684</u>	<u>1,317,422</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
NON-MAJOR DEBT SERVICE FUND  
LOCAL ASSESSMENT FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>REVENUES</u>		
Other		
Interest earned on assessments	\$33,793	\$11,438
Interest on investments	17,269	17,170
<u>Total revenues</u>	<u>51,062</u>	<u>28,608</u>
<u>EXPENDITURES</u>		
Current		
General government		
Allocated expenditure - services performed by executive department	6,800	6,800
Debt service		
Principal retirement		7,105
Interest and fiscal charges		426
<u>Total expenditures</u>	<u>6,800</u>	<u>14,331</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>44,262</u>	<u>14,277</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers out	(445,000)	
<u>Total other financing sources (uses)</u>	<u>(445,000)</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	(400,738)	14,277
<u>FUND BALANCE, beginning of year</u>	<u>1,317,422</u>	<u>1,303,145</u>
<u>FUND BALANCE, end of year</u>	<u>916,684</u>	<u>1,317,422</u>

NON-MAJOR CAPITAL PROJECTS FUNDSCapital 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  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
AUGUST 31, 2007 AND 2006

	<u>CAPITAL PROJECTS FUND</u>	<u>1995 CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>	
			<u>2007</u>	<u>2006</u>
 <u>ASSETS</u>				
Cash and cash equivalents	<u>\$17,102</u>	<u>\$4,199</u>	<u>\$21,301</u>	<u>\$225,301</u>
<u>Total assets</u>	<u>17,102</u>	<u>4,199</u>	<u>21,301</u>	<u>225,301</u>
 <u>FUND BALANCES</u>				
Unreserved, undesignated	<u>\$17,102</u>	<u>\$4,199</u>	<u>\$21,301</u>	<u>\$225,301</u>
<u>Total fund balances</u>	<u>17,102</u>	<u>4,199</u>	<u>21,301</u>	<u>225,301</u>
 <u>Total liabilities and fund balances</u>	 <u>17,102</u>	 <u>4,199</u>	 <u>21,301</u>	 <u>225,301</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	CAPITAL PROJECTS FUND	1995	TOTALS	
		CAPITAL PROJECTS FUND	2007	2006
<u>REVENUES</u>				
Other - interest earned	\$699	\$8,301	\$9,000	\$8,945
<u>Total revenues</u>	<u>699</u>	<u>8,301</u>	<u>9,000</u>	<u>8,945</u>
<u>EXPENDITURES</u>				
<u>Total expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>EXCESS OF REVENUES</u> <u>OVER EXPENDITURES</u>				
	<u>699</u>	<u>8,301</u>	<u>9,000</u>	<u>8,945</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out		(213,000)	(213,000)	
<u>Total other financing sources (uses)</u>	<u>0</u>	<u>(213,000)</u>	<u>(213,000)</u>	<u>0</u>
<u>NET CHANGE IN FUND</u> <u>BALANCES</u>				
	<u>699</u>	<u>(204,699)</u>	<u>(204,000)</u>	<u>8,945</u>
<u>FUND BALANCES, beginning</u> of year				
	<u>16,403</u>	<u>208,898</u>	<u>225,301</u>	<u>216,356</u>
<u>FUND BALANCES, end</u> of year				
	<u>17,102</u>	<u>4,199</u>	<u>21,301</u>	<u>225,301</u>

