

CITY OF RAYNE, LOUISIANA**Financial Report****Year Ended September 30, 2008**

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

Release Date 4/8/09

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Brupbacher & Associates
A PROFESSIONAL ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable James J. Petitjean, Mayor
And the Board of Alderman
City of Rayne, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information for the City of Rayne, Louisiana, as of and for the year ended September 30, 2008, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City of Rayne's 2007 financial statements and, in our report dated March 25, 2008, we expressed an unqualified opinion on the respective financial statements of the governmental activities and the aggregate remaining fund information.

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 opinion.

The financial statements referred to above include only the primary government of the City of Rayne, which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Rayne, as of September 30, 2008, the changes in its financial position, or where applicable its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the City of Rayne, Louisiana,

MEMBER OF
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The Honorable James J. Petitjean, Mayor
And the Board of Alderman
City of Rayne, Louisiana

as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2009 on our consideration of the City of Rayne's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 4 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rayne's basic financial statements. The other supplementary information on pages 48 through 66 and the budgetary comparison schedule listed as required supplementary information on pages 45 through 47 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information except for the portion marked "unaudited" (page 65) on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Brupbacher & Associates, APAC

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
March 25, 2009

Required Supplemental Information

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

The Management Discussion and Analysis (MD&A) offers the readers of the City of Rayne's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2008. This management discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of City finances. It is also intended to provide readers with an analysis of the City's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the City. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-Wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, community development and culture and recreation. Business-type activities include the electric, water and sewer systems.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City uses enterprise funds to account for its utility and sewer departments. The enterprise fund essentially provides the same information reported as business-type activities in the government-wide statements, only in more detail. The propriety fund financial statements provide separate information for the utility and sewer departments, which are considered major funds of the City.

Notes to basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the two major special revenue funds. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial analysis of the City as a whole

The City implemented the new financial reporting model used in this report beginning with the fiscal year ended September 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

The City's net assets at fiscal year-end are \$14,720,266. The following table provides a summary of the City's net assets:

Summary of Net Assets

	Governmental Activities	Business-Type Activities	Total	% Total
Assets:				
Current Assets and Other Assets	\$ 1,033,637	\$ 1,316,840	\$ 2,350,477	11%
Restricted Assets	-	822,397	822,397	4%
Capital Assets	<u>6,545,134</u>	<u>11,564,240</u>	<u>18,109,374</u>	<u>85%</u>
Total Assets	<u>\$ 7,578,771</u>	<u>\$ 13,703,477</u>	<u>\$ 21,282,248</u>	<u>100%</u>
Liabilities:				
Current Liabilities	\$ 694,493	\$ 1,358,438	\$ 2,052,931	31%
Long-Term Liabilities	<u>570,849</u>	<u>3,938,202</u>	<u>4,509,051</u>	<u>69%</u>
Total Liabilities	<u>\$ 1,265,342</u>	<u>\$ 5,296,640</u>	<u>\$ 6,561,982</u>	<u>100%</u>
Net Assets:				
Investment in Capital Assets, Net of Debt	5,593,328	7,674,240	13,267,568	90%
Restricted	101,462	822,397	923,859	6%
Unrestricted	<u>618,639</u>	<u>(89,800)</u>	<u>528,839</u>	<u>4%</u>
Total Net Assets	<u>\$ 6,313,429</u>	<u>\$ 8,406,837</u>	<u>\$ 14,720,266</u>	<u>100%</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$14,720,266 (net assets). The City's net assets are comprised of \$6,313,429 from governmental activities and \$8,406,837 from business-type activities.

The largest portion of the City of Rayne's net assets (90%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, vehicles, City infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$528,839 is unrestricted net assets that may be used to meet the government's ongoing obligations to its citizens and creditors.

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

The following table provides a summary of the City's changes in net assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>% Total</u>
Revenues:				
Program:				
Charges for Services/Fines	\$ 515,414	\$ 10,792,418	\$ 11,307,832	75%
Operating Grants	325,858	-	325,858	2%
Capital Grants & Contributions	97,352	-	97,352	1%
General:				
Sales Taxes	1,881,865	-	1,881,865	12%
Other Taxes	435,959	-	435,959	3%
Unrestricted Grants & Revenues	355,088	-	355,088	2%
Interest	4,562	32,192	36,754	1%
Other	160,490	494,835	655,325	4%
Total revenues	\$ 3,776,588	\$ 11,319,445	\$ 15,096,033	100%
Program expenses:				
General Government	\$ 1,123,699	\$ -	\$ 1,123,699	7%
Public Safety	1,384,596	-	1,384,596	9%
Public Works	959,567	-	959,567	6%
Hurricane Expenses	90,773	-	90,773	1%
Culture & Recreation	646,763	-	646,763	4%
Community Development	304,216	-	304,216	2%
Interest	34,111	-	34,111	1%
Water, Lights and Sewer	-	10,572,531	10,572,531	70%
Total expenses	\$ 4,543,725	\$ 10,572,531	\$ 15,116,256	100%
Excess (deficiency)	(767,137)	746,914	(20,223)	
Transfers	1,100,000	(1,100,000)	-	
Change in net assets	\$ 332,863	\$ (353,086)	\$ (20,223)	
Beginning net assets	5,980,566	8,759,923	14,740,489	
Ending net assets	<u>\$ 6,313,429</u>	<u>\$ 8,406,837</u>	<u>\$ 14,720,266</u>	

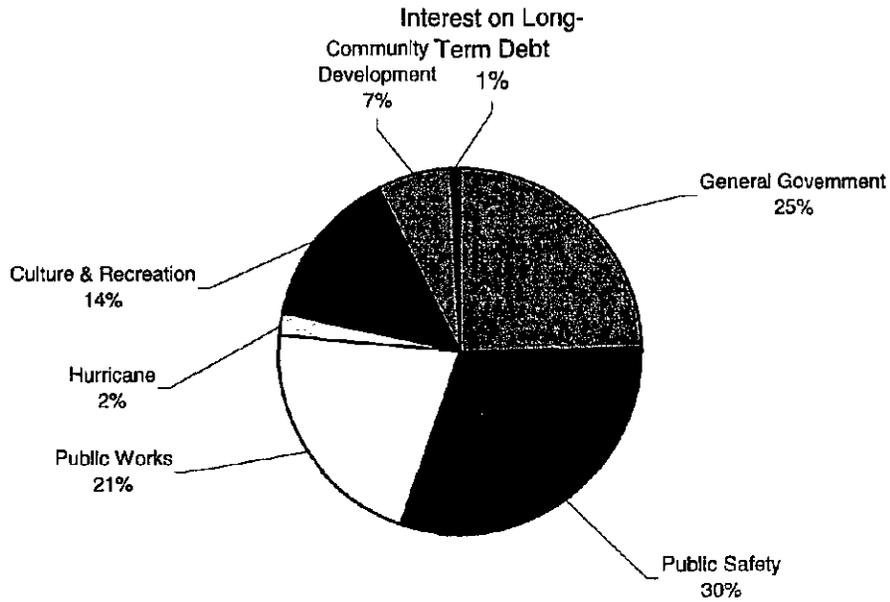
Governmental Activities

The governmental activities of the City include general government, public safety, public works, culture and recreation, and community development. Sales taxes, property taxes, intergovernmental revenues as well as licenses, permits and fines are used to fund these governmental activities. The following chart shows the City of Rayne's expenditures related to those functions typically associated with governments. In the chart, general government includes the following departments:

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
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Legislative (City Council), judicial, executive, financial, and other general administration. Public safety consists of the police, fire, permits, and civil defense. Public works is made up of the street department. Culture and recreation contain the City's parks, the museum, and the community center activities. Community development consists of the Section 8 program and the LCDBG fund.

