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CITY OF OPELOUSAS, LOUISIANA  
FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2004

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 3/16/05

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Members of the  
City of Opelousas  
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, 2004, 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, 2004, 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 21, 2005 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 grants. 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 Members of the  
City of Opelousas  
Opelousas, Louisiana  
Page 2

The other required supplementary information on pages 53 through 56 are 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 21, 2005

## BASIC FINANCIAL STATEMENTS

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

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

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



GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS  
AUGUST 31, 2004

<u>ASSETS</u>	<u>PRIMARY GOVERNMENT</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
Cash and cash equivalents	\$5,838,999	\$516,734	\$6,355,733
Investments	2,903,988	107,900	3,011,888
Receivables (net of allowances for uncollectibles)	974,702	1,441,986	2,416,688
Internal balances	222,419	(222,419)	
Due from other governments	244,420		244,420
Inventory	29,319	20,759	50,078
Restricted assets	4,710	2,893,709	2,898,419
Bond issue costs, net	6,156	157,316	163,472
Capital assets (net)	<u>8,867,741</u>	<u>20,660,975</u>	<u>29,528,716</u>
<u>Total assets</u>	<u>19,092,454</u>	<u>25,576,960</u>	<u>44,669,414</u>
 <u>LIABILITIES</u>			
Accounts payable and accrued expenses	807,904	99,643	907,547
Contracts payable		280,232	280,232
Retainage payable		38,817	38,817
Interest payable	13,169		13,169
Payable from restricted assets		594,522	594,522
Taxes paid under protest	2,579		2,579
Long-term liabilities			
Due within one year	398,792	665,000	1,063,792
Due in more than one year	<u>2,668,571</u>	<u>12,237,841</u>	<u>14,906,412</u>
<u>Total liabilities</u>	<u>3,891,015</u>	<u>13,916,055</u>	<u>17,807,070</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	8,697,805	8,723,125	17,420,930
Restricted for:			
Insurance claims	4,778,517		4,778,517
Debt service	2,022	1,372,877	1,374,899
Customers' deposits		150,867	150,867
Protest taxes	109		109
Construction		75,443	75,443
Unrestricted	<u>1,722,986</u>	<u>1,338,593</u>	<u>3,061,579</u>
<u>Total net assets</u>	<u>15,201,439</u>	<u>11,660,905</u>	<u>26,862,344</u>

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES  
AUGUST 31, 2004

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS			
	EXPENSES	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental Activities</b>							
General government	\$1,721,365	\$33,989		\$62,154	\$(1,687,376)		\$(1,687,376)
Public safety	6,607,969	26,421		514,498	(6,255,893)		(6,255,893)
Public works	1,807,111	4,968			(954,248)		(954,248)
Health and welfare	191,278	130,041	10,000		(51,237)		(51,237)
Culture and recreation	1,354,669	36,398			(1,318,271)		(1,318,271)
Economic development	41,911				(41,911)		(41,911)
Insurance claims and costs	638,854				(638,854)		(638,854)
Interest and fees on debt	32,905				(32,905)		(32,905)
<b>Total governmental activities</b>	<u>12,396,062</u>	<u>434,908</u>	<u>403,807</u>	<u>576,652</u>	<u>(10,980,695)</u>	<u>-0-</u>	<u>(10,980,695)</u>
<b>Business-type Activities</b>							
Electric Light and Waterworks	2,255,751	4,244,088				\$1,988,337	1,988,337
Sewer	1,714,954	1,749,688				34,734	34,734
OREC	44	9,239				9,195	9,195
<b>Total business-type activities</b>	<u>3,970,749</u>	<u>6,003,015</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,032,266</u>	<u>2,032,266</u>
<b>Total primary government</b>	<u>16,366,811</u>	<u>6,437,923</u>	<u>403,807</u>	<u>576,652</u>	<u>(10,980,695)</u>	<u>2,032,266</u>	<u>(8,948,429)</u>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes, levied for general purposes					644,068		644,068
Sales taxes, levied for general purposes					6,695,923		6,695,923
Franchise taxes					986,282		986,282
Interest and investment earnings					58,996	32,036	91,032
Occupational licenses and other permits					764,513		764,513

Continued on next page.

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES - (CONTINUED)  
AUGUST 31, 2004

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
		FEEs, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
	Racino income				\$96,129		\$96,129
	Video poker revenue				122,665		122,665
	State beer tax				47,620		47,620
	Insurance rebate				49,675		49,675
	Miscellaneous				250,103		250,103
	Loss on capital assets retired				(258,031)		(258,031)
	Transfers				1,921,508	\$(1,921,508)	
	<u>Total general revenues and transfers</u>				<u>11,379,451</u>	<u>(1,889,472)</u>	<u>9,489,979</u>
	<u>Change in net assets</u>				398,756	142,794	541,550
	Net assets - September 30, 2003				14,802,683	11,518,111	26,320,794
	Net assets - August 31, 2004				<u>15,201,439</u>	<u>11,660,905</u>	<u>26,862,344</u>

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

FUND FINANCIAL STATEMENTS

CITY OF OPELOUSAS, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2004

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$1,248,403	\$1,936,870	\$671,649	\$3,856,922
Receivables, net of allowances for uncollectibles -				
Accounts		12,402	967,769	980,171
Due from other funds	103,782	275,000		378,782
Due from other governmental units	207,610			207,610
Inventory - at cost	29,320			29,320
Cash and cash equivalents	<u>4,710</u>	<u>          </u>	<u>          </u>	<u>4,710</u>
<u>Total assets</u>	<u>1,593,825</u>	<u>2,224,272</u>	<u>1,639,418</u>	<u>5,457,515</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	\$459,099		\$68,911	\$528,010
Deferred revenue - protest taxes	2,579			2,579
Due to other funds	125,017		5	125,022
Accrued compensated absences	<u>172,345</u>			<u>172,345</u>
<u>Total liabilities</u>	<u>759,040</u>	<u>-0-</u>	<u>68,916</u>	<u>827,956</u>
<u>FUND BALANCES</u>				
Reserved for debt service	2,022		5,502	7,524
Reserved for inventory	29,320			29,320
Reserved for protest taxes	109			109
Unreserved, undesignated				
General Fund	803,334			803,334
Special Revenue funds		\$2,224,272	50,905	2,275,177
Debt Service funds			1,302,670	1,302,670
Capital Projects funds			<u>211,425</u>	<u>211,425</u>
<u>Total fund balances</u>	<u>834,785</u>	<u>2,224,272</u>	<u>1,570,502</u>	<u>4,629,559</u>
<u>Total liabilities and     fund balances</u>	<u>1,593,825</u>	<u>2,224,272</u>	<u>1,639,418</u>	<u>5,457,515</u>

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

CITY OF OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
AUGUST 31, 2004

Total fund balances for governmental funds at August 31, 2004		\$4,629,559
Cost of capital assets at August 31, 2004	\$15,013,808	
Less: Accumulated depreciation as of August 31, 2004	<u>(6,146,654)</u>	8,867,154
Elimination of interfund assets and liabilities		
Due from other funds	(125,555)	
Due to other funds	<u>125,555</u>	
Long-term liabilities at August 31, 2004		
Bonds payable	(465,000)	
Capital leases payable	(155,439)	
Compensated absences	(1,117,048)	
Disability payable	(232,271)	
Municipal Police Employees' Retirement payable	(1,083,395)	
Special Assessment bonds payable	(14,210)	
Interest payable	<u>(13,169)</u>	(3,080,532)
Bond issue costs, net		6,154
Assets and liabilities of Internal Service Funds		<u>4,779,104</u>
Net assets at August 31, 2004		<u>15,201,439</u>

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<u>REVENUES</u>				
Taxes	\$1,591,584	\$6,695,923		\$8,287,507
Licenses and permits	764,513			764,513
Intergovernmental	1,089,158		\$415,461	1,504,619
Charges for services	193,463			193,463
Fines and forfeitures	121,595			121,595
Investment earnings			8,688	8,688
Other	<u>128,980</u>	<u>10,628</u>	<u>6,048</u>	<u>145,656</u>
<u>Total revenues</u>	<u>3,889,293</u>	<u>6,706,551</u>	<u>430,197</u>	<u>11,026,041</u>
<u>EXPENDITURES</u>				
Current				
General government	1,553,023	71,641	12,100	1,636,764
Public safety	6,323,475		17,830	6,341,305
Public works	1,748,190			1,748,190
Health and welfare	169,028		20,733	189,761
Culture and recreation	1,066,770	191,400		1,258,170
Economic development	41,319			41,319
Capital outlay	277,124		390,461	667,585
Debt service				
Principal, interest, and other charges	<u>335,139</u>		<u>8,384</u>	<u>343,523</u>
<u>Total expenditures</u>	<u>11,514,068</u>	<u>263,041</u>	<u>449,508</u>	<u>12,226,617</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(7,624,775)</u>	<u>6,443,510</u>	<u>(19,311)</u>	<u>(1,200,576)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	7,886,510		18,184	7,904,694
Inception of capital leases	170,692			170,692
Operating transfers out	<u>(9,800)</u>	<u>(5,973,386)</u>		<u>(5,983,186)</u>
<u>Total other financing     sources (uses)</u>	<u>8,047,402</u>	<u>(5,973,386)</u>	<u>18,184</u>	<u>2,092,200</u>

Continued on next page.

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



CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - (CONTINUED)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
<u>NET CHANGE IN FUND BALANCES</u>	\$422,627	\$470,124	\$(1,127)	\$891,624
<u>FUND BALANCES, beginning of year</u>	<u>412,158</u>	<u>1,754,148</u>	<u>1,571,629</u>	<u>3,737,935</u>
<u>FUND BALANCES, end of year</u>	<u>834,785</u>	<u>2,224,272</u>	<u>1,570,502</u>	<u>4,629,559</u>

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

CITY OF OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2004

Total net change in fund balances for the year ended August 31, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$891,624
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$667,585	
Depreciation expense for the year ended August 31, 2004	(563,727)	103,858
Loss on capital assets retired		(258,031)
Bond principal retirement considered an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		383,062
Net loss of the Internal Service Funds added to Statement of Activities		(533,554)
Differences between compensated absences on modified accrual basis versus accrual basis		(17,140)
Amortization on bond issue costs		(1,536)
Inception of capital leases which is not income on full accrual basis		(170,692)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		<u>1,165</u>
<u>Total change in net assets for the year ended August 31, 2004 per Statement of Activities</u>		<u>398,756</u>

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AUGUST 31, 2004

<u>ASSETS</u>	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>ELECTRIC LIGHT AND WATERWORKS</u>	<u>SEWER</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>ACTIVITIES - INTERNAL SERVICE FUND</u>
<u>CURRENT ASSETS</u>			<u>TOTAL</u>	
Cash and cash equivalents	\$283,142	\$122,474	\$516,734	\$1,982,077
Investments	30,000	77,900	107,900	2,903,988
Receivables, (net where applicable of of uncollectibles)				
Customers	413,117	463,695	876,812	
Notes			101,452	
Other	182,591	281,131	463,722	
Due from other funds	497,850		497,850	555
Inventories	20,750	9	20,759	
<u>Total current assets</u>	<u>1,427,450</u>	<u>945,209</u>	<u>2,585,229</u>	<u>4,886,620</u>
<u>RESTRICTED ASSETS</u>				
Cash and cash equivalents	1,878,976	770,545	2,649,521	
Investments	244,188		244,188	
<u>Total restricted assets</u>	<u>2,123,164</u>	<u>770,545</u>	<u>2,893,709</u>	<u>-0-</u>
<u>PROPERTY, PLANT AND EQUIPMENT</u>				
Property, plant and equipment	23,713,724	22,299,429	46,013,153	1,702
Less: accumulated depreciation	(18,153,373)	(7,198,805)	(25,352,178)	(1,115)
<u>Net property, plant and equipment</u>	<u>5,560,351</u>	<u>15,100,624</u>	<u>20,660,975</u>	<u>587</u>
<u>OTHER</u>				
Deferred financing costs	68,917	88,399	157,316	
<u>Total assets</u>	<u>9,179,882</u>	<u>16,904,777</u>	<u>26,297,229</u>	<u>4,887,207</u>

Continued on next page.

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS - (CONTINUED)  
PROPRIETARY FUNDS  
AUGUST 31, 2004

<u>LIABILITIES</u>	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u>	<u>ACTIVITIES -</u>
	<u>LIGHT AND</u>	<u>INTERNAL</u>
	<u>WATERWORKS</u>	<u>SERVICE FUND</u>
	<u>SEWER</u>	<u>TOTAL</u>
	<u>OTHER</u>	<u>ENTERPRISE</u>
	<u>ENTERPRISE</u>	<u>FUNDS</u>
	<u>-0-</u>	<u>-0-</u>
<u>CURRENT LIABILITIES (from</u>		
<u>current assets)</u>		
Accounts payable and accrued payable	\$54,426	\$65,288
Due to other funds	77,423	754,624
Construction payable	280,232	280,232
Retainage payable	38,817	38,817
<u>Total</u>	<u>1,007,112</u>	<u>1,138,961</u>
		<u>\$107,548</u>
		<u>555</u>
		<u>108,103</u>
<u>CURRENT LIABILITIES (from</u>		
<u>restricted assets)</u>		
Bonds payable within one year	155,000	700,000
Customers' meter deposits	594,522	594,522
<u>Total</u>	<u>545,000</u>	<u>1,294,522</u>
		<u>-0-</u>
<u>Total current liabilities</u>	<u>1,552,112</u>	<u>2,433,483</u>
<u>LONG-TERM LIABILITIES</u>		
Revenue bonds payable	2,200,000	12,095,166
Compensated absences	75,320	107,675
<u>Total long-term liabilities</u>	<u>9,927,521</u>	<u>12,202,841</u>
		<u>-0-</u>
<u>Total liabilities</u>	<u>11,479,633</u>	<u>14,636,324</u>

Continued on next page.