NON-MAJOR ENTERPRISE FUNDRural 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  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR ENTERPRISE FUND  
RURAL ECONOMIC AND COMMUNITY DEVELOPMENT GRANT FUND  
AUGUST 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$56,002	\$97,959
Notes receivables, (net where applicable of uncollectibles)	<u>171,996</u>	<u>131,645</u>
<u>Total assets</u>	<u>227,998</u>	<u>229,604</u>
<u>LIABILITIES</u>		
<u>NET ASSETS</u>		
Restricted	<u>\$227,998</u>	<u>\$229,604</u>
<u>Total net assets</u>	<u>227,998</u>	<u>229,604</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
NON-MAJOR ENTERPRISE FUND  
RURAL ECONOMIC AND COMMUNITY DEVELOPMENT GRANT FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>OPERATING REVENUES</u>		
Charges for services		
Interest	<u>\$7,650</u>	<u>\$9,812</u>
<u>Total operating revenues</u>	<u>7,650</u>	<u>9,812</u>
<u>OPERATING EXPENSES</u>		
Supplies	13	
Legal fees	105	14
Bad debt expense	<u>9,138</u>	
<u>Total operating expenses</u>	<u>9,256</u>	<u>14</u>
<u>OPERATING INCOME (LOSS)</u>	(1,606)	9,798
<u>NET ASSETS</u> , beginning of year	<u>229,604</u>	<u>219,806</u>
<u>NET ASSETS</u> , end of year	<u>227,998</u>	<u>229,604</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUND  
RURAL ECONOMIC AND COMMUNITY DEVELOPMENT GRANT FUND  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$42,299	\$28,382
Loan proceeds distributed	(75,000)	(60,000)
Cash payments for supplies & legal fees	(9,256)	(14)
<u>Net cash provided (used) by operating activities</u>	<u>(41,957)</u>	<u>(31,632)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	(41,957)	(31,632)
<u>CASH, September 1, 2006</u>	<u>97,959</u>	<u>129,591</u>
<u>CASH, August 31, 2007</u>	<u>56,002</u>	<u>97,959</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET</u>		
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)	<u>(\$1,606)</u>	<u>\$9,798</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	<u>(40,351)</u>	<u>(41,430)</u>
<u>Total adjustments</u>	<u>(40,351)</u>	<u>(41,430)</u>
<u>Net cash provided (used) by operating activities</u>	<u>(41,957)</u>	<u>(31,632)</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.

### 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 REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	INTERNAL SERVICE FUND A	INTERNAL SERVICE FUND G	WORKMEN'S COMPENSATION FUND	HEALTH SELF INSURANCE FUND	TOTALS
					2007
					2006
<u>OPERATING REVENUES</u>					
Charges for services					
Premiums	\$64,692	\$226,209	\$240,642	\$1,192,129	\$1,723,672
Total operating revenues	64,692	226,209	240,642	1,192,129	1,723,672
<u>OPERATING EXPENSES</u>					
Other services and charges					
Claims	56,068	149,163	187,147	1,620,051	2,012,429
Depreciation		1,325			1,325
Insurance	265,842	241,116	115,924		622,882
Administrative and other	3,000	18,340	64,844		86,184
Total operating expenses	324,910	409,944	367,915	1,620,051	2,722,820
<u>OPERATING INCOME (LOSS)</u>	(260,218)	(183,735)	(127,273)	(427,922)	(999,148)
<u>NON-OPERATING REVENUES</u>					
Investment income	21,906	96,836	70,863	726	190,331
Total non-operating revenues	21,906	96,836	70,863	726	190,331
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	(238,312)	(86,899)	(56,410)	(427,196)	(808,817)
<u>OPERATING TRANSFERS IN (OUT)</u>					
Operating transfers in					
Operating transfers out		(600,000)	(600,000)	1,602,622	1,107,253
Total operating transfers in (out)	0	(600,000)	(600,000)	(494,000)	(312,253)
<u>NET INCOME (LOSS)</u>	(238,312)	(686,899)	(656,410)	66,804	(1,514,817)
<u>NET ASSETS (deficit), beginning of year</u>	527,964	2,107,404	1,633,632	(301,165)	3,967,835
<u>NET ASSETS (deficit), end of year</u>	289,652	1,420,505	977,222	(234,361)	3,967,835

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	INTERNAL SERVICE FUND A	INTERNAL SERVICE FUND G	WORKMEN'S COMPENSATION FUND	HEALTH SELF INSURANCE FUND	TOTALS
					2007
					2006
	\$64,692	\$218,815	\$240,642	\$1,192,544	\$1,716,693
	(3,000)	(6,000)	(178,212)	(187,212)	(61,969)
	(56,068)	(163,512)	(310,047)	(1,486,968)	(3,479,562)
	(265,842)	(12,340)	(2,556)	(14,896)	(40,530)
		(241,116)		(506,958)	
	(260,218)	(204,153)	(250,173)	(294,424)	(878,008)

CASH FLOWS FROM OPERATING ACTIVITIES

Premiums received  
 General and administrative expenses paid  
 Claims paid  
 Legal expenses paid  
 Insurance paid  
 Net cash provided (used) by operating activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of fixed assets  
 Net cash used by capital and related financing activities

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Operating transfers in  
 Operating transfers out  
 Net cash provided (used) by non-capital financing activities

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of investments  
 Interest earned  
 Purchase of investments  
 Net cash provided by investing activities

NET INCREASE (DECREASE) IN CASH

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
 COMBINING STATEMENT OF CASH FLOWS - (CONTINUED)  
 INTERNAL SERVICE FUNDS  
 FOR THE YEARS ENDED AUGUST 31, 2007 AND 2006