Governmental Activities Expenditures

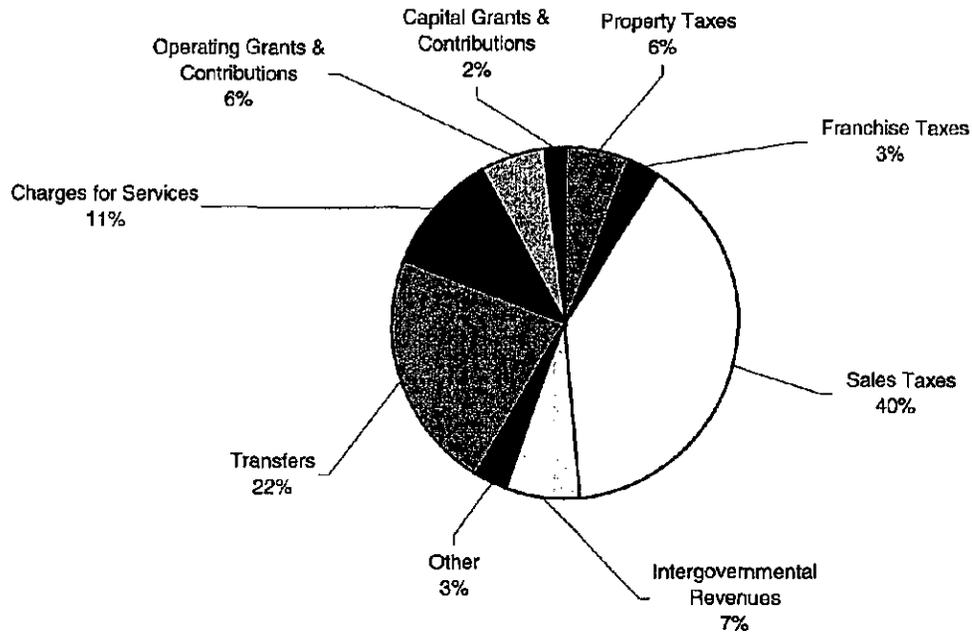


Following is a list of the Governmental Activities Expenditures:

	Amount	% Total
General Government	\$ 1,123,699	25%
Public Safety	1,384,596	30%
Public Works	959,567	21%
Hurricane	90,773	2%
Culture & Recreation	646,763	14%
Community Development	304,216	7%
Interest on Long-Term Debt	34,111	1%
Total Governmental Activities	<u>\$ 4,543,725</u>	<u>100%</u>

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

Governmental Revenues and Transfers



Governmental revenues consist of program revenues and general revenues are available for the City to use to pay for governmental activities described above.

Following is a list of the General Revenues and Transfers and Program Revenues:

	Amount	% Total
General Revenue & Transfers		
Taxes:		
Property Taxes	\$ 300,333	6%
Franchise Taxes	135,626	3%
Sales Taxes	1,881,865	40%
Intergovernmental Revenues	355,088	7%
Other	165,052	3%
Transfers	1,100,000	22%
Program Revenues		
Charges for Services	515,414	11%
Operating Grants & Contributions	325,858	6%
Capital Grants & Contributions	97,352	2%
Total Governmental Revenues	\$ 4,876,588	100%

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

Sales Tax Revenues are the largest general revenue source for the City as of September 30, 2008. It accounts for 40% of total governmental revenues. The city received \$1,881,865 in sales tax revenues.

Business-Type Activities

The business-type activities of the City are those that the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility and sewer departments reported \$11,216,565 of operating revenues and \$10,448,561 of operating expenses. The operating revenues consist mainly of charges for electricity, sewer and water services. The operating expenses include the costs for generation, distribution, treatment and the overhead cost of providing utility and sewer services. The revenues and corresponding operating expenses of the utility and sewer departments increased over the prior year by 10% and 13% respectively. The increases were mainly due to the increased fuel prices.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$799,144, which is a slight increase over the prior year.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Other Supplementary Information

In addition to the basic financial statements, this report also presents certain required supplementary information. The required supplementary information consists of the budgetary comparison schedules for the major governmental funds. The major governmental funds are the general fund and sales tax funds.

General Fund - There were no significant variations from the general fund's original budget amounts and the final budget amounts for revenues. The final budget revenues increased by approximately 4% over the original budget based on the City's collection patterns. The actual revenues collected, exceeded budgeted amounts by \$42,941. The original budget for expenditures was increased by approximately 10% for the final budget due in large part to the change in administration in the police department. The actual expenditures did not exceed the budget amounts by more than 5%.

Sales Tax - The originally budgeted sales tax revenues were increased by \$110,500 due to a higher than originally expected sales tax collection. There were no significant variations in the expenditures.

Youth Recreation - There were no significant variations in the budgeted revenues. The expenditures were increased by 42% to include additional capital outlay expenditures.

Capital Asset and Debt Administration

The City's investment in capital assets, net of accumulated depreciation, as of September 30, 2008, in its governmental activities is \$6,545,134 and in business-type activities is \$11,564,240 which totals \$18,109,374 for the City. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities and infrastructure.

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

Other taxes total 10% of governmental revenue at \$435,959. Program revenues account for 19% of total governmental revenues and consist of charges for services, operating grants and contributions, and capital grants and contributions.

Major capital asset additions during the current fiscal year included the following:

Street Department

- 1979 Ford Tractor, Bushhog mower & box blade at \$6,750
- 2000 International Truck for \$5,200
- Dump Truck Bed and Dump Truck Body with tarp system at a cost of \$11,664

Police Department

- (5) 700-Mhz radios at a cost of \$10,825
- (9) Used police units totaling \$21,890
- Patrol / Narcotics dog \$11,900
- Voice Recorder \$5,168
- New A/C & Heater at a total of \$6,680
- HP Server at a cost of \$7,072

Permits

- 2008 Dodge Ram 1500 for \$18,905

Youth Recreation

- Gossen Park – American Legion field project totaling \$140,056

Enterprise Fund

- RV and Frog Festival Grounds pavilion totaling \$ 48,834
- 2001 Dodge Ram at a cost of \$5,125
- 2008 Ford Expedition at a cost of \$25,860
- Construction of Water Well No. 9 for \$220,687
- Other equipment at \$17,081

Sewer Maintenance

- Wastewater Treatment Aerators totaling \$55,970

CITY OF RAYNE, LOUISIANA
Management's Discussion and Analysis
September 30, 2008

Long-Term Debt

The City of Rayne is currently servicing Certificates of Indebtedness, Series 2003 issued in the amount of \$3,255,000. They are due in annual installments through March 2010 with the current outstanding portion totaling \$940,000. The City Sewer Fund is servicing the Series 1996 & 1997 Sewer Revenue Bonds. The bonds are due in annual installments through March 2017. The current outstanding balance is \$3,375,000. The City also has Series 2004 Certificates of Indebtedness with an outstanding balance of \$515,000 due in annual installments through March 2014.

Economic Factors and Next Year's Budget

The 2008-2009 budget consists of projected revenues of \$16,108,367 and expenses of \$15,866,561. Since sales tax is a primary revenue stream for the City of Rayne, it is subject to the changes in the economy. Sales tax revenues have remained comparable to the previous year and therefore a modest increase in sales tax revenues is projected. The budget also includes \$1,451,961 of capital improvements throughout various city departments. It is anticipated that we will receive \$1,393,461 in capital grants to provide improvements to the electric, water and sewer departments. The City of Rayne is still involved with the development of the Roux Acadiana Commercial Development. This project including Frogland, USA, a major family entertainment complex development, is anticipated to be located North of Interstate 10 in Rayne. The family entertainment complex development is expected to bring at least 500,000 visitors to the area each year, creating 60 permanent jobs and over 300 part time positions. This development will bring added revenues and growth to the City. It will also bring with it additional management issues such as additional required personnel, increased traffic flow and other growth issues. This kind of project will be beneficial not only to the City of Rayne, but the entire Acadiana region. According to the developer, it appears likely that financing could be available as early as the Spring of 2009, despite the national challenges in commercial financing. Additionally, the City of Rayne Administration has filed an appropriations request through the Federal Highway Reauthorization process to secure financing of an East Rayne Interchange to accommodate the development. This proposed \$18 million project will also enhance Rayne's ability to attract new businesses and more importantly, alleviate traffic congestion at the existing Interstate exit. Approval is expected in the Fall of 2009.

Request for Information

This financial report is designed to provide a general overview of the City of Rayne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information, contact the City's Clerk, Mr. Robert Hebert, P.O. Box 69, Rayne, LA 70578.