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF NET ASSETS - (CONTINUED)  
PROPRIETARY FUNDS  
AUGUST 31, 2004

<u>NET ASSETS</u>	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u>	<u>ACTIVITIES -</u>
	<u>LIGHT AND</u>	<u>INTERNAL</u>
	<u>WATERWORKS</u>	<u>SEWER</u>
	<u>OTHER</u>	<u>ENTERPRISE</u>
	<u>ENTERPRISE</u>	<u>FUNDS</u>
	<u>TOTAL</u>	<u>SERVICE FUND</u>
Invested in capital assets, net of related debt	\$3,429,268	\$5,293,857
Restricted for:		
Insurance claims	1,221,764	151,113
Bond retirement	1,011	74,432
Construction	150,867	150,867
Customers' meter deposits	1,220,281	(94,258)
Unrestricted	<u>6,023,191</u>	<u>5,425,144</u>
	<u>8,723,125</u>	<u>4,778,517</u>
<u>Total net assets</u>	<u>11,660,905</u>	<u>4,779,104</u>

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<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>
<u>OPERATING REVENUES</u>				
Charges for services				
Utilities	\$3,794,879	\$1,698,934	\$5,493,813	\$851,678
Interest		\$9,149	9,149	54,992
Premiums				
Other	87,958	50,754	138,802	
<u>Total operating revenues</u>	<u>3,882,837</u>	<u>1,749,688</u>	<u>5,641,764</u>	<u>906,670</u>
<u>OPERATING EXPENSES</u>				
Personal services	846,240	213,406	1,059,646	
Supplies and materials	256,876	32,166	289,042	
Other services and charges	562,705	434,352	997,057	1,490,532
Repairs and maintenance	107,740	93,935	201,675	
Depreciation	341,025	560,981	902,006	
Legal fees		44	44	
<u>Total operating expenses</u>	<u>2,114,586</u>	<u>1,334,840</u>	<u>3,449,470</u>	<u>1,490,532</u>
<u>OPERATING INCOME (LOSS)</u>	<u>1,768,251</u>	<u>414,848</u>	<u>2,192,294</u>	<u>(583,862)</u>
<u>NON-OPERATING REVENUES</u>				
(EXPENSES)				
Investment income	31,216	820	32,036	50,308
Other non-operating revenues	361,251		361,251	
Interest and fiscal charges	(141,165)	(380,114)	(521,279)	
<u>Total non-operating revenues (expenses)</u>	<u>251,302</u>	<u>(379,294)</u>	<u>(127,992)</u>	<u>50,308</u>

Continued on next page.  
The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL</u>
	<u>ELECTRIC</u>	<u>ACTIVITIES -</u>
	<u>LIGHT AND</u>	<u>INTERNAL</u>
	<u>WATERWORKS</u>	<u>SERVICE FUND</u>
	<u>SEWER</u>	
	<u>OTHER</u>	<u>TOTAL</u>
	<u>ENTERPRISE</u>	<u>ENTERPRISE</u>
	<u>FUNDS</u>	<u>FUNDS</u>
<u>INCOME BEFORE OPERATING</u>		
<u>TRANSFERS</u>	\$2,019,553	\$2,064,302
	\$35,554	\$(533,554)
	\$9,195	
<u>OPERATING TRANSFERS IN (OUT)</u>		
Operating transfers in	210,382	368,034
Operating transfers out	(2,248,794)	(2,289,542)
Total operating transfers in (out)	(2,038,412)	(1,921,508)
	-0-	-0-
Increase (decrease) in net assets	(18,859)	(533,554)
<u>NET ASSETS, beginning of year</u>	6,042,050	11,518,111
<u>NET ASSETS, end of year</u>	6,023,191	11,660,905
	5,425,144	4,779,104
	212,570	

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<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>
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES</u>				
Cash received from customers	\$4,041,893	\$1,473,544	\$6,036	\$851,678
General and administrative expenses paid				(71,913)
Cash payments to suppliers for goods and services	(913,785)	(588,655)	(1,502,440)	
Claims paid				(1,281,119)
Legal expenses paid				(66,279)
Insurance premiums paid				(8,447)
Cash payments to employees for services	(820,743)	(44)	(1,033,149)	
Net cash provided (used) by operating activities	<u>2,307,365</u>	<u>672,483</u>	<u>2,985,840</u>	<u>(576,080)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Operating transfers in	230,215	157,652	387,867	
Operating transfers out	(2,251,595)	(61,579)	(2,313,174)	
Surcharge and other	<u>363,091</u>		<u>363,091</u>	
Net cash provided (used) by non-capital financing activities	<u>(1,658,289)</u>	<u>96,073</u>	<u>(1,562,216)</u>	<u>-0-</u>

Continued on next page.

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



CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF CASH FLOWS - (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
	<u>ELECTRIC LIGHT AND WATERWORKS</u>	<u>SEWER</u>	<u>OTHER ENTERPRISE FUNDS</u>	
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			<u>TOTAL ENTERPRISE FUNDS</u>	
Purchase of fixed assets	\$ (74,534)	\$ (602,528)	\$ (677,062)	
Principal on revenue bonds paid	(155,000)	(475,000)	(630,000)	
Interest on revenue bonds paid	(141,165)	(380,114)	(521,279)	
Proceeds from revenue bonds		892,761	892,761	
Payment for debt issue cost		(41,147)	(41,147)	
<u>Net cash used by capital and related financing activities</u>	<u>(370,699)</u>	<u>(606,028)</u>	<u>(976,727)</u>	<u>-0-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Purchase of investments	(2,424)		(2,424)	\$(28,816)
Interest on investments	<u>31,216</u>	<u>820</u>	<u>32,036</u>	<u>50,308</u>
<u>Net cash provided by investing activities</u>	<u>28,792</u>	<u>820</u>	<u>29,612</u>	<u>21,492</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>307,169</u>	<u>163,348</u>	<u>476,509</u>	<u>(554,588)</u>
<u>CASH, September 1, 2003</u>	<u>1,884,949</u>	<u>807,571</u>	<u>2,797,646</u>	<u>2,536,666</u>
<u>CASH, August 31, 2004</u>	<u>2,192,118</u>	<u>970,919</u>	<u>3,274,155</u>	<u>1,982,078</u>

Continued on next page.  
The accompanying notes are an integral part of the basic financial statements.

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF CASH FLOWS - (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
<u>ELECTRIC LIGHT AND WATERWORKS</u>	<u>\$1,768,253</u>	<u>\$9,195</u>	<u>\$2,192,296</u>	
<u>SEWER</u>	<u>\$414,848</u>			
Operating income (loss)	334,759	546,516	881,275	234
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	6,265	14,465	20,730	
Depreciation	80,104	(276,144)	(199,243)	
Amortization of bond issuance cost	1,060	191	1,251	
(Increase) decrease in accounts receivable	12,475	(3,203)	(15,918)	7,548
(Increase) decrease in inventory		(28,393)		
Increase (decrease) in accounts payable	78,952		78,952	
Increase (decrease) in customers' meter deposits	25,497	1,000	26,497	
Increase (decrease) in accrued compensated absences	539,112	257,635	793,544	7,782
<u>Total adjustments</u>		<u>(3,203)</u>	<u>793,544</u>	<u>7,782</u>
<u>Net cash provided (used) by operating activities</u>	<u>2,307,365</u>	<u>5,992</u>	<u>2,985,840</u>	<u>(576,080)</u>

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

Operating income (loss)  
 Adjustments to reconcile operating income to net cash provided (used) by operating activities:  
 Depreciation  
 Amortization of bond issuance cost  
 (Increase) decrease in accounts receivable  
 (Increase) decrease in inventory  
 Increase (decrease) in accounts payable  
 Increase (decrease) in customers' meter deposits  
 Increase (decrease) in accrued compensated absences  
Total adjustments

Net cash provided (used) by operating activities

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

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND  
AUGUST 31, 2004

<u>ASSETS</u>	<u>PAYROLL ACCOUNT</u>
Cash and cash equivalents	\$153,099
Due from other funds	<u>147,878</u>
<u>Total assets</u>	<u>300,977</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	\$156,113
Due to other fund	<u>144,864</u>
<u>Total liabilities</u>	<u>300,977</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

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 Statement 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, 2004

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, 2004

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, 2004

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION - 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, 2004

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION - 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 funds 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, 2004

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, 2004

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, 2004

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 the 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, 2004

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 of the proprietary fund 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. 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.

*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, 2004

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, 2004

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, 2004

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, 2004:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$11,709,861	\$11,035,062	\$11,514,068	\$(479,006)
Sales Tax Fund	261,550	261,550	263,041	(1,491)

The General Fund and the Sales Tax Fund are within the 5% variance allowed by state law.

Deficits - The following individual fund has a deficit in unrestricted net assets at August 31, 2004:

	<u>Deficit Amount</u>
Sewer Fund	\$94,258

This deficit is the result of depreciation being charged to operations. Accumulated depreciation at August 31, 2004 amounts to \$7,198,805.



CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

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.

The City of Opelousas has invested \$3,148,177 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (3) DEPOSITS AND INVESTMENTS - CONTINUED

At August 31, 2004, the carrying amount of the City of Opelousas' deposits was \$12,266,040, and the bank balances were \$12,412,736. 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>
Interest-bearing			
Hancock Bank	\$1,584,854	\$100,000	\$1,900,097
American Bank	1,540,269	100,000	1,846,643
Mid South Bank	1,448,512	100,000	1,736,635
Washington State Bank	<u>4,690,924</u>	<u>100,000</u>	<u>5,623,994</u>
	<u>9,264,559</u>	<u>400,000</u>	<u>11,107,369</u>
Investment in Louisiana Asset Management Pool (LAMP)	<u>3,148,177</u>		
	<u>12,412,736</u>		

NOTE (4) RECEIVABLES

The receivables of \$2,416,688 at August 31, 2004 consist of the following:

Governmental Activities

General Fund	
Due from payroll account	\$31,341
Sales Tax Fund	
Sales tax receivable	12,402
Debt Service Fund	
Special Assessments	410,188
Accrued interest	<u>520,771</u>
<u>Total</u>	<u>974,702</u>

Business-type Activities

Electric Light and Waterworks	
Customers' accounts receivable	413,117
CLECO operating fee	142,500
CLECO surcharge	40,091
Sewer Fund	
Customers' accounts receivable	744,826
Rural Economic and Community Development Grant Fund	
Customers' loans receivable	<u>101,452</u>
<u>Total</u>	<u>1,441,986</u>
<u>Total receivables</u>	<u>2,416,688</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (5) ASSESSMENTS RECEIVABLE

The City had \$410,188 in outstanding assessments receivable as of August 31, 2004.

Dationed property which the City has received to date due to nonpayment of assessments is reported in the GWFS as a governmental activity. These properties were removed from the Debt Service Fund at the amount of the assessment receivable and interest accrued up to the time the City obtained possession of the property. The amount as of August 31, 2004 included in the GWFS is \$255,420.