	INTERNAL SERVICE FUND A	INTERNAL SERVICE FUND G	WORKMEN'S COMPENSATION FUND	HEALTH SELF INSURANCE FUND	TOTALS	
					2007	2006
<u>CASH AND CASH EQUIVALENTS,</u>						
September 1, 2006	\$147,492	\$300,148	\$1,310,374	\$86,056	\$1,844,070	\$1,525,013
<u>CASH AND CASH EQUIVALENTS,</u>						
August 31, 2007	290,207	40,042	1,009,760	36,358	1,376,367	1,844,070
<u>RECONCILIATION OF OPERATING</u>						
<u>INCOME (LOSS) TO NET CASH PROVIDED</u>						
<u>(USED) BY OPERATING ACTIVITIES</u>						
Operating income (loss)	(\$260,218)	(\$183,735)	(\$127,273)	(\$427,922)	(\$999,148)	(\$795,809)
Adjustments to reconcile operating						
income (loss) to net cash provided						
(used) by operating activities:						
Depreciation		1,325			1,325	1,359
(Increase) decrease in accounts						
receivable		(7,394)		415	(6,979)	1,517
Increase (decrease) in accounts payable		(114,349)	(122,900)		(237,249)	259,437
Increase (decrease) in claims payable		100,000		133,083	233,083	(344,512)
Total adjustments	0	(20,418)	(122,900)	133,498	(9,820)	(82,199)
<u>Net cash provided (used) by</u>						
<u>operating activities</u>	(260,218)	(204,153)	(250,173)	(294,424)	(1,008,968)	(878,008)

FIDUCIARY FUNDPayroll Account

Accounts for the centralization of the City's payroll and related expenses.

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUND  
AUGUST 31, 2007 AND 2006

	<u>PAYROLL ACCOUNT</u>	
	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$101,116	\$98,935
Due from other funds	255,412	258,931
<u>Total assets</u>	<u>356,528</u>	<u>357,866</u>
<u>LIABILITIES</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$212,585	\$213,002
Due to other funds	143,943	144,864
<u>Total liabilities</u>	<u>356,528</u>	<u>357,866</u>

RELATED REPORTS

Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



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 1998  
 Joel Lanclos, Jr., CPA  
 2003  
 Russell J. Stelly, CPA  
 2005

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

To the Honorable Donald Cravins, Sr., Mayor  
 and 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, 2007, which collectively comprise the City of Opelousas, Louisiana's basic financial statements and have issued our report thereon dated February 29, 2007. 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

In planning and performing our audit, we considered the City'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Opelousas' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting 2007-1, 2007-2, 2007-3, 2007-4, 2007-5, and 2007-6.

To the Honorable Donald Cravins, Sr., Mayor  
and the Board of Aldermen  
Page 2

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2007-1, 2007-2, 2007-3, 2007-4, 2007-5, and 2007-6 to be material weaknesses.

#### 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 that is required to be reported under Government Auditing Standards, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2007-7.

We noted certain matters that we reported to management of the City of Opelousas, in a separate letter dated February 29, 2007.

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

*John S. Dowling & Company*

Opelousas, Louisiana  
February 29, 2007

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

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

Compliance

We have audited the compliance of the City of Opelousas, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended August 31, 2007. The City of Opelousas, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Opelousas, Louisiana's management. Our responsibility is to express an opinion on the City of Opelousas, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Opelousas, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Opelousas, Louisiana's compliance with those requirements.

In our opinion, the City of Opelousas, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2007.

To the Honorable Donald Cravins, Sr., Mayor  
and the Board of Aldermen  
Page 2

### Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

*John S. Dowling & Company*

Opelousas, Louisiana  
February 29, 2007

SUPPLEMENTARY INFORMATION

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2007

**I. Summary of Audit Results**

The following summarizes the auditor's results in accordance with OMB circular A-133:

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Opelousas as of and for the year ended August 31, 2007.
2. Six control deficiencies relating to the audit of the financial statements are reported in the 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.
3. One instance of noncompliance material to the financial statements of the City of Opelousas was disclosed during the audit.
4. No control deficiencies relating to the audit of the major federal award program are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Opelousas expresses an unqualified opinion on major federal programs.
6. There are no audit findings relative to the major federal award programs of the City of Opelousas to be reported in Part III of this schedule.
7. The program tested as a major program was the Louisiana Community Development Block Grant passed through the State of Louisiana Office of Community Development (CFDA #14.219).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The City of Opelousas was determined to be a high-risk auditee.