Basic Financial Statements

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

CITY OF RAYNE, LOUISIANA

STATEMENT OF NET ASSETS
For the Year Ended September 30, 2008

	PRIMARY GOVERNMENT		TOTAL (MEMORANDUM ONLY)	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2008	2007
ASSETS				
Current Assets				
Cash and interest bearing deposits	\$ 388,676	\$ 233,966	\$ 622,642	\$ 1,009,259
Receivables	12,517	1,425,754	1,438,271	1,521,909
Internal balances	575,275	(575,275)	-	-
Due from governmental units	57,169	-	57,169	72,067
Prepaid items	-	-	-	-
Inventory	-	232,395	232,395	203,828
Total Current Assets	\$ 1,033,637	\$ 1,316,840	\$ 2,350,477	\$ 2,807,063
Noncurrent Assets				
Restricted assets	\$ 6,545,134	\$ 822,397	7,367,531	\$ 876,946
Capital assets (net)	-	11,564,240	11,564,240	18,521,647
Construction in Progress	-	-	-	-
Total Noncurrent Assets	\$ 6,545,134	\$ 12,386,637	\$ 18,931,771	\$ 19,398,593
TOTAL ASSETS	\$ 7,578,771	\$ 13,703,477	\$ 21,282,248	\$ 22,205,656
LIABILITIES				
Current Liabilities				
Accounts, salaries, and other payments	\$ 217,832	\$ 900,734	\$ 1,118,566	\$ 1,139,498
Bonds payable	460,000	410,000	870,000	845,000
Due to other governments	-	-	-	-
Deferred revenues	6,061	-	6,061	6,062
Other current liabilities	10,600	47,704	58,304	74,682
Total Current Liabilities	\$ 694,493	\$ 1,358,438	\$ 2,052,931	\$ 2,065,242
Noncurrent Liabilities				
Compensated absences	\$ 79,043	\$ 145,626	224,669	\$ 235,482
Leases payable	11,806	-	11,806	27,762
Claims payable	-	-	-	-
Customer deposits	-	312,576	312,576	306,681
Bonds payable	480,000	3,480,000	3,960,000	4,830,000
Total Noncurrent Liabilities	\$ 570,849	\$ 3,938,202	\$ 4,509,051	\$ 5,399,925
TOTAL LIABILITIES	\$ 1,265,342	\$ 5,296,640	\$ 6,561,982	\$ 7,465,167
NET ASSETS				
Invested in capital assets, net of related debt	\$ 5,593,328	\$ 7,674,240	\$ 13,267,568	\$ 12,825,502
Restricted for:				
Debt service	101,462	505,177	606,639	917,691
Customer Deposits	-	317,220	317,220	345,244
Unrestricted	618,639	(89,800)	528,839	652,052
TOTAL NET ASSETS	\$ 6,313,429	\$ 8,406,837	\$ 14,720,266	\$ 14,740,489

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes of Primary Government			Total (Memorandum Only) 2007
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	2008	
Governmental Activities:								
General government	\$ 1,123,699	\$ 284,536	\$ -	\$ -	\$ (839,163)	\$ -	\$ (839,163)	\$ (771,554)
Public safety	1,384,596	136,105	48,199	-	(1,200,292)	-	(1,200,292)	(936,609)
Public works	959,567	-	-	-	(959,567)	-	(959,567)	(983,892)
Hurricane Expenses	90,773	-	-	-	(90,773)	-	(90,773)	-
Cultural and recreation	646,763	94,773	-	97,352	(454,638)	-	(454,638)	(463,800)
Community development	304,216	-	277,659	-	(26,557)	-	(26,557)	26,830
Interest on long-term debt	34,111	-	-	-	(34,111)	-	(34,111)	(47,046)
Total government activities	\$ 4,543,725	\$ 515,414	\$ 325,858	\$ 97,352	\$ (3,605,101)	\$ -	\$ (3,605,101)	\$ (3,176,071)
Business-type activities								
City water and lights	\$ 9,746,332	\$ 9,921,787	\$ -	\$ -	\$ -	\$ 175,455	\$ 175,455	\$ 503,936
Sewerage	826,199	870,631	-	-	-	44,432	44,432	(18,179)
Total Business-type activities	\$ 10,572,531	\$ 10,792,418	\$ -	\$ -	\$ -	\$ 219,887	\$ 219,887	\$ 485,757
Total Primary Government	\$ 15,116,256	\$ 11,307,832	\$ 325,858	\$ 97,352	\$ (3,605,101)	\$ 219,887	\$ (3,385,214)	\$ (2,690,314)
General Revenues and Transfers:								
Property taxes levied for general purpose		\$ 176,230	\$ -	\$ -	\$ 176,230	\$ -	\$ 176,230	\$ 164,983
Property taxes levied for youth recreation		124,103	-	-	124,103	-	124,103	116,183
Sales taxes levied for general purposes		1,881,865	-	-	1,881,865	-	1,881,865	1,889,982
Franchise taxes		135,626	-	-	135,626	-	135,626	134,789
Insurance claims		-	-	-	-	-	-	-
Gaming revenues		337,032	-	-	337,032	-	337,032	311,113
Grants and contributions not restricted to specific programs		18,056	-	-	18,056	-	18,056	29,079
Investment earnings		4,562	-	-	4,562	32,192	36,754	37,097
Other general revenues		160,490	-	-	160,490	494,835	655,325	589,266
Transfers		1,100,000	-	-	1,100,000	-	1,100,000	-
Total General Revenues and Transfers		\$ 3,937,964	\$ (572,973)	\$ -	\$ 3,364,991	\$ -	\$ 3,364,991	\$ 3,272,492
Change in Net Assets					332,863	(353,086)	(20,223)	582,178
Net assets-beginning					5,980,566	8,759,923	14,740,489	14,158,311
Net assets-ending					\$ 6,313,429	\$ 8,406,837	\$ 14,720,266	\$ 14,740,489

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

Major Fund Descriptions

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Fund

To account for the collection and disbursement of the City's two percent (2%) sales and use tax.

City, Water and Light Plant Fund (Utility Fund)

To account for the provision of electricity and water services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrative, maintenance, financing and related debt service and billing and collection.

Sewer Fund

To account for the provision of wastewater treatment services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrative maintenance, financing and related debt service, and billing and collection.

CITY OF RAYNE, LOUISIANA

BALANCE SHEET

For the Year Ended September 30, 2008

	GENERAL FUND	SALES TAX FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS (Memorandum Only)	
				2008	2007
ASSETS					
Cash and cash equivalents	\$ 75,937	\$ 149,393	\$ 55,596	\$ 280,926	\$ 347,200
Investments	-	-	107,750	107,750	461,869
Due from other funds	290,000	-	400,000	690,000	270,000
Other Receivables	65,767	2,736	46,183	114,686	83,848
TOTAL ASSETS	\$ 431,704	\$ 152,129	\$ 609,529	\$ 1,193,362	\$ 1,162,917
LIABILITIES & FUND BALANCES					
Liabilities					
Accounts Payable	\$ 144,009	\$ -	\$ 5,203	\$ 149,212	\$ 184,461
Accrued liabilities	112,632	229	759	113,620	84,110
Due to other funds	14,725	40,000	60,000	114,725	68,850
Due to other governments	-	-	-	-	-
Deferred revenues	3,541	-	2,520	6,061	6,062
Other liabilities	10,600	-	-	10,600	23,268
TOTAL LIABILITIES	\$ 285,507	\$ 40,229	\$ 68,482	\$ 394,218	\$ 366,751
Fund Balance					
Reserved for debt service	\$ -	\$ -	\$ 496,462	\$ 496,462	\$ 430,989
Unreserved	146,197	111,900	44,585	302,682	365,177
TOTAL FUND BALANCE	\$ 146,197	\$ 111,900	\$ 541,047	\$ 799,144	\$ 796,166
TOTAL LIABILITIES AND FUND BALANCES	\$ 431,704	\$ 152,129	\$ 609,529	\$ 1,193,362	\$ 1,162,917

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Reconciliation of The Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
For the Year Ended September 30, 2008

Total Fund Balances for governmental funds at September 30, 2008	\$	799,144
<p>Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:</p>		
Buildings, net of \$1,094,789 accumulated depreciation	\$	557,715
Improvements other than Buildings, net of \$664,326 accumulated depreciation		804,506
Vehicles, net of \$422,233 accumulated depreciation		120,093
Equipment, net of \$427,590 accumulated depreciation		206,157
Infrastructure, net of \$2,621,579 accumulated depreciation		4,856,663
		6,545,134
<p>Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Bonds, notes, and loans payable	\$	(940,000)
Lease payable		(11,806)
Compensated absences		(79,043)
		(1,030,849)
Net Assets of Governmental Activities at September 30, 2008	\$	6,313,429

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF REVENUES EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008