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, 2004, 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	\$103,782	\$125,017
Special Revenue Funds:		
Sales tax	275,000	
LCDB		5
Enterprise Funds:		
Electric Light and Waterworks	497,850	77,423
Sewer Fund		677,201
Internal Service Funds:		
Internal Service A		555
Internal Service G	555	
Agency Fund:		
Payroll	<u>147,878</u>	<u>144,864</u>
	<u>1,025,065</u>	<u>1,025,065</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

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, 2004

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, 2004 is as follows:

	<u>General Fund</u>	<u>Electric Light and Waterworks Fund</u>	<u>Sewer Fund</u>
Construction		\$1,011	\$879
Bond sinking accounts	\$2,022	131,226	279,238
Bond reserve accounts		1,245,538	490,428
Customers' deposits		745,389	
Ad valorem taxes paid in protest	<u>2,688</u>	_____	_____
	<u>4,710</u>	<u>2,123,164</u>	<u>770,545</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 \$195,000. 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, 2004, for the City of Opelousas is as follows:

	<u>Balances September 1, 2003</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances August 31, 2004</u>
Governmental activities:				
Land	\$1,785,029			\$1,785,029
Buildings	6,151,797			6,151,797
Improvements other than buildings	1,767,230			1,767,230
Machinery and equipment	<u>5,035,142</u>	<u>\$667,585</u>	<u>\$(391,273)</u>	<u>5,311,454</u>
<u>Totals at historical cost</u>	<u>14,739,198</u>	<u>667,585</u>	<u>(391,273)</u>	<u>15,015,510</u>
Less accumulated depreciation				
Buildings	(2,115,984)	(111,229)		(2,227,213)
Improvements other than buildings	(1,177,928)	(38,323)		(1,216,251)
Machinery and equipment	<u>(2,423,372)</u>	<u>(414,175)</u>	<u>133,242</u>	<u>(2,704,305)</u>
<u>Total accumulated     depreciation</u>	<u>(5,717,284)</u>	<u>*(563,727)</u>	<u>133,242</u>	<u>(6,147,769)</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (11) CAPITAL ASSETS - CONTINUED

	<u>Balances</u> <u>September</u> <u>1, 2003</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> <u>August</u> <u>31, 2004</u>
Governmental activities capital assets, net	<u>\$9,021,914</u>	<u>\$103,858</u>	<u>\$(258,031)</u>	<u>\$8,867,741</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	1,284,409	\$25,000		1,309,409
Utility system	42,328,367	49,535		42,377,902
Construction in progress	<u>36,780</u>	<u>884,798</u>		<u>921,578</u>
<u>Totals at historical cost</u>	<u>45,053,822</u>	<u>959,333</u>	<u>-0-</u>	<u>46,013,155</u>
Less accumulated depreciation				
Buildings	(29,636)	(2,685)		(32,321)
Improvements other than buildings	(1,241,218)	(4,031)		(1,245,249)
Machinery and equipment	(1,226,780)	(30,590)		(1,257,370)
Utility system	<u>(21,973,265)</u>	<u>(843,970)</u>	<u>—</u>	<u>(22,817,235)</u>
<u>Total accumulated     depreciation</u>	<u>(24,470,899)</u>	<u>(881,276)</u>	<u>-0-</u>	<u>(25,352,175)</u>
Business type capital assets, net	<u>20,582,923</u>	<u>78,057</u>	<u>-0-</u>	<u>20,660,980</u>

\* Depreciation expense was charged to governmental activities as follows:

General government	
Executive	\$56,554
Judicial	
City Court	21,897
Administration	
Purchasing	6,405
Civil Service	<u>614</u>
<u>Total general government</u>	<u>85,470</u>

Public safety	
Police	236,698
Fire	<u>98,783</u>
<u>Total public safety</u>	<u>335,481</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (11) CAPITAL ASSETS - CONTINUED

Public works	
Streets	\$33,983
Municipal garage	<u>3,618</u>
<u>Total public works</u>	<u>37,601</u>
Health and welfare	
Code enforcement	<u>1,436</u>
<u>Total health and welfare</u>	<u>1,436</u>
Culture and recreation	
Parks and recreation	91,300
Tourism	6,757
Main Street Program	521
Museum	<u>4,399</u>
<u>Total culture and recreation</u>	<u>102,977</u>
Economic development	
Community development	17
Economic development	<u>575</u>
<u>Total economic development</u>	<u>592</u>
<u>Total depreciation, expense - General Fund</u>	<u>563,557</u>
Internal Service G	<u>170</u>
<u>Total</u>	<u>563,727</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, 2004

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) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The payables of \$907,547 at August 31, 2004 are as follows:

Governmental Activities

General Fund	
Accounts payable	\$88,603
Police Retirement payable	25,182
Accrued wages payable	281,718
Permit deposits payable	11,892
Accrued compensated absences	172,346
Accrued retirement payable	<u>51,709</u>
<u>Total general fund</u>	631,450
Police Seized Fund	
Unsettled deposits payable	32,096
LCDBG Fund	
Accounts payable	36,810
Internal Service Fund G	
Claims payable	<u>107,548</u>
<u>Total governmental activities</u>	<u>807,904</u>



CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (13) ACCOUNTS PAYABLE AND ACCRUED EXPENSES - CONTINUED

Business-type Activities

Electric Light and Waterworks

Accounts payable	\$25,783
Accrued wages payable	28,643
Due to payroll account	<u>24,192</u>
<u>Total Electric Light and Waterworks</u>	<u>78,618</u>

Sewer Fund

Accounts payable	2,156
Accrued wages payable	8,706
Due to payroll account	<u>10,163</u>
<u>Total sewer fund</u>	<u>21,025</u>

Total business-type activities 99,643

Total accounts payable and accrued expenses 907,547

NOTE (14) LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended August 31, 2004:

<u>Governmental Activities</u>	<u>Balances</u> <u>9/01/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>8/31/04</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable					
Refunding bonds,					
Series 2004	\$570,000		\$105,000	\$465,000	\$110,000
Special assessment bonds	<u>21,315</u>	_____	<u>7,105</u>	<u>14,210</u>	<u>7,105</u>
<u>Total bonds payable</u>	591,315		112,105	479,210	117,105
Capital leases	108,631	\$170,692	123,884	155,439	32,088
Municipal police employee retirement system payable	1,155,468		72,074	1,083,394	77,253
Compensated absences payable	1,099,908	17,140		1,117,048	172,346
Disability payable	<u>232,271</u>	_____	_____	<u>232,271</u>	_____
<u>Total governmental activities</u>	<u>3,187,593</u>	<u>187,832</u>	<u>308,063</u>	<u>3,067,362</u>	<u>398,792</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (14) LONG-TERM OBLIGATIONS - CONTINUED

<u>Business-type Activities</u>	<u>Balances</u> <u>9/01/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>8/31/04</u>	<u>Due Within</u> <u>One Year</u>
Accrued compensated absences					
Electric Light and Waterworks	\$49,822	\$25,498		\$75,320	
Sewer Fund	31,355	1,000		32,355	
Utility Revenue Bonds					
Series 1994 Refunding	1,200,000	20,000	\$225,000	995,000	\$235,000
Series 1995	2,510,000		155,000	2,355,000	160,000
Series 1998	795,000		45,000	750,000	45,000
Series 1999	3,280,908		160,000	3,120,908	165,000
Series 2000	4,746,498		55,000	4,691,498	60,000
Series 2003		<u>882,760</u>		<u>882,760</u>	
<u>Total business-</u> <u>type activities</u>	<u>12,613,583</u>	<u>929,258</u>	<u>640,000</u>	<u>12,902,841</u>	<u>665,000</u>
<u>Total long-term</u> <u>obligations</u>	<u>15,801,176</u>	<u>1,117,090</u>	<u>948,063</u>	<u>15,970,203</u>	<u>1,063,792</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, 2004 are as follows:

	<u>Amount</u>
Refunding bonds - Series 2004	2.6%      \$465,000

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.

Special Assessment Debt. The City of Opelousas has one special assessment debt outstanding at August 31, 2004. Paving Certificates, Series 1996 were issued in 1996 to provide funds for the paving of a residential street. The bonds have a stated interest rate of 6.0% and are payable in 10 equal installments with the last payment due on May 1, 2006. The special assessment debt outstanding at August 31, 2004 amounts to \$14,210.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (14) LONG-TERM OBLIGATIONS - CONTINUED

Capital Leases

The City entered into a master governmental lease purchase agreement with Regions Financial Corporation for seven 2002 motor vehicles on January 29, 2002. The first monthly payment was due on February 13, 2002 with the final payment due on January 13, 2005. The agreement requires monthly payments of \$4,369 for thirty-six months.

The City entered into a master governmental lease purchase agreement with Expanets Financial Services for a telephone system on October 16, 2000. The first monthly payment was due on December 16, 2000 with the final payment due on October 16, 2003. The agreement requires monthly payments of \$5,677 for thirty-five months. This lease was paid out during the current fiscal year.

The City entered into a lease purchase agreement with Regions Financial Corporation for a Ford Expedition on March 7, 2003. The lease calls for thirty-six monthly payments of \$947 beginning April 6, 2003.

The City entered into a master governmental lease purchase agreement with Regions Financial Corporation for eight 2004 motor vehicles on September 2, 2003. The first monthly payment was due on October 2, 2003 with the final payment due on September 2, 2006. This agreement requires monthly payments of \$5,151.82 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 2004 represent the net change during the year.

Accrued Disability Claims Payable. Accrued claims includes \$232,271 from a court judgment for a disability claim. The amount recorded for the disability claim is based upon the age of the claimant using life expectancy tables.

Land Note. The City of Opelousas purchased land on August 15, 2003. A promissory note was issued in the amount of \$75,000 plus accrued interest of 5 percent paid annually over a 3 year period. This lease was paid out during the current fiscal year.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (14) LONG-TERM OBLIGATIONS - CONTINUED

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, 2004 are as follows:

		<u>Amount</u>
Utility Revenue Bonds, Series 1998 (sewer)	2.45%	\$750,000
Series 1994 Refunding Bonds (sewer)	2.50%	995,000
Utility Revenue Bonds, Series 1995 (Electric Light and Waterworks)	3.9% - 5.9%	2,355,000
Utility Revenue Bonds, Series 1999 (sewer)	3.45%	3,120,908
Utility Revenue Bonds, Series 2000 (sewer)	3.45%	4,691,498
Utility Revenue Bonds, Series 2003 (sewer – in progress)	3.45%	<u>882,760</u>
		<u>12,795,166</u>

Debt Service Requirements

The annual debt service requirements including interest to amortize all long-term obligations outstanding at August 31, 2004 are as follows:

Governmental

Year Ending August 31,	Refunding Bonds	Special Assessment Bonds	Capital Leases	Municipal Police Employees' Retirement	Compensated Absences	Disability
2005	\$122,090	\$7,958	\$95,028	\$151,092		
2006	119,230	7,531	68,448	151,092		
2007	126,370			151,092		
2008	128,250			151,092		
2009				151,092		
2010-2014				755,460		
2015-2019				6,730		
	<u>495,940</u>	<u>15,489</u>	<u>163,476</u>	<u>1,517,650</u>	<u>\$1,117,048</u>	<u>\$232,271</u>
Lease interest	<u>(30,940)</u>	<u>(1,279)</u>	<u>(8,037)</u>	<u>(434,256)</u>		
Net	<u>465,000</u>	<u>14,210</u>	<u>155,439</u>	<u>1,083,394</u>	<u>1,117,048</u>	<u>232,271</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (14) LONG-TERM OBLIGATIONS - CONTINUED

Year Ending August 31,	<u>Business-type Activities</u>		<u>Utility Revenue Bonds</u>				
	<u>Compensated Absences</u>	<u>Series 1994</u>	<u>Series 1995</u>	<u>Series 1998</u>	<u>Series 1999</u>	<u>Series 2000</u>	<u>Series 2003</u>
2005		\$259,875	\$292,365	\$67,125	\$294,165	\$247,464	
2006			264,000	294,205	65,798	292,648	250,193
2007			267,875	295,365	64,470	295,933	247,823
2008				290,825	68,143	293,823	250,354
2009			266,500	295,835	66,667	291,515	252,687
2010-2014				1,477,505	325,770	1,468,285	2,094,631
2015-2019				296,520	268,733	1,308,906	2,006,354
2020-2021						1,581,642	
<u>Total</u>	<u>\$107,675</u>	<u>1,058,250</u>	<u>3,242,620</u>	<u>926,706</u>	<u>4,245,275</u>	<u>6,931,148</u>	<u>\$882,760</u>
Less: interest			(63,250)	(887,620)	(146,756)	(982,042)	(1,956,150)
DEQ administrative fee					(29,950)	(142,325)	(283,500)
Net	<u>107,675</u>	<u>995,000</u>	<u>2,355,000</u>	<u>750,000</u>	<u>3,120,908</u>	<u>4,691,498</u>	<u>882,760</u>

Compensated absences payable and disability payable are 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 and Debt Service Fund:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Principal	\$303,884	\$7,105
Interest and related costs	<u>31,255</u>	<u>1,279</u>
	<u>335,139</u>	<u>8,384</u>

As of August 31, 2004, General Fund and Debt Service Fund have \$3,263 and \$5,502, respectively, available to service general long-term debt.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (15) 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.

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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (15) PENSION PLANS - CONTINUED

1. Municipal Employees' Retirement System of Louisiana - Continued

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. The current rate is 15 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, 2004, 2003 and 2002 were \$271,439, \$228,992 and \$202,091, 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).

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% 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 and the City is required to contribute 21.5 percent as established by the state statute. The City's contributions to the System for the years ended August 31, 2004, 2003 and 2002 were \$272,777, \$171,675 and \$145,866, respectively, equal to the required contributions for each year.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (15) PENSION PLANS - CONTINUED

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.

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 8.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 21.0 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, 2004, 2003 and 2002 were \$226,621, \$148,750 and \$113,578, 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).



CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (15) PENSION PLANS - CONTINUED

4. Louisiana State Employees' Retirement System - Continued

Plan Description - Continued

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.

Funding Policy

Plan members are required to contribute 11.5 percent of their annual covered salary and the City is required to contribute 17.8 percent as established by the state statute. The City's contributions to the System for the years ended August 31, 2004, 2003 and 2002 were \$4,445, \$3,871 and \$3,550, respectively, equal to the required contributions each year.

NOTE (16) 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (17) RESTRICTED NET ASSETS

A breakdown of the restricted portion of net assets follows:

Governmental Activities

Insurance claims		
Internal Service A		\$1,178,708
Internal Service G		2,161,338
Workmen's Compensation Fund		<u>1,438,471</u>
<u>Total</u>		4,778,517
Certificates of Indebtedness		
Sinking		2,022
Property taxes paid under protest		<u>109</u>
<u>Total governmental activities</u>		<u>4,780,648</u>

Business-type Activities

Debt Service - Utility Revenue Bonds		
Cash and investments		
Sinking funds	\$336,981	
Bond reserve funds	1,242,968	
Bond contingency funds	<u>11,650</u>	
<u>Total cash and investments</u>		\$1,591,599
Bonds payable within one year		<u>(700,000)</u>
Net restricted for debt service		891,599
Depreciation and Contingency funds		<u>481,278</u>
		1,372,877
Construction		75,443
Customers' meter deposits		
Cash and investments	745,389	
Deposits payable	<u>(594,522)</u>	<u>150,867</u>
<u>Total business-type activities</u>		<u>1,599,187</u>

NOTE (18) 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.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (18) LITIGATION - CONTINUED

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. If awarded, this suit could cost the City over \$1,000,000. At the present time, it is too early to determine the probability of an unfavorable outcome; thus, no estimate has been made in the Internal Service Fund.