**Internal Control Material to the Financial Statements**

**2007-1 Inadequate Purchasing Procedures**

**Condition:** In our examination of the City's purchasing procedures, we found numerous incidences in various departments where the City either failed to obtain purchase orders or purchase orders were obtained subsequent to the purchase.

**Criteria:** The City of Opelousas has purchasing procedures in place which ensure that all City expenditures are properly made in accordance with state law and internal control procedures.

**Cause:** The City failed to adhere to its purchasing policies and procedures.

**Effect:** Purchases were made which were not in accordance with state laws and internal control procedures.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2007

**Recommendation:** The City must adhere to its purchasing procedures in order to ensure expenditures are made in accordance with state law and proper internal controls.

**2007-2 Inadequate Documentation**

**Condition:** In our testing of expenditures, we noted that all invoices were missing for a credit card used from 9/1/06 through 12/31/06 and all invoices were missing for Fuelman used from 9/1/06 through 12/31/06. The following departments had expenditures with no supporting documentation:

**General Fund:**

City Court \$714, Marshall \$4,865, Executive (prior administration) \$1,765, Police \$73,117, Fire \$6,673, Code Enforcement \$3, Street \$20,813, Garage \$2,051, Parks \$8,822, Tourism \$108 and Museum \$231  
ELWW \$14,614  
Sewer \$1,846.

**Criteria:** The City has internal control policies and procedures for proper documentation of expenditures that must be adhered to.

**Cause:** The City failed to maintain control over the underlying documentation for certain expenditures.

**Effect:** The City of Opelousas had \$135,622 of expenditures for which all documentation was missing.

**Recommendation:** The City should ensure that all documentation is retained and properly safeguarded.

**2007-3 Inadequate ORECD Revolving Loan Documentation**

**Condition:** The records of the City of Opelousas did not include proper loan documentation for ORECD revolving loans. Our review of loan files revealed that the documentation maintained was inconsistent from one file to another. However, the two new loans made in 2007 did contain adequate documentation. ORECD program guidelines were not followed. The City does not have a written policy for collections on ORECD loans. There was a lack of monitoring ORECD loans and an improper segregation of duties within the ORECD loan program.

**Criteria:** Loan documentation should include items such as a signed application, business plan, financial statements, a listing of collateral, credit reports, tax returns, proof of application approval and review, monitoring activities and collection efforts. The ORECD program has guidelines regarding interest rates, repayment terms, occupational licenses, and monitoring practices.

**Cause:** The City of Opelousas does not have adequate policies or procedures over the ORECD loan program.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2007

2007-3 Inadequate OREC Revolving Loan Documentation – Continued

**Effect:** The ORECD loan files do not contain proper loan documentation. There is no written policy on collections and monitoring practices are not followed which contributed to the high delinquency rate on these loans. There is no segregation of duties within the ORECD program. As a result, it appears that \$10,000 of these funds have been improperly diverted to an individual.

**Recommendation:** The City of Opelousas should immediately incorporate adequate policies and procedures for the ORECD loan program.

2007-4 Inadequate Control Over Capital Assets

**Condition:** The City of Opelousas does not have adequate control over capital assets.

**Criteria:** All capital asset purchases must be captured on the City's inventory listing. A physical inventory must be taken yearly.

**Cause:** Purchases are not properly being made through the purchase order system and therefore are not on the inventory listing. Physical inventories are not being taken yearly.

**Effect:** All purchases of capital assets are not being added to the inventory listing. Capital assets are not adequately controlled.

**Recommendation:** The City of Opelousas should institute procedures to ensure that all capital assets are captured and properly accounted for.

2007-5 Inadequate Documentation on Grants

**Condition:** In our testing of grant revenues in the General Fund, the City Police Department did not maintain proper documentation for several grants. Grant documentation had to be obtained from the State in several cases. The Law Enforcement Terrorism Prevention Program reimbursement grant information was not obtained.

**Criteria:** The City must maintain proper documentation for all grants.

**Cause:** The City Police Department failed to maintain proper documentation for grants.

**Effect:** The City had a grant from Homeland Security for \$28,411. No contracts could be located to determine the purpose of the grant. There was also inadequate documentation on how the grant funds were spent. For other grants, the Police Department obtained documentation from the State.

**Recommendation:** The City should maintain proper documentation for all federal grants.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2007

**2007-6 Inadequate Documentation on Compensated Absences**

**Condition:** Hours supplied by department heads do not agree with time sheets used to make the computations for compensated absences.

**Criteria:** The City of Opelousas must compile, reconcile, verify, and retain adequate documentation on compensated absences.