	GENERAL FUND	SALES TAX FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS (Memorandum Only)	
				2008	2007
REVENUES					
Taxes					
Ad valorem	\$ 176,230	\$ -	\$ 124,103	\$ 300,333	\$ 281,166
Sales and use	-	1,881,865	-	1,881,865	1,889,982
Other taxes	135,626	-	-	135,626	134,789
Licenses and permits	284,536	-	-	284,536	314,467
Intergovernmental revenues	395,938	-	277,659	673,597	628,595
Federal grants					
FEMA	-	-	-	-	-
State funds:					
Grant	48,199	-	97,352	145,551	152,571
Charges for services	55,984	-	38,789	94,773	78,225
Fines and forfeitures	110,565	-	-	110,565	133,478
Investment earnings	312	208	4,042	4,562	4,038
Other revenues	116,207	-	28,973	145,180	226,609
Total Revenues	\$ 1,323,597	\$ 1,882,073	\$ 570,918	\$ 3,776,588	\$ 3,843,920
EXPENDITURES					
General government	\$ 1,025,796	\$ 67,677	\$ -	\$ 1,093,473	\$ 1,066,569
Public safety	1,406,702	-	-	1,406,702	1,265,256
Public works	774,066	-	-	774,066	826,561
Public works - Hurricane	90,773	-	-	90,773	-
Cultural and recreation	430,092	-	283,910	714,002	734,007
Urban Redevelopment and housing	-	-	304,216	304,216	239,370
Debt service:					
Principle Retirement	-	-	456,267	456,267	440,757
Interest and fiscal charges	-	-	34,111	34,111	47,046
Total Expenditures	\$ 3,727,429	\$ 67,677	\$ 1,078,504	\$ 4,873,610	\$ 4,619,566
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,403,832)	\$ 1,814,396	\$ (507,586)	\$ (1,097,022)	\$ (775,646)
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of debt	\$ -	\$ -	\$ -	\$ -	\$ 33,828
Transfers in	2,950,000	-	552,363	3,502,363	3,352,363
Transfers out	(552,363)	(1,850,000)	-	(2,402,363)	(2,252,363)
Payment to refunded debt	-	-	-	-	-
Service agent	-	-	-	-	-
Total Other Financing Sources and Uses	\$ 2,397,637	\$ (1,850,000)	\$ 552,363	\$ 1,100,000	\$ 1,133,828
Net Change in Fund Balance	\$ (6,195)	\$ (35,604)	\$ 44,777	\$ 2,978	\$ 358,182
Fund balances - beginning	152,392	147,504	496,270	796,166	437,984
Fund balances - ending	\$ 146,197	\$ 111,900	\$ 541,047	\$ 799,144	\$ 796,166

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, 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 September 30, 2008

Total net changes in fund balances at September 30, 2008 for statement of revenues, expenditures and changes in fund balances	\$	2,978
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay which is considered expenditures on statement of revenues, expenditures and charges in fund balances.	 \$	 246,111
Depreciation expense for the period ended September 30, 2007	<u>(347,559)</u>	(101,448)
 In the statement of activities, only the gain or loss on the sale of assets is reported. Whereas, in the government funds, the proceeds from the sale increases financial resources.	 \$	 (13,750)
The net effect of various miscellaneous transactions involving capital assets. (ie. Sales, Trade-ins, Disposals, etc)	 <u>-</u>	 (13,750)
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Increase in Compensated Allowances	\$ (11,184)	
Capital Lease	<u>-</u>	(11,184)
 Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets.		
Bond Principal Retirement	\$ 445,000	
Lease payment	11,267	
Claims Decreased	<u>-</u>	<u>456,267</u>
 Total changes in net assets at September 30, 2008 for statement of activities	 \$	 <u>332,863</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
For the Year Ended September 30, 2008

	BUSINESS-TYPE ACTIVITIES		Total	
	Enterprise Funds		(Memorandum Only)	
	UTILITY FUND	SEWER FUNDS	2008	2007
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 62,409	\$ 123,506	\$ 185,915	\$ 100,225
Investments	-	48,051	48,051	99,965
Receivables (net of allowances for uncollectables)	1,326,608	98,829	1,425,437	1,510,128
Due from other funds	75,494	-	75,494	69,327
Inventory	230,829	1,566	232,395	203,828
Prepaid items	-	-	-	-
Other Assets	-	41,692	41,692	-
Total Current Assets	\$ 1,695,340	\$ 313,644	\$ 2,008,984	\$ 1,983,473
Non-Current Assets				
Restricted Assets				
Cash	\$ 2,535	\$ -	\$ 2,535	\$ 26,625
Customer Deposits	314,685	-	314,685	345,144
Investments at cost	-	430,177	430,177	430,177
Bond Reserve account	-	75,000	75,000	75,000
Capital Assets net of accumulated depreciation	4,269,244	7,294,996	11,564,240	11,861,317
Total Non-Current Assets	\$ 4,586,464	\$ 7,800,173	\$ 12,386,637	\$ 12,738,263
TOTAL ASSETS	\$ 6,281,804	\$ 8,113,817	\$ 14,395,621	\$ 14,721,736
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 785,808	\$ 83,335	\$ 869,143	\$ 808,203
Accrued liabilities	61,889	11,078	72,967	62,724
Due to other funds	650,000	768	650,768	270,477
Other liabilities	47,704	-	47,704	51,414
Payable from restricted assets				
Customer Deposits	312,576	-	312,576	306,681
Revenue Bonds	80,000	330,000	410,000	400,000
Total Current Liabilities	\$ 1,937,977	\$ 425,181	\$ 2,363,158	\$ 1,899,499
Non Current Liabilities				
Compensated absences	\$ 129,941	\$ 15,685	\$ 145,626	\$ 167,623
Leases Payable	-	-	-	4,691
General obligation bonds	-	-	-	-
Revenue bonds	435,000	3,045,000	3,480,000	3,890,000
Total Non-Current Liabilities	\$ 564,941	\$ 3,060,685	\$ 3,625,626	\$ 4,062,314
TOTAL LIABILITIES	\$ 2,502,918	\$ 3,485,866	\$ 5,988,784	\$ 5,961,813
NET ASSETS				
Invested in capital assets , net of related debt	\$ 4,276,957	\$ 3,919,996	\$ 8,196,953	\$ 8,156,625
Restricted for debt service	-	505,177	505,177	505,177
Restricted for customer deposits	317,220	-	317,220	371,769
Unrestricted	(815,291)	202,778	(612,513)	(273,648)
TOTAL NET ASSETS	\$ 3,778,886	\$ 4,627,951	\$ 8,406,837	\$ 8,759,923

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	BUSINESS-TYPE ACTIVITIES		Total	
	Enterprise Funds		(Memorandum Only)	
	UTILITY FUND	SEWER FUNDS	2008	2007
Operating Revenues				
Charges for services:				
Electricity sales	\$ 9,409,710	\$ -	\$ 9,409,710	\$ 8,443,942
Sewer charges	-	870,631	870,631	857,792
Water sales	512,077	-	512,077	506,178
Other Services	424,147	-	424,147	468,454
Total Operating Revenues	<u>\$ 10,345,934</u>	<u>\$ 870,631</u>	<u>\$ 11,216,565</u>	<u>\$ 10,276,366</u>
Operating Expenses				
Electric Generating expense	\$ 7,263,880	\$ -	\$ 7,263,880	\$ 6,201,589
Electric Distribution expense	338,997	-	338,997	378,481
Water Department expense	248,023	-	248,023	256,315
Water Treatment Plant expense	321,289	-	321,289	263,816
Overhead expense	1,440,875	-	1,440,875	1,427,261
Warehouse expense	49,256	-	49,256	29,752
Sewer Department expense	-	721,843	721,843	762,175
Hurricane expense	64,398	-	64,398	-
Total Operating Expenses	<u>\$ 9,726,718</u>	<u>\$ 721,843</u>	<u>\$ 10,448,561</u>	<u>\$ 9,319,389</u>
Operating Income	<u>\$ 619,216</u>	<u>\$ 148,788</u>	<u>\$ 768,004</u>	<u>\$ 956,977</u>
Nonoperating Revenues (Expenses)				
Intergovernmental				
FEMA	\$ -	\$ -	\$ -	\$ -
State	-	-	-	205,012
Interest earnings	8,263	23,929	32,192	33,059
Interest expense	(19,614)	(104,356)	(123,970)	(135,984)
Insurance claims	-	-	-	-
Miscellaneous	18,490	52,198	70,688	(68,229)
Total Nonoperating Revenues (Expenses)	<u>\$ 7,139</u>	<u>\$ (28,229)</u>	<u>\$ (21,090)</u>	<u>\$ 33,858</u>
Income Before Contributions and Transfers	<u>\$ 626,355</u>	<u>\$ 120,559</u>	<u>\$ 746,914</u>	<u>\$ 990,835</u>
Capital Contributions	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-
Transfers Out	(1,100,000)	-	(1,100,000)	(1,100,000)
Total transfers Cost	<u>\$ (1,100,000)</u>	<u>\$ -</u>	<u>\$ (1,100,000)</u>	<u>\$ (1,100,000)</u>
Change in Net Assets	<u>\$ (473,645)</u>	<u>\$ 120,559</u>	<u>\$ (353,086)</u>	<u>\$ (109,165)</u>
Total Net Assets - Beginning	<u>4,252,531</u>	<u>4,507,392</u>	<u>8,759,923</u>	<u>8,869,088</u>
Total Net Assets - Ending	<u>\$ 3,778,886</u>	<u>\$ 4,627,951</u>	<u>\$ 8,406,837</u>	<u>\$ 8,759,923</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended September 30, 2008