NOTE (19) 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 (20) SELF-INSURANCE

The City maintains various self-insurance accounts for general and auto liability and workmen's compensation benefits (accounted for in Internal Service Fund G, Internal Service Fund A, and Workmen's Compensation Fund, respectively) as of August 31, 2004. 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 period September 1, 2003, through August 31, 2004, the City was self-insured for the first \$175,000 of each claim relating to workmen's compensation insurance up to an aggregate limit of \$337,853. The City is covered under an insurance contract for the excess liability.

A reconciliation of claim liabilities which is included in the financial statements as accounts payable and accrued expenses 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>Total</u>
Beginning balance		\$100,000		\$100,000
Claims incurred	\$436,028	680,310	\$227,321	1,343,659
Claims paid	<u>(436,028)</u>	<u>(680,310)</u>	<u>(227,321)</u>	<u>(1,343,659)</u>
Ending balance	<u>-0-</u>	<u>100,000</u>	<u>-0-</u>	<u>100,000</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004

NOTE (21) ACCOUNTS RECEIVABLE - UTILITY FUNDS

As of August 31, 2004, the customer receivables recorded in the Electric Light and Waterworks Fund and Sewer Fund are net of allowances for uncollectible accounts. These allowances are \$74,955 and \$66,469, respectively.

As of August 31, 2004, customer receivables include unbilled revenue for the Electric Light and Waterworks Fund and Sewer Fund of \$212,813 and \$196,443, 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	\$275,258	\$333,721	\$608,979
Unbilled accounts receivable	<u>212,813</u>	<u>196,443</u>	<u>409,256</u>
	488,071	530,164	1,018,235
Allowance for uncollectibles	<u>(74,955)</u>	<u>(66,469)</u>	<u>(141,424)</u>
	<u>413,116</u>	<u>463,695</u>	<u>876,811</u>

NOTE (22) UNDEPOSITED FUNDS

Police Department expenditures include a line item for undeposited funds in the amount of \$12,500. This amount represents funds which were not deposited into bank accounts under the City's control. Revenues related to these funds are reflected in the financial statements in the appropriate categories. Undeposited funds consist of the following:

Reimbursement for behavior modification to expelled, suspended and/or unruly students at the St. Landry Parish Alternative School	<u>\$12,500</u>
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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, 2004 AND 2003

	2004		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2003 ACTUAL
	BUDGET				
	ORIGINAL	FINAL			
<u>REVENUES</u>					
Taxes	\$1,537,000	\$1,537,000	\$1,591,584	\$54,584	\$1,511,165
Licenses and permits	774,400	774,400	764,513	(9,887)	687,831
Intergovernmental	441,680	441,680	1,089,158	647,478	979,545
Charges for services	180,000	180,000	193,463	13,463	153,942
Fines and forfeitures	118,500	118,500	121,595	3,095	103,066
Other	141,314	141,314	128,980	(12,334)	277,544
<u>Total revenues</u>	<u>3,192,894</u>	<u>3,192,894</u>	<u>3,889,293</u>	<u>696,399</u>	<u>3,713,093</u>
<u>EXPENDITURES</u>					
Current					
General government	2,288,627	1,627,900	1,553,023	74,877	1,487,841
Public safety	5,983,016	6,065,894	6,323,475	(257,581)	6,360,682
Public works	1,898,446	1,816,239	1,748,190	68,049	1,954,018
Health and welfare	182,700	182,861	169,028	13,833	138,387
Culture and recreation	1,037,050	1,037,077	1,066,770	(29,693)	1,122,984
Economic development	12,986	14,017	41,319	(27,302)	13,681
Capital outlays	187,216	170,954	277,124	(106,170)	481,774
Debt service					
Principal, interest, and other charges	<u>119,820</u>	<u>120,120</u>	<u>335,139</u>	<u>(215,019)</u>	<u>618,966</u>
<u>Total expenditures</u>	<u>11,709,861</u>	<u>11,035,062</u>	<u>11,514,068</u>	<u>(479,006)</u>	<u>12,178,333</u>
<u>DEFICIENCY OF REVENUES UNDER EXPENDITURES</u>					
	<u>(8,516,967)</u>	<u>(7,842,168)</u>	<u>(7,624,775)</u>	<u>217,393</u>	<u>(8,465,240)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	7,820,616	7,885,763	7,886,510	747	8,509,643
Inception of capital leases			170,692	170,692	
Operating transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(9,800)</u>	<u>200</u>	<u>(24,055)</u>
<u>Total other financing     sources</u>	<u>7,810,616</u>	<u>7,875,763</u>	<u>8,047,402</u>	<u>171,639</u>	<u>8,485,588</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, 2004 AND 2003

	2004		<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2003 <u>ACTUAL</u>
	BUDGET				
	<u>ORIGINAL</u>	<u>FINAL</u>			
<u>EXCESS (DEFICIENCY)</u> <u>OF REVENUES</u> <u>OVER (UNDER)</u> <u>EXPENDITURES AND</u> <u>OTHER USES</u>	\$( <u>706,351</u> )	<u>\$33,595</u>	\$422,627	<u>\$389,032</u>	\$20,348
<u>FUND BALANCE,</u> beginning of year			<u>412,158</u>		<u>391,810</u>
<u>FUND BALANCE,</u> end of year			<u>834,785</u>		<u>412,158</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, 2004 AND 2003

	2004		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2003 ACTUAL
	BUDGET				
	ORIGINAL	FINAL			
<u>REVENUES</u>					
Taxes - sales	\$6,198,216	\$6,198,216	\$6,695,923	\$497,707	\$6,093,552
Other	15,000	15,000	10,628	(4,372)	9,921
<u>Total revenues</u>	<u>6,213,216</u>	<u>6,213,216</u>	<u>6,706,551</u>	<u>493,335</u>	<u>6,103,473</u>
<u>EXPENDITURES</u>					
Current					
General government					
Other services and charges	66,150	66,150	68,222	(2,072)	62,505
Repairs and maintenance	1,000	1,000	419	581	102
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	191,400	191,400		191,400
<u>Total expenditures</u>	<u>261,550</u>	<u>261,550</u>	<u>263,041</u>	<u>(1,491)</u>	<u>257,007</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>					
	<u>5,951,666</u>	<u>5,951,666</u>	<u>6,443,510</u>	<u>491,844</u>	<u>5,846,466</u>
<u>OTHER FINANCING USES</u>					
Operating transfers out					
General Fund	(5,098,616)	(5,954,763)	(5,954,762)	1	(6,043,313)
Sewer Fund	(8,500)	(8,857)	(8,857)		(8,500)
Local assessment		(8,384)	(8,384)		(8,810)
Electric Light and Waterworks Fund		(1,383)	(1,383)		(21,000)
<u>Total other financing uses</u>	<u>(5,107,116)</u>	<u>(5,973,387)</u>	<u>(5,973,386)</u>	<u>1</u>	<u>(6,081,623)</u>

Continued on next page.



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, 2004 AND 2003

	2004		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2003 ACTUAL
	BUDGET				
	ORIGINAL	FINAL			
<u>EXCESS (DEFICIENCY)</u> <u>OF REVENUES</u> <u>OVER (UNDER)</u> <u>EXPENDITURES AND</u> <u>OTHER USES</u>	<u>\$844,550</u>	<u>\$(21,721)</u>	\$470,124	<u>\$491,845</u>	\$(235,157)
<u>FUND BALANCE,</u> beginning of year			<u>1,754,148</u>		<u>1,989,305</u>
<u>FUND BALANCE,</u> end of year			<u>2,224,272</u>		<u>1,754,148</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, 2004 AND 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$1,248,403	\$814,283
Due from other funds	103,782	67,279
Due from other governmental units	207,610	139,961
Inventory - at cost	29,320	29,014
Restricted asset:		
Cash and cash equivalents	<u>4,710</u>	<u>4,419</u>
<u>Total assets</u>	<u>1,593,825</u>	<u>1,054,956</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$459,099	\$467,514
Deferred revenue - protest taxes	2,579	2,579
Due to other funds	125,017	172,705
Accrued compensated absences	<u>172,345</u>	<u>        </u>
<u>Total liabilities</u>	<u>759,040</u>	<u>642,798</u>
 <u>FUND BALANCE</u>		
Reserved for debt service	2,022	1,751
Reserved for inventory	29,320	29,014
Reserved for protest taxes	109	89
Unreserved, undesignated	<u>803,334</u>	<u>381,304</u>
<u>Total fund balance</u>	<u>834,785</u>	<u>412,158</u>
 <u>Total liabilities and fund balance</u>	 <u>1,593,825</u>	 <u>1,054,956</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, 2004 AND 2003

	<u>2004</u>		<u>VARIANCE</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>2003</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$1,537,000	\$1,591,584	\$54,584	\$1,511,165
Licenses and permits	774,400	764,513	(9,887)	687,831
Intergovernmental	441,680	1,089,158	647,478	979,545
Charges for services	180,000	193,463	13,463	153,942
Fines and forfeitures	118,500	121,595	3,095	103,066
Other	<u>141,314</u>	<u>128,980</u>	<u>(12,334)</u>	<u>277,544</u>
<u>Total revenues</u>	<u>3,192,894</u>	<u>3,889,293</u>	<u>696,399</u>	<u>3,713,093</u>
<u>EXPENDITURES</u>				
Current				
General government	1,627,900	1,553,023	74,877	1,487,841
Public safety	6,065,894	6,323,475	(257,581)	6,360,682
Public works	1,816,239	1,748,190	68,049	1,954,018
Health and welfare	182,861	169,028	13,833	138,387
Culture and recreation	1,037,077	1,066,770	(29,693)	1,122,984
Economic development	14,017	41,319	(27,302)	13,681
Capital outlays	170,954	277,124	(106,170)	481,774
Debt service				
Principal, interest, and other charges	<u>120,120</u>	<u>335,139</u>	<u>(215,019)</u>	<u>618,966</u>
<u>Total expenditures</u>	<u>11,035,062</u>	<u>11,514,068</u>	<u>(479,006)</u>	<u>12,178,333</u>
<u>DEFICIENCY OF REVENUES</u>				
<u>UNDER EXPENDITURES</u>	<u>(7,842,168)</u>	<u>(7,624,775)</u>	<u>217,393</u>	<u>(8,465,240)</u>
<u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Operating transfers in	7,885,763	7,886,510	747	8,509,643
Inception of capital leases		170,692	170,692	
Operating transfers out	<u>(10,000)</u>	<u>(9,800)</u>	<u>200</u>	<u>(24,055)</u>
<u>Total other financing sources</u>	<u>7,875,763</u>	<u>8,047,402</u>	<u>171,639</u>	<u>8,485,588</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, 2004 AND 2003

	2004		VARIANCE	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE (UNFAVORABLE)	2003 <u>ACTUAL</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>\$33,595</u>	\$422,627	<u>\$389,032</u>	\$20,348
<u>FUND BALANCE</u> , beginning of year		<u>412,158</u>		<u>391,810</u>
<u>FUND BALANCE</u> , end of year		<u>834,785</u>		<u>412,158</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>2004</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2003 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>TAXES</u>				
Ad valorem	\$585,000	\$605,302	\$20,302	\$565,178
Franchise	952,000	986,282	34,282	945,987
<u>LICENSES AND PERMITS</u>				
Occupational licenses	680,000	690,528	10,528	619,496
Beer and liquor permits	60,000	45,104	(14,896)	44,588
Building permits	11,500	8,068	(3,432)	6,890
Other	22,900	20,813	(2,087)	16,857
<u>INTERGOVERNMENTAL REVENUES</u>				
OPD Bike Patrol				63,000
State beer tax	50,000	47,620	(2,380)	61,614
Highway maintenance	13,680	13,680		13,680
Insurance rebate	50,000	49,675	(325)	46,070
Video poker	130,000	122,665	(7,335)	136,988
Housing Authority payment in lieu of taxes	45,000	38,766	(6,234)	42,151
Housing Authority payment for patrolling	90,000	90,000		82,500
Solid Waste		333,397	333,397	
Federal grants				
COPS grant				49,140
ACT 562 equipment and DARE grant	4,000	816	(3,184)	1,365
LLEBG grant	34,000	24,976	(9,024)	27,618
Governor's Dare grant				49,990
DARE reimbursement grant		36,362	36,362	12,838
2003 Firefighter Safety grant				205,808
Integrated Criminal Apprehension grant	25,000	20,227	(4,773)	
Report Resource Center grant				7,440
Safe and Sober grant		1,881	1,881	
Hazard Mitigation plan		28,125	28,125	
Miscellaneous police grants		4,313	4,313	
Americorps Vista grant		33,989	33,989	
Racino revenue		96,129	96,129	
State grants				500
Main Street Facade grant		10,000	10,000	9,000
Alternative school reimbursement		12,500	12,500	12,500
Community Development grant		124,037	124,037	
FEMA - hurricane reimbursement				157,343