**Cause:** The City failed to compile and reconcile adequate documentation on compensated absences.

**Effect:** Documentation for compensated absences does not agree with the recorded liability.

**Recommendation:** The City of Opelousas should compile, reconcile, verify, and retain adequate documentation on compensated absences.

**Compliance Material to the Financial Statements**

**2007-7 Public Bid Law Not Followed**

**Condition:** The City of Opelousas' Police Department did not follow the public bid law in three separate purchases of vehicles and one purchase of a drug dog.

**Criteria:** Louisiana Revised Statute 38:2212 states that all purchases of materials and supplies which exceed \$20,000 shall be advertised and let by contract to the lowest bidder and all purchases which exceed \$10,000 but are less than \$20,000 the government should obtain no less than three quotes from different suppliers.

**Cause:** The City failed to comply with the public bid law.

**Effect:** Purchases were made by the City of Opelousas' Police Department without advertising or obtaining proper bids or quotes.

**Recommendation:** The City should strictly adhere to the Public Bid Law for all purchases.

**III. Findings and Questioned Costs – Major Federal Award Programs Audit**

None

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AUGUST 31, 2007

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
U.S. Department of Housing and Urban Development Pass-through payments		
Louisiana Department of Social Services Emergency Shelter Grants Program	14.231	\$21,587
State of Louisiana Office of Community Development Community Development Block Grant -	14.219	452,924
Department of Homeland Security Law Enforcement Terrorism Prevention Program (LETPP)	97.074	28,411
U.S. Department of Education - Louisiana Department of Education Pass-through payments: Safe and Drug Free Schools	84.186	42,425
U.S. Department of Justice Pass-through payments: Louisiana Commission on Law Enforcement and Administration on Criminal Justice Byrne Formula Grant Program	16.579	2,000
National Highway Traffic Safety Administration Pass-through payments: Louisiana Highway Safety Commission State and Community Highway Safety	20.600	38,631
Environmental Protection Agency Pass-through payments: Louisiana Department of Environmental Quality Revolving Fund Loan Program Capitalization Grants for State Revolving Funds	66.458	<u>43,736</u>
<u>Totals</u>		<u>629,714</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
AUGUST 31, 2007

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Opelousas. The reporting entity is defined in Note 1 to the financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for the federal assistance. The basis of accounting is described in Note 1 to the financial statements.

NOTE 3 - SUBRECIPIENTS

The federal expenditures of the Emergency Shelter Grants Program presented in the schedule, were federal awards provided to subrecipients by the City as follows:

<u>Subrecipient Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Opelousas Housing Corporation d/b/a New Life Center	14.231	\$12,567
Lighthouse Mission	14.231	<u>9,020</u>
		<u>21,587</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS - (CONTINUED)  
AUGUST 31, 2007

NOTE 4 - RELATIONSHIP TO FINANCIAL STATEMENTS

Of the total amount of the federal financial assistance revenue, only the reimbursement amount is recorded in the financial statements as revenues. The expenditures which were later reimbursed are recorded in the financial statements as expenses. Federal financial assistance revenue is reported in the City of Opelousas, Louisiana's financial statements as follows:

	<u>Amount</u>
<u>Special Revenue Funds</u>	
Intergovernmental Revenues	
Emergency Shelter Grant Program	<u>\$21,587</u>
<u>General Fund</u>	
Intergovernmental Revenues	
Federal grants	
DARE reimbursement grant	\$42,425
Byrne Grant	2,000
Highway Safety Commission	38,631
LETPP Reimbursement Grant	28,411
Leivieux Village Landscape Grant	<u>63,233</u>
<u>Total General Fund</u>	<u>174,700</u>
<u>EL &amp; WW Fund</u>	
LCDBG Grant	<u>\$452,924</u>
<u>Sewer Fund</u>	
Sewer Loan - DEQ	<u>\$43,736</u>

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
AUGUST 31, 2007

Section I - Internal Control and Compliance Material to the Financial Statements

2006-1 – Budget Amendment

Repeat comment. (Management Letter)

2006-2 – Public Bid Law Not Followed

Repeat comment.

2006-3 – Inadequate Purchasing Procedures

Repeat comment.

2006-4 – Inadequate Documentation

Repeat comment.

2006-5 – Improper Accounts Payable Procedures

Corrective action taken.

2006-6 – Inadequate Spice and Music Festival Collections

Corrective action taken.

2006-7 – Bonded City Employees Not Used for the Spice and Music Festival

Corrective action taken.

Section II - Internal Control and Compliance Material to Federal Awards

2006-8 – Lack of Restriction on FEMA Funds Received

Corrective action taken.