	Business-Type Activities		Total	
	Enterprise Funds		(Memorandum Only)	
	UTILITY	SANITATION	2008	2007
Cash flows from operating activities:				
Cash received from customers	\$ 10,007,642	\$ 869,466	\$ 10,877,108	\$ 9,745,763
Cash payment to suppliers for goods and services	(8,393,032)	(180,744)	(8,573,776)	(8,287,411)
Cash payments to employees for services	(933,406)	(170,666)	(1,104,072)	(1,029,336)
Other operating revenues	424,147	-	424,147	468,454
Net cash provided by operating activities	\$ 1,105,351	\$ 518,056	\$ 1,623,407	\$ 897,470
Cash flows from non-capital financing activities:				
Operating transfers-out to other funds	\$ (1,100,000)	\$ -	\$ (1,100,000)	\$ (770,000)
Operating transfers-in from other funds	-	-	-	-
Other non-operating revenue	18,490	52,198	70,688	13,724
Grants	-	-	-	205,012
Amounts (to) from other funds	380,000	(291)	379,709	(255,477)
Net receipts (payments) of customers' deposits	5,895	-	5,895	11,776
Net cash used for non-capital financing activities	\$ (695,615)	\$ 51,907	\$ (643,708)	\$ (794,965)
Cash flows from capital and related financing activities:				
Certificate of Indebtedness	\$ -	\$ -	\$ -	\$ -
Certificate of Indebtedness principal paid	(75,000)	-	(75,000)	(70,000)
Principal note payments	(4,691)	-	(4,691)	(30,330)
Acquisition and construction of capital assets	(312,462)	(55,970)	(368,432)	(206,386)
Principal paid on revenue bonds	-	(325,000)	(325,000)	(315,000)
Interest paid on revenue bonds	(19,614)	(104,356)	(123,970)	(135,984)
Net cash used for capital and related financing activities	\$ (411,767)	\$ (485,326)	\$ (897,093)	\$ (757,700)

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended September 30, 2008

	Business-Type Activities		Total	
	Enterprise Funds		(Memorandum Only)	
	UTILITY	SANITATION	2008	2007
Cash flows from investing activities				
Net Investment Activity	\$ (32,771)	\$ 5,713	\$ (27,058)	\$ (46,613)
Interest on investments	6,213	23,929	30,142	33,059
Net cash provided (used) by investing activities	\$ (26,558)	\$ 29,642	\$ 3,084	\$ (13,554)
Net increase (decrease) in cash	\$ (28,589)	\$ 114,279	\$ 85,690	\$ (648,272)
Cash, beginning of year	90,998	9,227	100,225	748,497
Cash, end of year	\$ 62,409	\$ 123,506	\$ 185,915	\$ 100,225
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 619,216	\$ 148,788	\$ 768,004	\$ 820,993
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	\$ 320,175	\$ 345,333	\$ 665,508	\$ 684,929
Net provision for uncollectible accounts	56,115	5,763	61,878	58,724
Changes in assets and liabilities:				
Decrease (Increase) in receivables	85,855	(1,165)	84,690	(62,149)
Decrease (Increase) in inventory	(28,659)	91	(28,568)	1,809
Decrease (Increase) in prepaid expenses	-	-	-	-
Decrease (Increase) in other assets	-	-	-	1,931
(Decrease) Increase in accounts payable	43,077	17,863	60,940	(749,056)
(Decrease) Increase in sales tax payable	(3,710)	-	(3,710)	36
(Decrease) Increase in other payables	13,282	1,383	14,665	4,269
Total adjustments	\$ 486,135	\$ 369,268	\$ 855,403	\$ (59,507)
Net cash provided by operating activities	\$ 1,105,351	\$ 518,056	\$ 1,623,407	\$ 761,486

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the City of Rayne, 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 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. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Rayne was incorporated on May 2, 1883, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Alderman form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

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

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

1. Appointing a voting majority for an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Based on the previous criteria, the City has determined that the following are component units:

1. Rayne City Court is fiscally dependent on the City for office space and courtrooms. The city also has authority over its budget. The Rayne City Court's fiscal year end is September 30, 2008. A copy of the Rayne City Court's audit can be obtained by sending a request to Rayne City Court, Post Office Box 61, Rayne, LA 70578.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

2. Rayne Marshal's Fund is fiscally dependent on the City for office space. The Marshal's Fund year end is September 30, 2008 and a copy of this report can be obtained by sending a request to Rayne Marshal's Fund, Post Office Box 61, Rayne, LA 70578.

The City of Rayne Housing Authority was chartered by the City and is a related organization since the Mayor appoints a voting majority of the Housing Authority's governing board. The City of Rayne is not financially accountable for the Housing Authority, it cannot impose its will on the Housing Authority, and there is no potential for the Housing Authority to provide financial benefit or impose financial burdens on the City of Rayne. Therefore, the Housing Authority has not been included in the reporting entity.

The City has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government financial statements include all major funds, aggregate non-major funds, and organizations for which the City maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The City has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements, the statement of net assets and the statement of changes in net assets, report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (2) 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 RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements (FFS)

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

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

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

The major funds of the City are described below:

Governmental Funds -

General Fund

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

Sales Tax Fund

The sales tax fund accounts for the collection and disbursement of the City's two percent (2%) sales and use tax.

Proprietary Funds

The City reports the following major enterprise fund.

Utility Fund

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

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Additionally, the City reports the following fund types:

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds

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

C. Measurement Focus/Basis of Accounting

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net current assets.

On the government-wide statements of net assets and statements of activities, both the governmental and business type activities are presented using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these activities are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of Accounting

The statements of net assets, statements of activities, and financial statements of the proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred without regard to receipt or disbursement of cash. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

D. Assets, Liabilities and Equity

Cash and Interest Bearing Deposits

The City of Rayne's cash and cash equivalents consist of cash on hand and amounts in demand deposit accounts and interest bearing demand deposits. Investments consist of passbook savings accounts, and certificates of deposit of the City.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Receivables

In the government wide statements, receivables consist of revenues earned but not yet received at year-end. For governmental activities the major receivable balances at year-end are receivables from governmental units. Business type activities report customer's utility and sewer service receivables as the major receivables. Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility and sewer receivables was \$ 492,123 and \$ 430,245 at September 30, 2008 and 2007, respectively.

Inventory and Prepaid Items

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. 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.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City of Rayne maintains a threshold level of \$2,000 or more for capitalizing capital assets.

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

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	40 years
Equipment	5-20 years
Utility System & Improvements	20-40 years
Infrastructure	20-40 years

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

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

Long-term debt

In the government-wide statements, all long-term debt is reported as liabilities and is repaid from governmental and business-type resources. The long-term debt consists mainly of general obligation bonds, revenue bonds, and utility meter deposits.

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

Compensated Absences

City employees are entitled to certain compensated absences based upon their length of service. Annual leave shall be earned by regular employees based on continuous service as indicated by the following:

- a. Less than seven months, no credit.
- b. Seven months but less than twelve months, ½ day per month.
- c. One year but less than seven years, twelve days per year.
- d. Seven years but less than fourteen years, fifteen days per year.
- e. Fourteen years or more of service, eighteen days per year.

No annual leave shall be earned while an employee is on leave of absence without pay or during a period of suspension. The maximum amount of annual leave that is allowed to be carried forward is one year's earned leave plus one-third of earned annual leave.

Sick leave is accumulated based on continuous employment in the amount of one day per month beginning with the seventh month of employment. Upon termination, employees are paid for all annual leave. Sick leave is forfeited upon termination of employment. A retiring employee, at his election, may use accrued sick leave towards extension of his retirement date. The total accrued sick leave is \$224,670.

Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints place on the use 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 RAYNE, LOUISIANA

Notes to the Basic Financial Statements

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. 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.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, the governmental funds expenditures are classified by function and the proprietary fund expenditures are classified by operating and nonoperating.

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

Interfund Transfers

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

F. Budget and Budgetary Accounting

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

1. Prior to September 1, the City Clerk prepares a proposed budget and submits this budget to the Mayor and the Board of Aldermen no later than 15 days prior to the beginning of each fiscal year. The proposed budget for the year ended September 30, 2008 was submitted to the City Council on August 13, 2007.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
3. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The proposed budget for the year ended September 30, 2008 was adopted as Ordinance No. 1030 on September 10, 2007.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

4. Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. The budget for the year ended September 30, 2008 was amended on September 8, 2008.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

G. Use of Estimates

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

Note 2. Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2008, the City had cash and interest-bearing deposits (book balances) as follows:

Demand Deposits and Interest Bearing	
Demand Deposits	\$ 460,453
Passbook savings, Money	
Market accounts and	
Time Deposits	<u>975,663</u>
Total Bank Balances	<u>\$ 1,436,116</u>
Securities pledged and held	
by the custodial bank in the	
name of the City	\$ 2,544,357
FDIC Insurance	<u>300,000</u>
Total Pledged Securities and FDIC Insurance	<u>\$ 2,844,357</u>
Excess of pledged securities and FDIC Insurance	
over cash and cash equivalents	<u>\$ 1,408,241</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2008 the carrying amount of the City's deposits was \$ 1,436,116 and the bank balance was \$ 1,394,868. The deposits are secured from risk by \$ 300,000 of federal deposit insurance and \$ 2,544,357 of pledged securities held in the name of the fiscal agent bank.