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, 2004 AND 2003

	<u>2004</u>		VARIANCE	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE (UNFAVORABLE)	<u>2003</u> <u>ACTUAL</u>
<u>CHARGES FOR SERVICES</u>				
Inspection fees	\$120,000	\$130,041	\$10,041	\$82,422
Grass cutting fees	8,500	4,968	(3,532)	6,691
Park fees	41,500	34,673	(6,827)	44,929
Other	10,000	7,957	(2,043)	9,238
Police security		15,824	15,824	10,662
<u>FINES AND FORFEITURES</u>				
Court fines	115,000	121,595	6,595	103,066
Seizures and forfeitures	3,500		(3,500)	
<u>OTHER</u>				
Tourism/Museum	500	1,725	1,225	1,416
Interest earned	900	8,020	7,120	3,901
Rent	15,714	15,614	(100)	15,353
Cable - pole rental	22,000	2,655	(19,345)	20,691
Miscellaneous	42,200	35,856	(6,344)	50,707
Sale of property	60,000	65,110	5,110	
Inception of capital lease				30,795
Inception of note payable				100,000
Hurricane Lili reimbursements				<u>54,681</u>
<u>Total revenues</u>	<u>3,192,894</u>	<u>3,889,293</u>	<u>696,399</u>	<u>3,713,093</u>



CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>2004</u>		VARIANCE FAVORABLE (UNFAVORABLE)	2003 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>CURRENT</u>				
<u>GENERAL GOVERNMENT</u>				
<u>EXECUTIVE</u>				
Personal services	\$747,206	\$755,767	\$(8,561)	\$713,945
Supplies and materials	24,900	34,099	(9,199)	24,593
Other services and charges	420,556	379,299	41,257	361,690
Hazard Mitigation		7,500	(7,500)	
Repairs and maintenance	18,570	14,621	3,949	20,726
Allocated expenditures - services performed for other departments	(316,200)	(316,200)		(305,958)
<u>JUDICIAL</u>				
City Court				
Personal services	233,910	231,997	1,913	220,660
Supplies and materials	13,000	12,146	854	10,251
Other services and charges	157,700	128,503	29,197	169,497
Repairs and maintenance	12,000	4,252	7,748	12,858
Marshall's office				
Personal services	116,456	120,180	(3,724)	101,433
Supplies and materials	3,380	3,386	(6)	404
Other services and charges	3,363	3,314	49	2,646
Repairs and maintenance	9,357	9,675	(318)	6,681
<u>ADMINISTRATION</u>				
Purchasing				
Personal services	59,609	42,652	16,957	34,802
Supplies and materials	600	369	231	431
Other services and charges	6,200	6,174	26	5,812
Repairs and maintenance	1,550	387	1,163	153
Civil Service				
Personal services	102,168	102,585	(417)	95,420
Supplies and materials	1,505	1,525	(20)	1,950
Other services and charges	11,345	9,241	2,104	9,122
Repairs and maintenance	600	582	18	700
General				
Other services and charges	125	969	(844)	25
<u>Total general government</u>	<u>1,627,900</u>	<u>1,553,023</u>	<u>74,877</u>	<u>1,487,841</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, 2004 AND 2003

	<u>2004</u>		VARIANCE FAVORABLE (UNFAVORABLE)	2003 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>PUBLIC SAFETY</u>				
Police department				
Personal services	\$2,944,238	\$2,980,755	\$(36,517)	\$3,079,688
Supplies and materials	211,171	181,080	30,091	280,391
Other services and charges	586,245	631,405	(45,160)	598,798
Repairs and maintenance	248,752	251,790	(3,038)	245,175
Undeposited funds		12,500	(12,500)	47,162
Fire department				
Personal services	1,906,187	2,112,183	(205,996)	1,877,050
Supplies and materials	27,521	26,340	1,181	106,275
Other services and charges	98,028	94,505	3,523	101,375
Repairs and maintenance	43,752	32,917	10,835	24,768
<u>Total public safety</u>	<u>6,065,894</u>	<u>6,323,475</u>	<u>(257,581)</u>	<u>6,360,682</u>
<u>PUBLIC WORKS</u>				
Streets and drainage				
Personal services	829,786	796,251	33,535	808,842
Supplies and materials	82,700	79,376	3,324	58,583
Other services and charges	579,000	611,358	(32,358)	710,720
Repairs and maintenance	119,300	69,454	49,846	188,243
Municipal garage				
Personal services	172,703	169,517	3,186	157,837
Supplies and materials	16,450	12,480	3,970	15,056
Other services and charges	8,300	5,071	3,229	7,785
Repairs and maintenance	8,000	4,683	3,317	6,952
<u>Total public works</u>	<u>1,816,239</u>	<u>1,748,190</u>	<u>68,049</u>	<u>1,954,018</u>
<u>HEALTH AND WELFARE</u>				
Code enforcement				
Personal services	93,861	68,608	25,253	68,405
Supplies and materials	3,820	2,764	1,056	5,017
Other services and charges	84,040	96,675	(12,635)	64,538
Repairs and maintenance	1,140	981	159	427
<u>Total health and welfare</u>	<u>182,861</u>	<u>169,028</u>	<u>13,833</u>	<u>138,387</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, 2004 AND 2003

	<u>2004</u>		VARIANCE FAVORABLE (UNFAVORABLE)	2003 <u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>CULTURE AND RECREATION</u>				
Recreation division				
Personal services	\$109,875	\$110,336	\$(461)	\$112,343
Supplies and materials	35,525	30,552	4,973	22,677
Other services and charges	13,100	12,576	524	13,307
Undeposited funds				14,209
Parks administration				
Personal services	468,383	496,561	(28,178)	473,262
Supplies and materials	26,741	26,393	348	30,243
Other services and charges	94,929	119,616	(24,687)	148,561
Repairs and maintenance	46,480	47,452	(972)	46,886
Tourism				
Personal services	62,210	52,226	9,984	49,613
Supplies and materials	2,600	2,222	378	2,944
Other services and charges	7,100	10,845	(3,745)	15,190
Repairs and maintenance	12,100	14,536	(2,436)	26,506
Main Street Program				
Personal services	54,087	53,792	295	55,703
Supplies and materials	2,350	1,553	797	1,302
Other services and charges	17,500	22,750	(5,250)	35,430
Repairs and maintenance	1,500	788	712	915
Museum				
Personal services	47,997	44,613	3,384	42,892
Supplies and materials	2,900	2,884	16	5,387
Other services and charges	26,000	13,995	12,005	20,048
Repairs and maintenance	<u>5,700</u>	<u>3,080</u>	<u>2,620</u>	<u>5,566</u>
<u>Total culture and recreation</u>	<u>1,037,077</u>	<u>1,066,770</u>	<u>(29,693)</u>	<u>1,122,984</u>
<u>ECONOMIC DEVELOPMENT</u>				
Economic Development				
Supplies and materials		462	(462)	388
Other services and charges	14,017	14,421	(404)	13,293
Community Development				
Personal services		21,120	(21,120)	
Supplies and materials		657	(657)	
Other services and charges		<u>4,659</u>	<u>(4,659)</u>	
<u>Total economic development</u>	<u>14,017</u>	<u>41,319</u>	<u>(27,302)</u>	<u>13,681</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, 2004 AND 2003

	<u>2004</u>		VARIANCE	2003
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	<u>ACTUAL</u>
			(UNFAVORABLE)	
<u>CAPITAL OUTLAYS</u>				
General government				
Executive				\$130,795
Public safety				
Police department	\$108,248	\$239,229	\$(130,981)	99,460
Fire department	17,500	26,194	(8,694)	215,694
Public works				
Streets and drainage	44,386	7,742	36,644	4,839
Health and Welfare Code				
Enforcement	820	584	236	14,600
Culture and recreation				
Recreation				2,424
Parks				4,954
Museum				9,008
Economic development				
Community development		3,375	(3,375)	
<u>Total capital outlays</u>	<u>170,954</u>	<u>277,124</u>	<u>(106,170)</u>	<u>481,774</u>
<u>DEBT SERVICE</u>				
Principal	105,000	303,884	(198,884)	488,070
Interest	14,820	30,705	(15,885)	129,976
Commissions	300	550	(250)	920
<u>Total debt service</u>	<u>120,120</u>	<u>335,139</u>	<u>(215,019)</u>	<u>618,966</u>
<u>Total expenditures</u>	<u>11,035,062</u>	<u>11,514,068</u>	<u>(479,006)</u>	<u>12,178,333</u>

CITY OF OPELOUSAS, LOUISIANA  
STATEMENT OF OTHER FINANCING SOURCES (USES)-  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>OPERATING TRANSFERS IN</u>				
Sales Tax Fund	\$5,745,763	\$5,745,762	\$(1)	\$6,043,313
Electric Light and Waterworks Fund	2,100,000	2,100,000		2,241,330
Sewer Fund	<u>40,000</u>	<u>40,748</u>	<u>748</u>	<u>225,000</u>
<u>Total operating transfers in</u>	<u>7,885,763</u>	<u>7,886,510</u>	<u>747</u>	<u>8,509,643</u>
<u>OPERATING TRANSFERS</u>				
<u>OUT</u>				
Police Department Detective Fund	(10,000)	(9,800)	200	(15,000)
Sewer Fund	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>(9,055)</u>
<u>Total operating transfers out</u>	<u>(10,000)</u>	<u>(9,800)</u>	<u>200</u>	<u>(24,055)</u>
<u>Total other financing sources</u>	<u>7,875,763</u>	<u>7,876,710</u>	<u>947</u>	<u>8,485,588</u>

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF OPELOUSAS, LOUISIANA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2004 AND 2003

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$83,011	\$377,213	\$211,425	\$671,649	\$641,021
Receivables					
Accounts	36,810			36,810	
Special assessments		410,188		410,188	429,348
Accrued interest		520,771		520,771	533,365
Due from other governmental units	_____	_____	_____	_____	479
<u>Total assets</u>	<u>119,821</u>	<u>1,308,172</u>	<u>211,425</u>	<u>1,639,418</u>	<u>1,604,213</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable and accrued expenses	\$68,911			\$68,911	\$32,580
Due to other funds	5			5	5
<u>Total liabilities</u>	<u>68,916</u>	<u>-0-</u>	<u>-0-</u>	<u>68,916</u>	<u>32,585</u>
 <u>FUND BALANCES</u>					
Reserved for debt service		\$5,502		5,502	13,885
Unreserved, undesignated	50,905	1,302,670	\$211,425	1,565,000	1,557,743
<u>Total fund balances</u>	<u>50,905</u>	<u>1,308,172</u>	<u>211,425</u>	<u>1,570,502</u>	<u>1,571,628</u>
<u>Total liabilities and fund balances</u>	<u>119,821</u>	<u>1,308,172</u>	<u>211,425</u>	<u>1,639,418</u>	<u>1,604,213</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, 2004 AND 2003

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
<u>REVENUES</u>					
Intergovernmental	\$415,461			\$415,461	\$14,944
Investment earnings		\$8,688		8,688	47,221
Other	<u>4,077</u>		<u>\$1,971</u>	<u>6,048</u>	<u>5,030</u>
<u>Total revenues</u>	<u>419,538</u>	<u>8,688</u>	<u>1,971</u>	<u>430,197</u>	<u>67,195</u>
<u>EXPENDITURES</u>					
Current					
General government	5,300	6,800		12,100	64,244
Public safety	17,830			17,830	15,000
Health and welfare	20,733			20,733	14,944
Public works	390,461			390,461	
Principal retirement		7,105		7,105	7,105
Interest and other charges		<u>1,279</u>		<u>1,279</u>	<u>1,705</u>
<u>Total expenditures</u>	<u>434,324</u>	<u>15,184</u>	<u>-0-</u>	<u>449,508</u>	<u>102,998</u>
<u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES OVER (UNDER)</u> <u>EXPENDITURES</u>	<u>(14,786)</u>	<u>(6,496)</u>	<u>1,971</u>	<u>(19,311)</u>	<u>(35,803)</u>
<u>OTHER FINANCING SOURCES</u>					
Operating transfers in	<u>9,800</u>	<u>8,384</u>		<u>18,184</u>	<u>23,810</u>
<u>Total other financing sources</u>	<u>9,800</u>	<u>8,384</u>	<u>-0-</u>	<u>18,184</u>	<u>23,810</u>
<u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER</u> <u>USES</u>	<u>(4,986)</u>	<u>1,888</u>	<u>1,971</u>	<u>(1,127)</u>	<u>(11,993)</u>
<u>FUND BALANCES, beginning</u> of year	<u>55,891</u>	<u>1,306,284</u>	<u>209,454</u>	<u>1,571,629</u>	<u>1,583,621</u>
<u>FUND BALANCES, end of year</u>	<u>50,905</u>	<u>1,308,172</u>	<u>211,425</u>	<u>1,570,502</u>	<u>1,571,628</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  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 AUGUST 31, 2004 AND 2003