2006-9 – Inadequate Documentation of Expenditures for Reimbursement from FEMA

Corrective action taken.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS - CONTINUED  
AUGUST 31, 2007

Section III - Management Letter

2006-10 – Travel Policy Not Sufficient

Corrective action taken.

2006-11 – Interfund Loans

Corrective action taken.

2006-12 – Expenditures for Items Not Allowed by State Law

Repeat comment.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF PER DIEM PAID TO THE GOVERNING BODY  
AUGUST 31, 2007

	<u>Salary</u>	<u>Car Allowance</u>	<u>Total</u>
Donald Cravins, Mayor	\$46,906	\$5,320	\$52,226
Anna Simmons, Mayor	41,388		41,388
Joseph Guillory, Pro-Tem	6,113	1,400	7,513
LeRoy Payne, Alderman-at-large	6,113	1,400	7,513
Dale Pefferkorn, Alderman	16,390	4,200	20,590
Huey Hawkins, Alderman	16,390	4,200	20,590
Joe Charles, Alderman	5,674	1,400	7,074
Greg Castain - Alderman	5,674	1,400	7,074
Harvey Darbonne, Alderman-at-large	11,546	2,800	14,346
Brian Thomas, Alderman	11,546	2,800	14,346
Louis Butler, Alderman	10,717	2,800	13,517
Jacqueline Martin, Alderwoman	<u>10,717</u>	<u>2,800</u>	<u>13,517</u>
	<u>189,174</u>	<u>30,520</u>	<u>219,694</u>

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE - (UNAUDITED)  
AUGUST 31, 2007

<u>TYPE OF COVERAGE AND NAME OF COMPANY</u>	<u>NUMBER</u>	<u>PERIOD FROM</u>	<u>PERIOD TO</u>	<u>DETAILS OF COVERAGE</u>	<u>CO-INSURANCE</u>
Workmen's Compensation Safety National Casualty Corp.	AGC-1P44-LA	5/01/07	5/01/08	Workmen's compensation	None
<u>Commercial Inland Marine Coverages</u> Hartford Insurance Company	72MSVZ6322	7/12/07	7/12/08	Communications equipment, Computer equipment, contractor's equip., signs Deductible - \$1,000	None
<u>Property Coverage</u> Landmark American Insurance Company	LHD346293	4/17/07	4/17/08	Fire and property Deductible - \$50,000 Boiler and machinery	None
<u>All Vehicles</u> Lincoln General Insurance Company	CM1050670	6/18/07	6/18/08	Automobiles	None
<u>Public Officials - Errors and Omissions</u> American International Specialty Lines	741-98-41	4/17/07	4/17/08	Public officials	None
<u>Employees Dishonesty/Blanket Bond</u> Fidelity and Deposit Company	CCP140654513	1/15/07	1/15/08	Clerks and cashiers	None
<u>Public Officer Bonds</u> Western Surety Company	30374179	1/25/07	1/25/08	City clerk	None
City clerk and tax collector	6925088	11/15/07	11/15/08	Clerk III	None
Clerk III	70268079	1/01/07	1/01/08	Mayor	None
Mayor	70234119	1/24/07	1/24/08	Comptroller	None
Comptroller					
<u>Fire Department - General Liability</u> and Auto Victor Frank IS	VFIS-TR-2051061	2/09/07	2/09/08	General liability and auto	None
<u>Law Enforcement - Professional Liability</u> Lexington Insurance Company	E16761212	4/17/07	4/17/08	Law enforcement	None
<u>Special Event Policy</u> James River Insurance Company	00024393	6/01/07	6/04/07	Festival liability	None

Chizal S. Fontenot, CPA  
James L. Nicholson, Jr., CPA  
G. Kenneth Pavy, II, CPA  
Michael A. Roy, CPA  
Lisa Trouille Manuel, CPA  
Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
1904-1984  
John Newton Stout, CPA  
1936-2005

Retired

Harold Dupre, CPA  
1996  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003  
Russell J. Stelly, CPA  
2005

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

We have audited the financial statements of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2007, and have issued our report thereon dated February 29, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated February 29, 2008, and our report on internal control and compliance with laws, regulations, contracts, and grants dated February 29, 2008. This letter does not affect our report dated February 29, 2008 on the financial statements of the City of Opelousas.

During our audit, we became aware of the following matters which represent suggestions for improved internal controls or immaterial deviations of noncompliance.