Note 3 Ad Valorem Taxes

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City on October 1 and payable on December 31. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Acadia Parish. City property taxes are budgeted in the year billed.

For the year ended September 30, 2008, taxes of 12.10 mills were levied on property with assessed valuations totaling \$24,820,680 and were dedicated as follows:

General corporate purposes	7.10 mills
Youth recreation	5.00 mills

Total taxes levied were \$300,334 and taxes receivable at September 30, 2008 were \$2,765.

Note 4

Receivables

Receivables at September 30, 2008 of \$1,489,622 consist of the following:

	General Fund	Enterprise Fund	Total
Accounts Receivable	\$ -	\$ 1,917,560	\$ 1,917,560
Allowance for uncollectible amounts	-	(492,123)	(492,123)
Franchise Tax	11,334	-	11,334
City Fines	10,850	-	10,850
Video Poker	33,233	-	33,233
Other Receivable	8,768	-	8,768
Totals	<u>\$ 64,185</u>	<u>\$ 1,425,437</u>	<u>\$ 1,489,622</u>

Note 5

Due from Other Governmental Units

Amounts due from governmental units included in receivables at September 30, 2008 consisted of the following:

General Fund:

Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending September 30, 2008	\$ 4,403
Amount due from the State of Louisiana for video poker revenues earned during fiscal year ending September 30, 2008	33,233
Amount due from Acadia Parish Sheriff's Office	<u>4,365</u>
Total due from other governmental units	<u>\$ 42,001</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 6 Restricted Assets – Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2008:

Revenue bond reserve account	\$ 430,177
Revenue contingency account	75,000
Customers' deposits	<u>317,220</u>
 Total restricted assets	 <u>\$ 822,397</u>

Note 7 Capital Assets

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

	<u>Balance 10/01/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 09/30/08</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Other capital assets:				
Buildings	1,652,504	-	-	1,652,504
Improvement other than buildings	1,328,774	140,056	-	1,468,830
Infrastructure	7,478,242	-	-	7,478,242
Equipment, furniture and fixtures	610,429	48,396	25,077	633,748
Vehicles	570,496	57,659	85,828	542,327
Total	<u>\$ 11,640,445</u>	<u>\$ 246,111</u>	<u>\$ 110,905</u>	<u>\$ 11,775,651</u>
Less accumulated depreciation				
Buildings	\$ 1,059,201	\$ 35,587	\$ -	\$ 1,094,788
Improvements other than buildings	621,126	43,199	-	664,325
Infrastructure	2,428,212	193,368	-	2,621,580
Equipment, furniture and fixtures	410,642	41,581	24,633	427,590
Vehicles	460,933	33,824	72,524	422,233
Total accumulated depreciation	<u>\$ 4,980,114</u>	<u>\$ 347,559</u>	<u>\$ 97,157</u>	<u>\$ 5,230,516</u>
Governmental activities,				
Capital assets, net	<u>\$ 6,660,331</u>	<u>\$ (101,448)</u>	<u>\$ 13,748</u>	<u>\$ 6,545,135</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 29,827
Public Safety	35,800
Public Works	209,115
Cultural & recreation	72,817
Community development	-
Total depreciation expense	<u>\$ 347,559</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 7 Capital Assets (Continued)

	<u>Balance 10/1/2007</u>	<u>Additions / Reclass</u>	<u>Deletions / Reclass</u>	<u>Balance 9/30/2008</u>
Business-Type activities:				
Capital assets not being depreciated:				
Land – CW&L	\$ 53,470	\$ -	\$ -	\$ 53,470
Land – Sewer	500,000	-	-	500,000
Construction in progress	-	-	-	-
Other capital assets:				
Buildings – CW&L	\$ 2,882,102	\$ 250,095	\$ -	\$ 3,132,197
Electric System & Imp	4,213,956	-	-	4,213,956
High Demand Plant facility	3,690,166	-	590,533	3,099,633
Water System & Imp	2,729,258	220,687	-	2,949,945
Machinery & Equip – CW&L	1,137,521	42,941	-	1,180,462
Sewer System	11,450,126	55,970	216,840	11,289,256
Machinery & Equip - Sewer	184,805	-	-	184,805
Totals	<u>\$ 26,841,404</u>	<u>\$ 569,693</u>	<u>\$ 807,373</u>	<u>\$ 26,603,724</u>
Less accumulated depreciation				
Building – CW&L	\$ 915,802	\$ 83,055	\$ -	\$ 998,857
Electric System & Imp	3,419,492	72,694	-	3,492,186
High Demand Plant facility	3,373,151	59,481	590,533	2,842,099
Water System & Imp	1,913,242	69,189	5,032	1,977,399
Machinery & Equip – CW&L	807,827	40,790	15,580	833,037
Sewer System	4,381,783	336,208	-	4,717,991
Machinery & Equip - Sewer	168,790	9,125	-	177,915
	<u>\$ 14,980,087</u>	<u>\$ 670,542</u>	<u>\$ 611,145</u>	<u>\$ 15,039,484</u>
Business-type activities, Capital assets, net				<u>\$ 11,564,240</u>

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

Utility	\$ 320,175
Sewer	345,333
Total depreciation expense	<u>\$ 665,508</u>

In May 1979, the City terminated its electricity generating operations. The City now purchases the majority of all electricity used from Louisiana Energy and Power Authority. The City is maintaining the engines and generators to be used only in an emergency and in high demand situations.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 8 Accounts and Other Payables

The accounts and other payables consisted of the following at September 30, 2008:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 104,212	\$ 827,767	\$ 931,979
Other payables	113,620	72,967	186,587
Totals	<u>\$ 217,832</u>	<u>\$ 900,734</u>	<u>\$ 1,118,566</u>

Note 9 Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2008:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Bonds Payable at 9-30-07	\$ 1,385,000	\$ 4,290,000	\$ 5,675,000
Bonds retired	(445,000)	(400,000)	(845,000)
Totals	<u>\$ 940,000</u>	<u>\$ 3,890,000</u>	<u>\$ 4,830,000</u>

Long-term debt payable at September 30, 2008 is comprised of the following individual issues:

General Obligation Bonds:

\$3,255,000 Certificates of Indebtness, series 2003, due in annual installments of \$480,000 to \$ 505,000 through March 1, 2010; interest at 2.840% (to be retired by excess revenues	\$ 940,000
Less current portion	460,000
Long-term bond payable	<u>\$ 480,000</u>

On January 13, 2003 the City of Rayne adopted a resolution for a bond ordinance in order to provide for the issuance of \$3,255,000 principal amount of its Refunding Certificates of Indebtness, Series 2003 for the purpose of advance refunding the, (1) \$130,000 of the 1996 Certificates, (2) \$180,000 of the 1995 Certificates, and (3) \$2,905,000 of the 2000 certificates. The refunding and refinancing of these certificates would be financially advantageous to the issuer and would result in a lower effective interest rate on such refunded certificates and debt service savings to the issuer. The total net savings from refunding totaled \$305,252.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Revenue bonds: (All issues being serviced-principal and interest – by the Sewer Fund)

\$4,200,000 Series 1996 Sewer Revenue Bonds due in annual installments of \$155,000 to \$275,000 through March 1, 2017; interest at the rate of 2.95% and \$2,300,000 Series 1997 Sewer Revenue Bonds due to annual installments of \$85,000 to \$145,000 through March 1, 2017; interest at the rate of 2.95%	\$ 3,375,000
Less: Current Portion	<u>330,000</u>
Long-term revenue bonds payable	<u>\$ 3,045,000</u>
\$800,000 Series 2004 Certificates of Indebtedness due in annual installments of \$70,000 to \$95,000 through March 2014; interest at the rate of 3.55%.	\$ 515,000
Less: Current Portion	<u>80,000</u>
Long-term revenue bonds payable	<u>\$ 435,000</u>

On May 1, 1996 the City of Rayne approved and authorized the issuance of Sewer Revenue Bonds in the aggregate principal amount not to exceed \$6,450,000. The bonds are issued in series from time to time and at this time specifically authorize sale, issuance and delivery of \$4,200,000 principal amount of the Sewer Revenue Bonds, Series 1996. The Series 1997 Sewer Revenue Bonds were authorized and issued in the principal amount of \$2,300,000. The bond proceeds are to be used for the purpose of constructing and acquiring the Wastewater Treatment Facility Project.