	POLICE DEPARTMENT DETECTIVE FUND	EMERGENCY SHELTER GRANT FUND	POLICE WITNESS FEE FUND	POLICE SEIZED FUND	INDUSTRIAL PARK FUND	MYRTLE GROVE CEMETERY FUND	TOTALS
	2004	2004	2004	2004	2004	2004	2003
<u>ASSETS</u>							
Cash and cash equivalents	\$5						
Accounts receivable	36,810			\$38,508	\$15,094	\$16,093	\$87,996
Due from other governmental units							479
<u>Total assets</u>	<u>36,815</u>	<u>4,272</u>	<u>6,863</u>	<u>38,508</u>	<u>15,094</u>	<u>16,093</u>	<u>88,475</u>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts payable and accrued expenses		\$5		\$32,096			\$32,580
Due to other funds							5
<u>Total liabilities</u>	<u>-0-</u>	<u>5</u>	<u>-0-</u>	<u>32,096</u>	<u>-0-</u>	<u>-0-</u>	<u>32,585</u>
<u>FUND BALANCES</u>							
Unreserved, undesignated	\$2,176	4,267	\$6,863	6,412	\$15,094	\$16,093	55,890
<u>Total fund balances</u>	<u>2,176</u>	<u>4,267</u>	<u>6,863</u>	<u>6,412</u>	<u>15,094</u>	<u>16,093</u>	<u>55,890</u>
<u>Total liabilities and fund balances</u>	<u>2,176</u>	<u>4,272</u>	<u>6,863</u>	<u>38,508</u>	<u>15,094</u>	<u>16,093</u>	<u>88,475</u>

CITY OF OPELOUSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	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
								2004      2003
<u>REVENUES</u>								
Intergovernmental	\$390,461		\$25,000	\$57	\$3,739	\$126	\$140	\$415,461    \$14,944
Other		\$15		57	3,739	126	140	4,077      2,886
Total revenues	<u>390,461</u>	<u>15</u>	<u>25,000</u>	<u>57</u>	<u>3,739</u>	<u>126</u>	<u>140</u>	<u>419,538</u> <u>17,830</u>
<u>EXPENDITURES</u>								
Current								
General government								
Public safety		9,800			8,030		5,300	5,300      57,444
Health and welfare			20,733					17,830      15,000
Public works	390,461							20,733      14,944
Total expenditures	<u>390,461</u>	<u>9,800</u>	<u>20,733</u>	<u>-0-</u>	<u>8,030</u>	<u>-0-</u>	<u>5,300</u>	<u>390,461</u> <u>87,388</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-0-</u>	<u>(9,785)</u>	<u>4,267</u>	<u>57</u>	<u>(4,291)</u>	<u>126</u>	<u>(5,160)</u>	<u>(14,786)</u> <u>(62,558)</u>
<u>OTHER FINANCING SOURCES</u>								
Operating transfers in		9,800						9,800      15,000
Total other financing sources	<u>-0-</u>	<u>9,800</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,800</u> <u>15,000</u>

Continued on next page.

CITY OF OPELOUSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS - (CONTINUED)  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

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
	2004						2004      2003
	\$15	\$4,267	\$57	\$(4,291 )	\$126	\$(5,160)	\$(4,986)    \$(54,558)
	<u>2,161</u>	—	<u>6,806</u>	<u>10,703</u>	<u>14,968</u>	<u>21,253</u>	<u>55,891</u> <u>110,448</u>
<u>-0-</u>	<u>2,176</u>	<u>4,267</u>	<u>6,863</u>	<u>6,412</u>	<u>15,094</u>	<u>16,093</u>	<u>50,905</u> <u>55,890</u>

EXCESS (DEFICIENCY)  
OF REVENUES AND  
OTHER SOURCES  
OVER (UNDER)  
EXPENDITURES  
AND OTHER USES

FUND BALANCES  
beginning of year

FUND BALANCES,  
end of year

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, 2004 AND 2003

	2004		VARIANCE	2003
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Other - interest	<u>\$20</u>	<u>\$15</u>	<u>\$(5)</u>	<u>\$14</u>
<u>Total revenues</u>	<u>20</u>	<u>15</u>	<u>(5)</u>	<u>14</u>
<u>EXPENDITURES</u>				
Current				
Public safety				
Police department				
Other services and charges	<u>10,000</u>	<u>9,800</u>	<u>200</u>	<u>15,000</u>
<u>Total expenditures</u>	<u>10,000</u>	<u>9,800</u>	<u>200</u>	<u>15,000</u>
<u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES UNDER</u> <u>EXPENDITURES</u>	<u>(9,980)</u>	<u>(9,785)</u>	<u>195</u>	<u>(14,986)</u>
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in				
General Fund	<u>10,000</u>	<u>9,800</u>	<u>(200)</u>	<u>15,000</u>
<u>Total other financing sources</u>	<u>10,000</u>	<u>9,800</u>	<u>(200)</u>	<u>15,000</u>
<u>EXCESS OF REVENUES</u> <u>AND OTHER FINANCING</u> <u>SOURCES OVER</u> <u>EXPENDITURES</u>	<u>20</u>	<u>15</u>	<u>(5)</u>	<u>14</u>
<u>FUND BALANCE</u> , beginning of year		<u>2,161</u>		<u>2,147</u>
<u>FUND BALANCE</u> , end of year		<u>2,176</u>		<u>2,161</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, 2004 AND 2003

	<u>2004</u>		VARIANCE	2003
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Intergovernmental				
Housing and urban development	\$25,480	\$25,000	\$(480)	\$14,944
<u>Total revenues</u>	<u>25,480</u>	<u>25,000</u>	<u>(480)</u>	<u>14,944</u>
<u>EXPENDITURES</u>				
Current				
Health and welfare				
Transfer to subrecipient	25,480	20,733	4,747	14,944
<u>Total expenditures</u>	<u>25,480</u>	<u>20,733</u>	<u>4,747</u>	<u>14,944</u>
<u>EXCESS OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>-0-</u>	4,267	<u>4,267</u>	
<u>FUND BALANCE</u> , beginning of year		_____		_____
<u>FUND BALANCE</u> , end of year		<u>4,267</u>		<u>-0-</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, 2004 AND 2003

	2004		VARIANCE	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE (UNFAVORABLE)	<u>2003 ACTUAL</u>
<u>REVENUES</u>				
Other	\$60	\$57	\$(3)	\$53
<u>Total revenues</u>	<u>60</u>	<u>57</u>	<u>(3)</u>	<u>53</u>
<u>EXPENDITURES</u>				
<u>Total expenditures</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>60</u>	<u>57</u>	<u>(3)</u>	<u>53</u>
<u>FUND BALANCE</u> , beginning of year		<u>6,806</u>		<u>6,753</u>
<u>FUND BALANCE</u> , end of year		<u>6,863</u>		<u>6,806</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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Other	\$3,739	\$411
<u>Total revenues</u>	<u>3,739</u>	<u>411</u>
<u>EXPENDITURES</u>		
Refunds	<u>8,030</u>	<u>      </u>
<u>Total expenditures</u>	<u>8,030</u>	<u>-0-</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	(4,291)	411
<u>FUND BALANCE</u> , beginning of year	10,703	10,292
<u>FUND BALANCE</u> , end of year	<u>6,412</u>	<u>10,703</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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Other		
Interest earned	<u>\$126</u>	<u>\$488</u>
<u>Total revenues</u>	<u>126</u>	<u>488</u>
<u>EXPENDITURES</u>		
Current		
General government		
Other services and charges		<u>57,444</u>
<u>Total expenditures</u>	<u>-0-</u>	<u>57,444</u>
<u>EXCESS OF REVENUES OVER</u>		
<u>(UNDER) EXPENDITURES</u>	126	(56,956)
<u>FUND BALANCE, beginning of year</u>	<u>14,968</u>	<u>71,923</u>
<u>FUND BALANCE, end of year</u>	<u>15,094</u>	<u>14,967</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, 2004 AND 2003

	<u>2004</u>		VARIANCE	2003
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Other				
Interest earned	\$260	\$140	\$(120)	\$170
Lot sales	<u>3,500</u>	<u>          </u>	<u>(3,500)</u>	<u>1,750</u>
<u>Total revenues</u>	<u>3,760</u>	<u>    140</u>	<u>(3,620)</u>	<u>1,920</u>
<u>EXPENDITURES</u>				
Current				
General government				
Other services and charges	3,760		3,760	
Canal improvements	<u>          </u>	<u>5,300</u>	<u>(5,300)</u>	<u>          </u>
<u>Total expenditures</u>	<u>3,760</u>	<u>5,300</u>	<u>(1,540)</u>	<u>    -0-</u>
<u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES (OVER) UNDER</u> <u>EXPENDITURES</u>	<u>    -0-</u>	<u>(5,160)</u>	<u>(5,160)</u>	<u>1,920</u>
<u>FUND BALANCE</u> , beginning of year		<u>21,253</u>		<u>19,333</u>
<u>FUND BALANCE</u> , end of year		<u>16,093</u>		<u>21,253</u>

NON-MAJOR DEBT SERVICE FUNDLocal Assessment Fund

Accumulates monies for payment of Paving Certificates, Series 1996 of \$71,049. The Paving Certificates are to be 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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$377,213	\$343,571
Receivables		
Special assessment	410,188	429,348
Accrued interest	<u>520,771</u>	<u>533,365</u>
<u>Total assets</u>	<u>1,308,172</u>	<u>1,306,284</u>
<u>LIABILITIES</u>		
<u>Total liabilities</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE</u>		
Reserved for debt service	\$5,502	\$13,885
Unreserved - undesignated	<u>1,302,670</u>	<u>1,292,399</u>
<u>Total fund balance</u>	<u>1,308,172</u>	<u>1,306,284</u>
<u>Total liabilities and fund balance</u>	<u>1,308,172</u>	<u>1,306,284</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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Other		
Interest earned on assessments	\$5,306	\$44,314
Interest on investments	<u>3,382</u>	<u>2,907</u>
<u>Total revenues</u>	<u>8,688</u>	<u>47,221</u>
<u>EXPENDITURES</u>		
Current		
General government		
Allocated expenditure - services performed by executive department	6,800	6,800
Debt service		
Principal retirement	7,105	7,105
Interest and fiscal charges	<u>1,279</u>	<u>1,705</u>
<u>Total expenditures</u>	<u>15,184</u>	<u>15,610</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(6,496)</u>	<u>31,611</u>
<u>OTHER FINANCING SOURCES</u>		
Operating transfers in	<u>8,384</u>	<u>8,810</u>
<u>Total other financing sources</u>	<u>8,384</u>	<u>8,810</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	1,888	40,421
<u>FUND BALANCE</u> , beginning of year	<u>1,306,284</u>	<u>1,265,863</u>
<u>FUND BALANCE</u> , end of year	<u>1,308,172</u>	<u>1,306,284</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, 2004 AND 2003

	<u>CAPITAL PROJECTS FUND</u>	1995 <u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>	
			<u>2004</u>	<u>2003</u>
<u>ASSETS</u>				
<u>Cash and cash equivalents</u>	<u>\$15,431</u>	<u>\$195,994</u>	<u>\$211,425</u>	<u>\$209,454</u>
<u>Total assets</u>	<u>15,431</u>	<u>195,994</u>	<u>211,425</u>	<u>209,454</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>FUND BALANCE</u>				
Unreserved, undesignated	<u>\$15,431</u>	<u>\$195,994</u>	<u>\$211,425</u>	<u>\$209,454</u>
<u>Total fund balance</u>	<u>15,431</u>	<u>195,994</u>	<u>211,425</u>	<u>209,454</u>
<u>Total liabilities and fund equity</u>	<u>15,431</u>	<u>195,994</u>	<u>211,425</u>	<u>209,454</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, 2004 AND 2003

	CAPITAL PROJECTS FUND	1995 CAPITAL PROJECTS FUND	<u>TOTALS</u>	
			<u>2004</u>	<u>2003</u>
<u>REVENUES</u>				
Other - interest earned	\$141	\$1,830	\$1,971	\$1,896
Miscellaneous income				248
<u>Total revenues</u>	<u>141</u>	<u>1,830</u>	<u>1,971</u>	<u>2,144</u>
<u>EXPENDITURES</u>				
<u>Total expenditures</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	141	1,830	1,971	2,144
<u>FUND BALANCES, beginning of year</u>				
	<u>15,290</u>	<u>194,164</u>	<u>209,454</u>	<u>207,310</u>
<u>FUND BALANCES, end of year</u>				
	<u>15,431</u>	<u>195,994</u>	<u>211,425</u>	<u>209,454</u>