**Immaterial Deviation of Noncompliance**

2007-8 Expenditures for Items Not Allowed by State Law

**Condition:** Based on a sample of expenditures tested, we noted that the City of Opelousas Police Department incurred expenditures in October and December 2006 in the amount of \$224 for items not allowed by state law. The Police Department incurred expenditures for food expenditures considered to be donations.

**Criteria:** Article 7 Section 14 of the Louisiana Constitution prohibits public entities from making donations.

**Cause:** The City's internal controls failed to prevent expenditures not allowed by state law.

**Effect:** The City of Opelousas Police Department failed to adhere to its policies and procedures resulting in the improper expenditures noted above.

**Recommendation:** The City of Opelousas Police Department should strictly adhere to policies and procedures to ensure that all purchases are in compliance with state law.

To the Honorable Donald Cravins, Sr., Mayor  
and the Board of Aldermen  
Page 2

2007-9 Budget Amendment

Condition: The budget was not properly amended for the Police Seized Fund.

Criteria: Louisiana Local Government Budget Act (LSA-RS 39:1310) states that the budget must be amended when actual expenditures exceed budgeted expenditures by 5 percent or more.

Cause: The budget for the Police Seized Fund was not properly amended.

Effect: Actual expenditures exceeded budgeted expenditures by \$1,845 in the Police Seized Fund, which caused the percentage variance to be 100%.

Recommendation: the City should properly amend all budgets.

2007-10 Non-Compensatory Benefits Received by Two Individuals that are Paid as Independent Contractors

Condition: Two individuals paid as independent contractors in the amount of \$17,368 by the City were receiving non-compensatory benefits from the City including the use of the City's office space and supplies.

Criteria: According to guidelines set by the Internal Revenue Service, an independent contractor receiving non-compensatory benefits should be considered an employee rather than an independent contractor.

Cause: The City has a lack of internal control procedures with respect to conducting business with independent contractors.

Effect: Non-compensatory benefits were given to individuals being paid as independent contractors.

Recommendation: The City should not provide non-compensatory benefits to individuals paid as independent contractors.

2007-11 Social Security Benefits

Condition: The City Police Department is not filing records in order for the City to collect social security benefits of prisoners incarcerated for over thirty days.

Criteria: For prisoners receiving social security benefits who are incarcerated for thirty days the City must notify the Social Security Office so that the benefits will be paid to the City.

To the Honorable Donald Cravins, Sr., Mayor  
and the Board of Aldermen

Page 3

Cause: The Social Security Office has not been notified.

Effect: The City is not receiving income which it is legally entitled to.

Recommendation: The City Police Department should immediately begin notifying the Social Security Office.

*John S. Dowling & Company*

Opelousas, Louisiana

February 29, 2008



**2007-2 Inadequate Documentation**

**Corrective Action Planned:** The transactions took place under the prior administration. The new administration was unable to locate all supporting documentation relating to these expenditures.

**Contact Person Responsible for Corrective Action:** Elaine Hudspeth, Comptroller

**Anticipated Completion Date:** N/A

**2007-3 Inadequate ORECD Revolving Loan Documentation**

**Corrective Action Planned Corrective Action Planned:** The transactions took place under the prior administration. The new administration was unable to locate all supporting documentation relating to these transactions.

A written policy on the collections and monitoring of loans, which follows the ORECD federal guidelines, will be established.

**Contact Person Responsible for Corrective Action:** Elaine Hudspeth, Comptroller

**Anticipated Completion Date:** March 31, 2007

**2007-4 Inadequate Control Over Capital Assets**

**Corrective Action Planned:** The City will institute policies and procedures to ensure that all capital assets are captured and properly accounting for. A physical inventory will be taken on an annual basis.

**Contact Person Responsible for Corrective Action:** Elaine Hudspeth, Comptroller

**Anticipated Completion Date:** August 31, 2008

**2007-5 Inadequate Documentation on Grants**

**Corrective Action Planned:** The City will institute polices and procedures which require the Opelousas Police Department to submit copies of all paperwork for any grant obtained to the Comptroller's office. Also, see corrective action plan submitted by Chief Perry Gallow.

**Contact Person Responsible for Corrective Action:** Chief Perry Gallow

**Anticipated Completion Date:** March 15, 2008

**2007-6 Inadequate Documentation on Compensated Absences**

**Corrective Action Planned:** The administration will work with the Municipal Civil Service Department and the Fire & Police Civil Service Department to institute new policies and procedures to ensure records are reconciled on a regular basis, and proper and accurate documentation is kept for all departments.