The bonds are due as follows:

Year Ending September 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2009	460,000	20,164	410,000	95,508
2010	480,000	6,816	425,000	84,399
2011	-	-	440,000	72,895
2012	-	-	450,000	61,057
2013	-	-	465,000	48,886
2014	-	-	480,000	34,606
2015-2017	-	-	1,220,000	45,448
	<u>\$ 940,000</u>	<u>\$ 26,980</u>	<u>\$ 3,890,000</u>	<u>\$ 442,799</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 10 Flows of Funds; Restrictions on Use – Utilities Revenues

Revenue Bonds:

- A. Under the terms of the bond indentures on outstanding Sewer Utility Revenue Bonds dated May 1, 1996, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewerage System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, they will be set aside into a fund called the “Bond and Interest Sinking Fund” an amount constituting 1/12th of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a “Bond Reserve Fund” an amount equal to 5% of the amount required to be paid into the Sinking Fund during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a “Contingency Fund”. Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system, which are necessary to keep the system in operation condition. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

- B. The City of Rayne was in compliance with all significant limitations and restrictions in the bond indentures at September 30, 2008.

Note 11 Pension Plan

Substantially all employees of the City of Rayne are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), and Municipal Police Employees Retirement System of Louisiana (MPERS). These systems are cost-sharing, multiple-employee defined benefit pension plans administered by separate boards of trustees.

The City of Rayne participates in Plan B of the MERS. All permanent employees working at least 35 hours per week who are not covered by another public funded retirement system and under age 60 at date of employment are eligible to participate in the System. The retirement criteria for Plan B participants is as follows:

1. Age 55 with thirty years of creditable service.
2. Age 60 with a minimum of ten or more years of creditable service.
3. Under age 60 with ten years of creditable service eligible for disability benefits.
4. Survivor’s benefits require twenty years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B consists of an amount equal to two percent of the member’s final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Members of Plan B are required to contribute five percent of their annual covered salary and the City of Rayne is required to contribute at an actuarially determined rate. The current rate is 6.75% of annual covered payroll. The contribution requirement for the year ended September 30, 2008 was \$185,739, which consisted of \$108,298 from the City and \$77,441 from employees.

The system issues an annual publicly available financial report that includes financial statements and requested supplementary information. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits.

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Rayne is required to contribute at an actuarially determined rate. The current rate was 13.75% of annual covered payroll through June 2008 and 9.5% starting July 2008. The contribution requirement for the year ended September 30, 2008 was \$115,541, which consisted of \$72,509 from the City and \$43,032 from employees.

The system issues an annual publicly available financial report that includes financial statements and requested supplementary information. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250.

Note 12 Post Employment Benefits

The City of Rayne handles Cobra participants by notifying Risk Management, Inc. in writing of the Cobra qualifying event. The RMI notifies the qualified beneficiary of his Cobra rights in application form. The City is responsible for Cobra payments and termination for non-payment. The qualified beneficiary is responsible for the signed application to be returned. Upon payment to the City and return of the signed application, qualified beneficiary is re-instated by RMI and tracked until Cobra benefits have been fulfilled.

Note 13 Police Supplement Pay

The City received state supplemental pay for qualified police officers totaling \$108,181. The supplemental pay was forwarded directly to the officers.

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Note 14 Segment Information for the Enterprise Fund

The City of Rayne maintains two enterprise funds, which provide utility and sewerages services. Segment information for the year ended September 30, 2008 was as follows:

	<u>Utilities</u>	<u>Sewerage</u>	<u>Total Enterprise Fund</u>
Charges for services and other operating revenues	\$ 10,345,934	\$ 870,631	\$ 11,216,565
Operating expenses			
Depreciation	\$ 320,175	\$ 345,333	\$ 665,508
Hurricane Expenses	65,320	-	65,320
Other expenses	9,341,223	376,510	9,717,733
Total operating expenses	<u>\$ 9,726,718</u>	<u>\$ 721,843</u>	<u>\$ 10,448,561</u>
Operating income (loss)	<u>\$ 619,216</u>	<u>\$ 148,788</u>	<u>\$ 768,004</u>

Note 15 Compensation of Town Officials

A detail of the annual compensation paid to the Mayor and Board of Alderman for the year ended September 30, 2008 follows:

James J. Petitjean, Mayor	\$ 69,000
Paul Molbert, Mayor Pro-tem	7,560
Aldermen:	
Gerald Foreman	7,200
Gerard Arceneaux	7,200
Jude Abshire	7,200
Ann Domingue Washington	7,200

Note 16 Interfund Transactions

Interfund receivables and payables consisted of the following at September 30, 2008:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$ 290,000	\$ 59,725
Sales Tax	-	40,000
Other Non-Major Gov't Funds	445,000	60,000
Proprietary Funds		
Utility Fund	75,494	650,000
Sewer Fund	-	769
Total	<u>\$ 810,494</u>	<u>\$ 810,494</u>

CITY OF RAYNE, LOUISIANA

Notes to the Basic Financial Statements

Interfund transfers consisted the following at September 30, 2008:

	<u>Interfund Transfers in</u>	<u>Interfund Transfers out</u>
Major Funds		
Governmental Funds		
General Fund	\$ 2,950,000	\$ 552,363
Sales Tax	-	1,850,000
Other Non-major governmental funds	552,363	-
Proprietary Fund		
Utility Fund	-	1,100,000
Sewer Fund	-	-
Total	<u>\$ 3,502,363</u>	<u>\$ 3,502,363</u>

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

There was one individual fund that reported a deficit fund balance at September 30, 2008. The Youth Recreation Fund deficit was \$61,301.

Note 17

Contingencies

There are no claims, assessments or threatened litigation required to be recorded as of September 30, 2008.

Required Supplemental Information

CITY OF RAYNE, LOUISIANA
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Taxes--					
Ad valorem	\$ 166,000	\$ 180,000	\$ 176,230	(3,770)	\$ 164,983
Franchise	121,500	137,102	135,626	(1,476)	134,789
	<u>\$ 287,500</u>	<u>\$ 317,102</u>	<u>\$ 311,856</u>	<u>\$ (5,246)</u>	<u>\$ 299,772</u>
Intergovernmental revenue--					
Beer tax	\$ 17,000	\$ 17,000	\$ 18,056	1,056	\$ 16,539
Grants					
FEMA	-	-	-	-	-
State	37,000	43,000	48,199	5,199	61,272
Housing authority payment in lieu of taxes	32,500	33,000	40,850	7,850	34,743
Video poker revenue	290,000	330,000	337,032	7,032	311,113
	<u>\$ 376,500</u>	<u>\$ 423,000</u>	<u>\$ 444,137</u>	<u>\$ 21,137</u>	<u>\$ 423,667</u>
Licenses and permits--					
Occupational licenses	\$ 278,000	\$ 275,500	\$ 265,929	\$ (9,571)	\$ 278,216
Permits	40,000	20,600	18,607	(1,993)	36,251
	<u>\$ 318,000</u>	<u>\$ 296,100</u>	<u>284,536</u>	<u>\$ (11,564)</u>	<u>314,467</u>
Charges for services					
Community center rent	\$ 44,000	\$ 46,300	\$ 55,984	\$ 9,684	\$ 42,450
	<u>\$ 142,000</u>	<u>\$ 115,100</u>	<u>\$ 110,565</u>	<u>\$ (4,535)</u>	<u>\$ 133,478</u>
Fines and forfeits					
	<u>\$ 250</u>	<u>\$ 300</u>	<u>\$ 312</u>	<u>\$ 12</u>	<u>\$ 341</u>
Interest on investments					
	<u>\$ 600</u>	<u>\$ 900</u>	<u>\$ 758</u>	<u>\$ (142)</u>	<u>\$ 500</u>
Miscellaneous revenue--					
Museum Income	\$ 600	\$ 900	\$ 758	\$ (142)	\$ 500
Police Jury	23,000	23,000	23,000	-	23,000
Sale of land	-	-	-	-	123,408
Sale of abandoned equipment	1,000	11,300	6,024	(5,276)	2,975
Prisoner reimbursements	6,000	8,000	25,540	17,540	8,681
Other	33,360	39,554	60,885	21,331	54,223
	<u>\$ 63,960</u>	<u>\$ 82,754</u>	<u>116,207</u>	<u>\$ 33,453</u>	<u>212,787</u>
Total Revenues	<u>\$ 1,232,210</u>	<u>\$ 1,280,656</u>	<u>\$ 1,323,597</u>	<u>\$ 42,941</u>	<u>\$ 1,426,962</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Expenditures:					
Current--					
General government	\$ 1,060,150	\$ 1,112,802	\$ 1,025,796	\$ 87,006	\$ 996,420
Public safety	1,181,075	1,380,578	1,406,702	(26,124)	1,265,256
Public works	729,100	803,712	774,066	29,646	826,561
Public works - FEMA	-	-	90,773	(90,773)	-
Culture and recreation	406,600	415,699	430,092	(14,393)	412,685
Total expenditures	\$ 3,376,925	\$ 3,712,791	\$ 3,727,429	\$ (14,638)	\$ 3,500,922
Excess (deficiency) of revenues over expenditures	\$ (2,144,715)	\$ (2,432,135)	\$ (2,403,832)	\$ 28,303	\$ (2,073,960)
Other sources (uses):					
Operating transfers in--					
Sales tax fund	\$ 1,700,000	\$ 1,850,000	\$ 1,850,000	\$ -	\$ 1,700,000
Utility	1,100,000	1,100,000	1,100,000	-	1,100,000
Capital Lease	-	-	-	-	33,828
Operating transfers out--					
Certificate of Indebtedness Series 2003	(540,000)	(540,000)	(540,000)	-	(540,000)
Capital Lease LCDBG			(12,363)	(12,363)	(12,363)
Total other sources	\$ 2,260,000	\$ 2,410,000	\$ 2,397,637	\$ (12,363)	\$ 2,281,465
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 115,285	\$ (22,135)	\$ (6,195)	\$ 15,940	\$ 207,505
Fund balance, beginning of year	152,392	152,392	152,392	-	(55,113)
Prior period adjustment			-		-
Fund balance, end of year	\$ 267,677	\$ 130,257	\$ 146,197	\$ 15,940	\$ 152,392