NON-MAJOR PROPRIETARY FUNDS

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
AUGUST 31, 2004 AND 2003

	<u>ENTERPRISE</u> <u>FUND</u>	<u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>	<u>TOTALS</u>	
			<u>2004</u>	<u>2003</u>
 <u>ASSETS</u>				
Cash and cash equivalents	\$111,118	\$1,982,077	\$2,093,195	\$2,641,792
Investments		2,903,988	2,903,988	2,875,172
Notes receivable	101,452		101,452	98,249
Due from other funds		555	555	555
Equipment (net)		<u>587</u>	<u>587</u>	<u>820</u>
<u>Total assets</u>	<u>212,570</u>	<u>4,887,207</u>	<u>5,099,777</u>	<u>5,616,588</u>
 <u>LIABILITIES</u>				
<u>LIABILITIES</u>				
Accounts payable and accrued expenses		107,548	107,548	100,000
Due to other funds		<u>555</u>	<u>555</u>	<u>555</u>
<u>Total liabilities</u>	<u>-0-</u>	<u>108,103</u>	<u>108,103</u>	<u>100,555</u>
 <u>NET ASSETS</u>				
Invested in capital assets, net of related debt				820
Reserved for				
Insurance claims		4,779,104	4,779,104	5,311,838
Unreserved, undesignated	\$212,570		<u>212,570</u>	<u>203,375</u>
<u>Total net assets</u>	<u>212,570</u>	<u>4,779,104</u>	<u>4,991,674</u>	<u>5,516,033</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>ENTERPRISE</u> <u>FUND</u>	<u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>	<u>TOTALS</u>	
			<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$9,149	\$906,670	\$915,819	\$995,243
Miscellaneous	90		90	2,211
<u>Total operating revenues</u>	<u>9,239</u>	<u>906,670</u>	<u>915,909</u>	<u>997,454</u>
<u>OPERATING EXPENSES</u>				
Other services and charges				
Insurance premiums		8,447	8,447	58,012
Claims		1,343,659	1,343,659	925,242
Depreciation		234	234	882
Legal and other	44	138,192	138,236	232,389
<u>Total operating expenses</u>	<u>44</u>	<u>1,490,532</u>	<u>1,490,576</u>	<u>1,216,525</u>
<u>OPERATING INCOME (LOSS)</u>	<u>9,195</u>	<u>(583,862)</u>	<u>(574,667)</u>	<u>(219,071)</u>
<u>NON-OPERATING REVENUES</u>				
Investment income		50,308	50,308	62,344
<u>Total non-operating revenues</u>	<u>-0-</u>	<u>50,308</u>	<u>50,308</u>	<u>62,344</u>
<u>NET INCOME (LOSS)</u>	<u>9,195</u>	<u>(533,554)</u>	<u>(524,359)</u>	<u>(156,727)</u>
<u>NET ASSETS, beginning of year</u>	<u>203,375</u>	<u>5,312,658</u>	<u>5,516,033</u>	<u>5,672,760</u>
<u>NET ASSETS, end of year</u>	<u>212,570</u>	<u>4,779,104</u>	<u>4,991,674</u>	<u>5,516,033</u>

NON-MAJOR ENTERPRISE FUND

Rural Economic and Community Development Grant Fund

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

CITY OF OPELOUSAS, LOUISIANA  
COMBINING BALANCE SHEET  
NON-MAJOR ENTERPRISE FUND  
RURAL ECONOMIC AND COMMUNITY DEVELOPMENT GRANT FUND  
AUGUST 31, 2004 AND 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$111,118	\$105,126
Notes receivables, (net where applicable of uncollectibles)	<u>101,452</u>	<u>98,249</u>
<u>Total current assets</u>	<u>212,570</u>	<u>203,375</u>
 <u>Total assets</u>	 <u>212,570</u>	 <u>203,375</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>NET ASSETS</u>		
Net assets		
Unreserved, undesignated	\$212,570	\$203,375
<u>Total net assets</u>	<u>212,570</u>	<u>203,375</u>
 <u>Total liabilities and net assets</u>	 <u>212,570</u>	 <u>203,375</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
NON-MAJOR ENTERPRISE FUND  
RURAL ECONOMIC AND COMMUNITY DEVELOPMENT GRANT FUND  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Charges for services		
Interest	\$9,149	\$8,371
Other	<u>90</u>	<u>60</u>
<u>Total operating revenues</u>	<u>9,239</u>	<u>8,431</u>
<u>OPERATING EXPENSES</u>		
Legal fees	<u>44</u>	<u>          </u>
<u>Total operating expenses</u>	<u>44</u>	<u>-0-</u>
<u>OPERATING INCOME</u>	<u>9,195</u>	<u>8,431</u>
<u>NET INCOME</u>	9,195	8,431
<u>RETAINED EARNINGS, beginning of year</u>	<u>203,375</u>	<u>194,944</u>
<u>RETAINED EARNINGS, end of year</u>	<u>212,570</u>	<u>203,375</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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$6,036	\$1,609
Cash payments for legal fees	<u>(44)</u>	<u>          </u>
<u>Net cash provided by operating activities</u>	<u>5,992</u>	<u>1,609</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING</u> <u>ACTIVITIES</u>		
Operating transfers out	<u>          </u>	<u>          </u>
<u>Net cash used by non-capital financing activities</u>	<u>-0-</u>	<u>-0-</u>
<u>NET INCREASE IN CASH</u>	5,992	1,609
<u>CASH, September 1, 2003</u>	<u>105,126</u>	<u>103,517</u>
<u>CASH, August 31, 2004</u>	<u>111,118</u>	<u>105,126</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET</u> <u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income	\$9,195	\$8,431
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(3,203)	(6,822)
<u>Total adjustments</u>	<u>(3,203)</u>	<u>(6,822)</u>
<u>Net cash provided by operating activities</u>	<u>5,992</u>	<u>1,609</u>

## NON-MAJOR 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.



CITY OF OPELOUSAS, LOUISIANA  
COMBINING BALANCE SHEET  
NON-MAJOR INTERNAL SERVICE FUNDS  
AUGUST 31, 2004 AND 2003

	<u>INTERNAL SERVICE FUND A</u>	<u>INTERNAL SERVICE FUND G</u>	<u>WORKMEN'S COMPENSATION FUND</u>	<u>TOTALS</u>
	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$508,016	\$483,088	\$990,973	\$2,536,666
Investments	671,247	1,785,243	447,498	2,875,172
Due from other funds		555		555
Equipment (net of accumulated depreciation)		<u>587</u>		<u>820</u>
<u>Total assets</u>	<u>1,179,263</u>	<u>2,269,473</u>	<u>1,438,471</u>	<u>5,413,213</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable and accrued expenses		\$107,548		\$107,548
Due to other funds	<u>\$555</u>			<u>555</u>
<u>Total liabilities</u>	<u>555</u>	<u>107,548</u>	<u>-0-</u>	<u>108,103</u>
<u>FUND EQUITY</u>				
Retained earnings				
Reserved				
Insurance claims	1,178,708	2,161,925	\$1,438,471	5,312,658
<u>Total fund equity</u>	<u>1,178,708</u>	<u>2,161,925</u>	<u>1,438,471</u>	<u>5,312,658</u>
<u>Total liabilities and fund equity</u>	<u>1,179,263</u>	<u>2,269,473</u>	<u>1,438,471</u>	<u>5,413,213</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
NON-MAJOR INTERNAL SERVICE FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>INTERNAL SERVICE FUND A</u>	<u>INTERNAL SERVICE FUND G</u>	<u>WORKMEN'S COMPENSATION FUND</u>	<u>TOTALS</u>
	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>				
Premiums	\$113,284	\$419,842	\$318,552	\$853,774
Refund of claims		54,992		133,098
Miscellaneous				<u>2,151</u>
<u>Total operating revenues</u>	<u>113,284</u>	<u>474,834</u>	<u>318,552</u>	<u>906,670</u>
<u>OPERATING EXPENSES</u>				
Other services and charges			8,447	58,012
Insurance premiums	436,028	680,310	227,321	925,242
Claims		234		882
Depreciation	4,448	72,279	61,465	232,389
Legal and other	440,476	752,823	297,233	1,216,525
<u>Total operating expenses</u>	<u>(327,192)</u>	<u>(277,989)</u>	<u>21,319</u>	<u>(227,502)</u>
<u>OPERATING INCOME (LOSS)</u>				
	13,672	22,960		62,344
<u>NON-OPERATING REVENUES</u>	<u>13,672</u>	<u>22,960</u>		<u>62,344</u>
Investment income				
<u>Total non-operating revenues</u>				
<u>NET INCOME (LOSS)</u>	<u>(313,520)</u>	<u>(255,029)</u>	<u>34,995</u>	<u>(165,158)</u>
<u>RETAINED EARNINGS, beginning of year</u>	<u>1,492,228</u>	<u>2,416,954</u>	<u>1,403,476</u>	<u>5,477,816</u>
<u>RETAINED EARNINGS, end of year</u>	<u>1,178,708</u>	<u>2,161,925</u>	<u>1,438,471</u>	<u>5,312,658</u>

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR INTERNAL SERVICE FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>INTERNAL SERVICE FUND A</u>	<u>INTERNAL SERVICE FUND G</u>	<u>WORKMEN'S COMPENSATION FUND</u>	<u>TOTALS</u>	
	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Premiums received	\$113,284	\$419,842	\$318,552	\$851,678	\$861,425
General and administrative expenses paid	(4,448)	(6,000)	(61,465)	(71,913)	(47,263)
Claims paid	(436,028)	(617,770)	(227,321)	(1,281,119)	(814,993)
Legal expenses paid		(66,279)		(66,279)	(185,126)
Insurance premiums paid		(8,447)	(8,447)	(8,447)	(58,012)
Net cash provided (used) by operating activities	<u>(327,192)</u>	<u>(270,207)</u>	<u>21,319</u>	<u>(576,080)</u>	<u>(243,969)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Purchase of fixed assets					(1,702)
Net cash used by capital and related financing activities	-0-	-0-	-0-	-0-	(1,702)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Operating transfers out					
Net cash used by non-capital financing activities	-0-	-0-	-0-	-0-	-0-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest earned	13,672	22,960	13,676	50,308	62,344
Purchase of investments	(6,661)	(17,715)	(4,440)	(28,816)	(37,799)
Net cash provided by investing activities	<u>7,011</u>	<u>5,245</u>	<u>9,236</u>	<u>21,492</u>	<u>24,545</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>(320,181)</u>	<u>(264,962)</u>	<u>30,555</u>	<u>(554,588)</u>	<u>(221,126)</u>

Continued on next page.

CITY OF OPELOUSAS, LOUISIANA  
COMBINING STATEMENT OF CASH FLOWS - (CONTINUED)  
NON-MAJOR INTERNAL SERVICE FUNDS  
FOR THE YEARS ENDED AUGUST 31, 2004 AND 2003

	<u>INTERNAL SERVICE FUND A</u>	<u>INTERNAL SERVICE FUND G</u>	<u>WORKMEN'S COMPENSATION FUND</u>	<u>TOTALS</u>
	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
<u>CASH AND CASH EQUIVALENTS,</u> September 1, 2003	\$828,197	\$748,051	\$960,418	\$2,536,666
<u>CASH AND CASH EQUIVALENTS,</u> August 31, 2004	<u>508,016</u>	<u>483,089</u>	<u>990,973</u>	<u>2,536,666</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Operating income (loss)	\$(327,192)	\$(277,989)	\$21,319	\$(583,862)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		234		234
(Increase) decrease in due from other funds				882
Increase (decrease) in accounts payable		7,548		5,500
<u>Total adjustments</u>	<u>-0-</u>	<u>7,782</u>	<u>-0-</u>	<u>(22,849)</u>
<u>Net cash provided (used) by operating activities</u>	<u>(327,192)</u>	<u>(270,207)</u>	<u>21,319</u>	<u>(576,080)</u>
				<u>(243,969)</u>

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, 2004 AND 2003

	<u>PAYROLL ACCOUNT</u>	
	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$153,099	\$116,315
Due from other funds	<u>147,878</u>	<u>235,866</u>
<u>Total assets</u>	<u>300,977</u>	<u>352,181</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$156,113	\$207,317
Due to other fund	<u>144,864</u>	<u>144,864</u>
<u>Total liabilities</u>	<u>300,977</u>	<u>352,181</u>



**JOHN S. DOWLING & COMPANY**  
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Dana D. Quebedeaux, CPA

John S. Dowling, CPA  
1904-1984

Retired

Harold Dupre, CPA  
1996  
John Newton Stout, CPA  
1998  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003

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

To the Honorable Anna Simmons, 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, 2004, which collectively comprise the City of Opelousas, Louisiana's basic financial statements and have issued our report thereon dated February 21, 2005. 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.

Compliance

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 grants, 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 an 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 2004-1. We noted a certain immaterial instance of noncompliance that we have reported to management of the City of Opelousas, Louisiana, in a separate letter dated February 21, 2005.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Opelousas' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2004-2, 2004-3, 2004-4, 2004-5 and 2004-6.

To the Honorable Anna Simmons, Mayor  
and the Board of Aldermen  
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2004-3, 2004-4, and 2004-6 to be material weaknesses. We also noted another matter involving the internal control over financial reporting that we have reported to management of the City of Opelousas in a separate letter dated February 21, 2005.

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 21, 2005





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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 Anna Simmons, 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, 2004. 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 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, 2004.

To the Honorable Anna Simmons, Mayor  
and the Board of Aldermen  
Page 2

### Internal Control Over Compliance

The management of the City of Opelousas 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' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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. Dawling & Company*

Opelousas, Louisiana  
February 21, 2005

SUPPLEMENTARY INFORMATION

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2004

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, 2004.
2. Four reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting 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 reportable conditions 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 all 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 programs tested as major programs were the Environmental Protection Agency Grant passed through the Louisiana Department of Environmental Quality Revolving Loan Program - Capitalization Grants for State Revolving Funds (CFDA #66.458) and the Louisiana Community Development Block Grant (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.

II. 2004 Financial Statement Findings - Audit

**Compliance Material to the Financial Statements**

2004-1 Expenditures for Items Not Allowed by State Law

Condition: The Police Department made expenditures for a Christmas party, candy for parades, and gifts.