**Contact Person Responsible for Corrective Action:** Karen Frank, City Clerk

**Anticipated Completion Date:** May 31, 2008

**2007-7 Public Bid Law Not Followed**

**Corrective Action Planned:** These transactions took place under the prior administration. The new administration has strict guidelines to ensure all purchases are in compliance with the public bid law. Also, see response submitted by Chief Perry Gallow.

**Contact Person Responsible for Corrective Action:** Chief Perry Gallow

**Anticipated Completion Date:** N/A

**2007-8 Expenditures for Items Not Allowed by State Law**

**Corrective Action Planned:** These expenditures occurred under the prior administration. The new administration has strict policies and procedures to ensure all expenditures are in compliance with state law. Also, see response submitted by Chief Perry Gallow

**Contact Person Responsible for Corrective Action:** Chief Perry Gallow

**Anticipated Completion Date:** N/A

**2007-9 Budget Amendment**

**Corrective Action Planned:** All budgets will be properly amended to comply within the 5 percent variance.

**Contact Person Responsible for Corrective Action:** Elaine Hudspeth, Comptroller

**Anticipated Completion Date:** August 31, 2008

**2007-10 Non Compensatory Benefits Received by Two Individuals that are Paid as Independent Contractors**

**Corrective Action Planned:** The administration will institute internal controls and policies with respect to conducting business with independent contractors that will prevent any non-compensatory benefits from being received by these individuals.

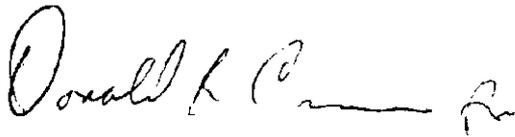
**Contact Person Responsible for Corrective Action:** Karen Frank, City Clerk

**Anticipated Date of Completion:** March 15, 2008

**2007-11 Social Security Benefits**

**Corrective Action Planned:** See response submitted by Chief Perry Gallow

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald R. Cravins, Sr.", written in black ink.

**Donald R. Cravins, Sr.  
Mayor**



**PERRY GALLOW**  
CHIEF OF POLICE

CITY OF OPELOUSAS

# Department of Police

P. O. BOX 1757  
318 NORTH COURT STREET

*Opelousas, Louisiana 70571-1757*

COMPLAINT LINE 337-948-2500

BUSINESS LINE 337-948-2513

FAX LINE 337-942-5346

www.opelousaspd.com • Email: opelousaspd@hotmail.com



**WILLIE SMITH**  
ASSISTANT CHIEF

## CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor

The City of Opelousas Police Department respectfully submits the following corrective action plan for the year ended August 31, 2007.

Name and address of independent public accounting firm: John S. Dowling & Co., P.O. Box 1549, Opelousas, LA 70571-1549

Audit Period: Year ended August 31, 2007

The findings from the 2007 audit report are discussed below. The findings are numbered consistently with the numbers assigned in the report.

**2007-8 Expenditures** – The Opelousas Police Department annually donates Thanksgiving Food Baskets to local families. After receiving donations, all monies are turned in to the City of Opelousas Accountant Department. Receipts for items purchased were turned in for payments. The Opelousas Police Department will discontinue this practice to ensure that all purchases are in compliance with state law.

**2007-11 Social Security Benefits** – The Warden's office of the Opelousas Police Department has been ordered to report to the Social Security Office and send a copy of the report to the Comptroller office once a month indicating name of each prisoner and their social security number that are receiving benefits. We shall strictly adhere to this order effective immediately.

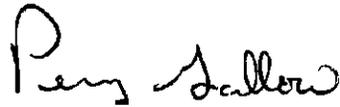
**2007-1 Inadequate Purchasing Procedures** – The Opelousas Police Department shall follow all policies and procedures as it relates to purchase. No purchase above \$150.00 will be requested without proper quotes, purchase order numbers, etc. It should be noted that the infractions occurred under the prior Chief of Police Administration.

**2007-5 Inadequate Documentation on Grants** – The Opelousas Police Department shall maintain proper documentation for all Federal grants.

**2007-7 Public Bid Law** – The Opelousas Department purchased the three police vehicles under the leadership of the former Chief of Police. The current administration intends to follow all Public Bid Laws for all purchases. It has been called to my attention that some products and services are from **Sole Providers**. When this occurs, I will immediately notify the Comptroller Office to seek advise. Effectively immediately, no purchase will be made without at least three quotes or bids.

If here is any additional information/clarification needed, please do not hesitate to contact me.

Yours for Professional Law Enforcement,

A handwritten signature in cursive script that reads "Perry Gallow".

Perry Gallow  
Chief of Police