Criteria: Article 7 of the Louisiana Constitution of 1974 prohibits public entities from making donations.

Cause: The Police Department made purchases for items not allowed by state law.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2004

II. 2004 Financial Statement Findings - Audit - Continued

Effect: Expenditures were made for items which are not allowed by state law.

Recommendation: The City of Opelousas should institute procedures to ensure that all purchases are in compliance with state law.

**Internal Control Material to the Financial Statements**

2004-2 Police Department Purchasing Procedures

Condition: The Police Department is not properly following the City's established purchasing procedures. The Police Department is also not providing full and adequate documentation for all purchases.

Criteria: The City of Opelousas has purchasing procedures which must be adhered to. All purchases must include full and proper documentation.

Cause: The Police Department frequently uses check requests to make purchases. Full and adequate documentation does not accompany all invoices.

Effect: Price quotes are not being properly obtained. Expenditures are not being set up in inventory and are therefore not properly controlled and accounted for. Expenditures are not always accompanied by full and adequate documentation.

Recommendation: All purchases by the Police Department over \$300 must be properly made through the City's established purchasing procedures. Full and adequate documentation must be provided for all purchases.

2004-3 Police Department Revenues

Condition: The Police Department did not submit all revenues to the City of Opelousas to be deposited into accounts which are under City control.

Criteria: All revenues should be deposited into the City's accounts.

Cause: The City of Opelousas' revenues were not deposited into bank accounts under the City's control.

Effect: All City revenues were not deposited into accounts which are under the City's control.

Recommendation: The City of Opelousas should institute procedures whereby all revenues are deposited into accounts which are under the City's control.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2004

II. 2004 Financial Statement Findings - Audit - Continued

2004-4 Inadequate Documentation for Drug Buy Money

Condition: The Police Department has inadequate documentation for drug buy money.

Criteria: The City of Opelousas' Police Department must have complete documentation to support drug buy expenditures.

Cause: Case documentation of drug buy expenditures does not adequately document the expenditure of funds.

Effect: Drug buy expenditures are not adequately documented.

Recommendation: The City of Opelousas' Police Department should institute procedures to adequately document drug buy expenditures.

2004-5 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: Police department purchases are not properly being made through the purchase order system. 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.

2004-6 Legislative Audit Findings

Condition: The Louisiana Legislative Auditor issued a report on a compliance audit of the Opelousas Police Department dated January 19, 2005. This report enumerates findings which are in addition to findings listed above and pertain to the current fiscal year. These findings include: repairs to private vehicle, personal purchases by Chief Callier, bank accounts, Alternative School, United States Social Security Administration payments, missing inventory, improper granting of overtime, inmate meals, and dismissed tickets.

Criteria: The Police Department is required to adhere to relevant state laws and city policies and controls.

Cause: The Opelousas Police Department circumvented controls and failed to comply with state laws.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2004

II. 2003 Financial Statement Findings - Audit - Continued

Effect: Various state laws and the City's internal controls were violated by the Opelousas Police Department resulting in city funds being improperly expended and unaccounted for inventory.

Recommendation: The City of Opelousas should implement all recommendations made by the Legislative Auditor's office in their report.

III. Findings and Questioned Costs - Major Federal Award Programs Audit

None

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AUGUST 31, 2004

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</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	\$25,000
State of Louisiana Office of Community Development Community Development Block Grant -		14.219	390,461
U.S. Department of Justice Direct program			
Local Law Enforcement Block Grant Program	LLEBG03	16.592	24,976
Pass-through payments			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice Byrne Formula Grant Program		16.579 *	816
Electronic Equipment and Training Grant Integrated Criminal Apprehension	B03-4-008	16.579 *	20,227
Environmental Protection Agency Pass-through payments:			
Louisiana Department of Environmental Quality Revolving Fund Loan Program		66.458	921,528
Capitalization Grants for State Revolving Funds	CS-221096-03		

Continued on next page.



CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (CONTINUED)  
AUGUST 31, 2004

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
U.S. Department of Education - Louisiana Department of Education Pass-through payments: Safe and Drug Free Schools		84.186	\$36,362
Department of Military Affairs Pass-through payments: State of Louisiana Military Department Hazard Mitigation Plan	FMP 03-097-0001	97.029	28,125
Corporation for National and Community Services Direct Program Americorps Vista	04-046-W005	94.006	51,123
National Highway Traffic Safety Administration Pass-through payments: Louisiana Highway Safety Commission State and Community Highway Safety		20.600	<u>1,881</u>
<u>Totals</u>			<u>1,500,499</u>

\* Indicates grants treated as cluster by OMB Circular A-133.

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
AUGUST 31, 2004

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	\$16,000
Lighthouse Mission	14.231	<u>9,000</u>
		<u>25,000</u>

CITY OF OPELOUSAS, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS - (CONTINUED)  
AUGUST 31, 2004

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>\$25,000</u>
<u>General Fund</u>	
Intergovernmental Revenues	
Federal grants	
Act 562 equipment and DARE grant	\$816
LLEBG	24,976
Governor's DARE grant	36,362
Integrated Criminal Apprehension	20,227
LCDBG Grant	390,461
Hazard Mitigation	28,125
Safe and Sober grant	1,881
Vista grant	<u>33,989</u>
<u>Total General Fund</u>	<u>536,837</u>
<u>Enterprise Funds</u>	
Sewer Fund	
Revenue bonds payable	<u>\$921,528</u>
EL & WW Fund	
Vista grant	<u>\$17,134</u>

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
AUGUST 31, 2004

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

2003-1 – Timely Submittal of Audit Report

Corrective action taken.

2003-2 – Use of the Purchase Order System

REPEAT COMMENT

2003-3 – Cash Collections of the Parks Department

Removed from report.

2003-4 – Police Department Revenues

REPEAT COMMENT

2003-5 – Inadequate Documentation for Drug Buy Money

REPEAT COMMENT

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter

2003-6 - Customers' Meter Deposits

Corrective action taken.

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF PER DIEM PAID TO THE GOVERNING BODY  
AUGUST 31, 2004

	<u>Salary</u>	<u>Car Allowance</u>	<u>Total</u>
Anna Simmons, Mayor	\$61,000		\$61,000
Dale Pefferkorn, Pro-Tem	13,620	\$3,600	17,220
LeRoy Payne, Alderman-at-large	14,809	3,600	18,409
Huey Hawkins, Alderman	13,624	3,600	17,224
Joe Charles, Alderman	14,350	3,600	17,950
Joseph Guillory, Alderman	13,624	3,600	17,224
Greg Castain - Alderman	<u>14,809</u>	<u>3,600</u>	<u>18,409</u>
	<u>145,836</u>	<u>21,600</u>	<u>167,436</u>

CITY OF OPELOUSAS, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE - (UNAUDITED)  
AUGUST 31, 2004

<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>
<u>Workmen's Compensation</u> F.A. Richard & Associates, Inc.	AGC-6708-LA	3/01/04	2/28/05	Workmen's compensation	None
<u>Commercial Inland Marine Coverages</u> Hartford Insurance Company	43MSL13442	7/12/04	7/12/05	Communications equipment, Computer equipment, contractor's equip., signs Deductible - \$1,000	None
<u>Property Coverage</u> Hartford Insurance Company	43UUNKS8652	4/17/04	4/17/05	Fire and property Deductible - \$50,000 Boiler and machinery	None
<u>All Vehicles</u> Assign Risk - LA Southern General Agency	AS1391426335012 AMLAPD0026	4/17/04 4/17/04	4/17/05 4/17/05	Automobiles Automobiles	None None
<u>Public Officials - Errors and Omissions</u> Assign Risk - LA	AS1391426335012	4/17/04	4/17/05	Public officials	None
<u>Employees Dishonesty Blanket Bond</u> Fidelity and Deposit Company	CCP140654510	1/15/04	1/15/05	Clerks and cashiers	None
<u>Public Officer Bonds</u> Fidelity and Deposit Company City clerk and tax collector Clerk III Mayor	30374179 6925088 08521919	3/01/04 11/15/04 1/30/04	3/01/05 11/15/05 1/30/05	City clerk Clerk III Mayor	None None None



Russell J. Stelly, CPA  
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

Retired

Harold Dupre, CPA  
1996  
John Newton Stout, CPA  
1998  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003

To the Honorable Anna Simmons, Mayor  
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, 2004, and have issued our report thereon dated February 21, 2005. 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 21, 2005, and our report on internal control and compliance with laws, regulations, contracts, and grants dated February 21, 2005. This letter does not affect our report dated February 21, 2005 on the financial statements of the City of Opelousas.

During our audit, we became aware of the following immaterial instance of noncompliance.

2004-7 Timely Submittal of Audit Report

The City of Opelousas audit report was not completed and transmitted to the Legislative Auditor within six months of the close of the City's fiscal year.

We will review the status of this comment during our next audit engagement. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*John S. Dowling & Company*

Opelousas, Louisiana  
February 21, 2005



ANNA C. SIMMONS  
MAYOR

# City of Opelousas

Gateway to Acadiana

318 NORTH COURT ST.  
P. O. BOX 1879  
OPELOUSAS, LA 70571-1879  
(337) 948-2520  
FAX (337) 948-2534

## ALDERMEN

LE ROY PAYNE  
ALDERMAN-AT-LARGE  
DR. JOSEPH A. GUILLORY  
ALDERMAN, DISTRICT "A"  
GREGORY CASTAIN  
ALDERMAN, DISTRICT "B"  
DALE PEPPERKORN  
ALDERMAN, DISTRICT "C"  
HUEY HAWKINS  
ALDERMAN, DISTRICT "D"  
JOE CHARLES  
ALDERMAN, DISTRICT "E"

CITY CLERK  
& TAX COLLECTOR  
FRANCES CARRON, MMC

## OFFICERS

LARRY CAILLIER  
CHIEF OF POLICE  
LEE CAHANIN  
FIRE CHIEF  
KENNETH BOAGNI, JR.  
CITY JUDGE  
PAUL MOUTON  
MARSHAL OF WARD ONE

## CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor State of Louisiana  
P. O. Box 94397  
Baton Rouge LA 70804-9397

The City of Opelousas is respectfully submitting remedial actions taken as a result of the auditor's comments in the audit report of August 31, 2004.

**Independent Public Accounting Firm: John S. Dowling & Company**

**Audit period: August 31, 2004**

The findings from the 2004 audit report and management letter are discussed below. The findings are numbered consistently with the numbers assigned in the report.

## FINDINGS-FINANCIAL STATEMENT AUDIT

### 2004-1 Expenditures for Items Not Allowed by State Law.

The City of Opelousas is currently monitoring purchases of goods and services, such as items for Christmas parties and gifts and will refuse to pay for those items and events when presented for payment.

**Person responsible: City Clerk Frances Carron.**

### 2004-2 Police Department Purchasing Procedures.

The City of Opelousas has discontinued the practice of using "check requests" where purchases exceed \$300.00. Purchases over \$300.00 must be made through requisitions and the Purchase Order System. This is currently being monitored. If purchases are made over \$300.00 that did not go through the Purchase Order System, payments for those purchases are refused.

**Person responsible: City Clerk Frances Carron and Purchasing Clerk Joe Bellard.**

*An Equal Opportunity/Affirmative Action Employer*



### **2004-3 Police Department Revenues**

**The City of Opelousas has sent out mailings, placed notices in the newspaper and also advertised on the radio that all revenue belonging to the City should be sent to the City of Opelousas, City Clerk's Office. The City is currently receiving payments that were previously going to the Police Department. There were a few payments that were not addressed as such. However, the person issuing the check has been notified of the correct address.**

**Person responsible: City Clerk Frances Carron.**

### **2004-4 Inadequate Documentation for Drug Buy Money**

**The City of Opelousas has shared the information received from another agency with the Police Department. Procedures have been worked out between the Assistant City Attorney and the Police Department and are currently being used.**

**Person responsible: City Clerk Frances Carron**

### **2004-5 Control over Capital Assets**

**The City of Opelousas has purchased inventory tags for all equipment and has begun inventory of the departments. This will be compared to inventory already on file for each department. All assets will be tagged and recorded. On other items, such as guns, the serial number will be recorded at the time of purchase along with the type of gun no matter the cost. The inventory should be complete in about three to four months.**

**Person responsible: City Clerk Frances Carron and Purchasing Clerk Joe Bellard.**

### **2004-6 Legislative Audit Findings**

**The City of Opelousas reviewed the Findings from the Office of the Legislative Auditor and responded accordingly to each finding.**

**Person responsible: City Clerk Frances Carron.**

## **FINDINGS-MANAGEMENT LETTER**

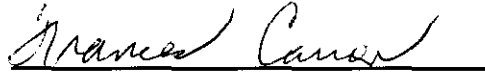
### **2004-7 Timely Submittal of Audit Report**

**Person responsible: City Clerk Frances Carron.**

**The report was delayed due to the investigation that was conducted by the Legislative Auditors. A part of their finds were included in fiscal year 2004. The report will be submitted in a timely manner in the future.**

**If any additional information is needed, please contact me @ (337) 948-2539 or (337) 278-6669.**

**Sincerely**

A handwritten signature in cursive script, reading "Frances Carron", written in black ink. The signature is positioned above a horizontal line.

**Frances Carron, MMC  
City Clerk**

**cc: Mayor  
Board of Aldermen**