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Taxes--					
Sales tax collections	\$ 1,760,000	\$ 1,870,500	\$ 1,881,865	\$ 11,365	\$ 1,889,982
Less fees and adjustments	-	-	-	-	(28,504)
Interest on investments	200	200	(28,309)	(28,509)	182
Miscellaneous income	-	-	208	208	-
Total revenues	\$ 1,760,200	\$ 1,870,700	\$ 1,853,764	\$ (16,936)	\$ 1,861,660
Expenditures:					
Current--					
General government--					
Salaries	\$ 25,500	\$ 25,486	\$ 25,407	\$ 79	\$ 24,738
Insurance	10,100	9,282	9,274	8	8,508
Payroll taxes	2,250	1,740	1,666	74	1,698
Administrative charge-- retirement system	3,210	1,719	1,720	(1)	2,213
Miscellaneous	1,100	1,425	1,301	124	1,345
Total expenditures	\$ 42,160	\$ 39,652	\$ 39,368	\$ 284	\$ 38,502
Excess of revenues over expenditures	\$ 1,718,040	\$ 1,831,048	\$ 1,814,396	\$ (16,652)	\$ 1,823,158
Other sources (uses):					
Operating transfer (out)--					
General Fund	\$ (1,700,000)	\$ (1,850,000)	\$ (1,850,000)	\$ -	\$ (1,700,000)
Refunding Bonds	-	-	-	-	-
Sewer Bonds	-	-	-	-	-
Total other sources (uses)	\$ (1,700,000)	\$ (1,850,000)	\$ (1,850,000)	\$ -	\$ (1,700,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 18,040	\$ (18,952)	\$ (35,604)	\$ (16,652)	\$ 123,158
Fund balance, beginning of year	147,504	147,504	147,504	-	24,346
Fund balance, end of year	\$ 165,544	\$ 128,552	\$ 111,900	\$ (16,652)	\$ 147,504

The following notes are an integral part of this statement.

Other Supplemental Schedules

CITY OF RAYNE, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
General government:					
Administration--					
Salaries	\$ 160,000	\$ 168,750	\$ 169,651	\$ (901)	\$ 160,095
Car expense	2,200	5,300	6,008	(708)	1,914
Payroll taxes	92,000	97,300	94,640	2,660	91,526
Group insurance	340,000	330,500	237,595	92,905	233,704
General insurance	155,000	181,000	191,761	(10,761)	181,776
Publishing and recording	7,500	15,000	14,771	229	9,718
Administrative expense--					
Retirement system	55,000	38,500	38,578	(78)	50,440
Legal and professional	8,000	14,000	4,085	9,915	9,681
City promotion	2,000	2,500	2,689	(189)	2,588
Convention expense	8,000	15,600	13,292	2,308	8,209
Uniform	1,000	1,000	882	118	1,000
Tax roll	4,200	4,005	4,005	-	3,968
Utilities & telephone	24,000	25,894	26,389	(495)	26,946
Dues and subscriptions	2,250	2,650	2,663	(13)	1,828
City Hall and ground maintenance	3,000	6,150	9,954	(3,804)	2,239
Supplies & Postage	4,900	4,800	5,476	(676)	3,563
Capital outlay	10,000	1,000	-	1,000	2,500
Festival expense	3,000	3,000	-	3,000	-
Miscellaneous	9,100	9,150	3,360	5,790	15,209
Civil engineering	10,000	21,000	22,745	(1,745)	30,627
	\$ 901,150	\$ 947,099	\$ 848,544	\$ 98,555	\$ 837,531
City Court--					
Salaries	\$ 83,000	\$ 85,445	85,402	\$ 43	81,383
Extra labor	2,100	1,330	960	370	1,920
Supplies & Postage	17,200	17,228	13,169	4,059	18,469
Professional fees	24,500	24,500	35,730	(11,230)	25,721
Building and grounds maintenance	2,600	2,950	2,427	523	2,855
Driver improvement program	-	-	-	-	-
Small equipment expense	-	1,750	3,320	-	2,334
Uniforms	1,000	1,000	-	1,000	-
Retirement	2,500	2,400	2,387	13	2,334
Utilities	18,500	21,500	23,724	(2,224)	20,229
Miscellaneous	2,600	5,900	10,133	(4,233)	3,644
Capital outlay	5,000	1,700	-	1,700	-
	\$ 159,000	\$ 165,703	\$ 177,252	(11,549)	\$ 158,889
Total general government	\$ 1,060,150	\$ 1,112,802	\$ 1,025,796	\$ 87,006	\$ 996,420

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Public Safety:					
Police Department--					
Salaries	\$ 677,500	\$ 715,370	\$ 723,036	\$ (7,666)	\$ 665,403
Prisoner care	46,000	81,617	71,898	9,719	43,783
Professional fees	4,200	11,800	9,832	1,968	3,787
Car maintenance and operations	102,800	144,836	146,005	(1,169)	125,470
Miscellaneous	15,300	19,511	25,663	(6,152)	35,167
Equipment maintenance	13,000	18,800	17,352	1,448	10,398
Uniforms	10,000	11,670	10,683	987	16,392
Utilities	37,000	37,000	39,937	(2,937)	38,022
Supplies	43,000	35,460	45,194	(9,734)	42,634
Building and ground maintenance	22,400	11,200	11,351	(151)	18,811
Building and equipment rental	-	-	13,509	(13,509)	9,869
Contributions to state police pension fund	76,000	77,600	72,509	5,091	75,561
Lab fees	2,000	1,800	1,676	124	2,106
Capital outlay	15,000	60,000	63,536	(3,536)	56,065
	<u>\$ 1,064,200</u>	<u>\$ 1,226,664</u>	<u>\$ 1,252,181</u>	<u>\$ (25,517)</u>	<u>\$ 1,143,468</u>
Fire Department--					
Fire attendance	\$ 21,000	\$ 14,446	\$ 14,646	\$ (200)	\$ 20,956
Miscellaneous	-	-	-	-	-
Rentals on fire hydrants	21,000	21,000	21,000	-	20,000
	<u>\$ 42,000</u>	<u>\$ 35,446</u>	<u>\$ 35,646</u>	<u>\$ (200)</u>	<u>\$ 40,956</u>
Permit Department--					
Salaries	\$ 53,000	\$ 53,500	\$ 55,920	\$ (2,420)	\$ 51,774
Office supplies	700	5,462	2,818	2,644	3,132
Utilities	875	1,200	1,198	2	530
Repairs & Maintenance	-	-	17,606	(17,606)	-
Capital outlay	-	34,133	18,905	15,228	-
Miscellaneous	6,400	7,373	7,843	(470)	6,442
	<u>\$ 60,975</u>	<u>\$ 101,668</u>	<u>\$ 104,290</u>	<u>\$ (2,622)</u>	<u>\$ 61,878</u>
Marshal Department--					
Supplies and fees	\$ 8,900	\$ 6,500	\$ 6,338	162	\$ 7,973

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Public Safety: (Continued)					
Police Reserves	\$ 5,000	\$ 10,300	\$ 8,247	\$ 2,053	\$ 10,981
Total Public Safety	\$ 1,181,075	\$ 1,380,578	\$ 1,406,702	\$ (26,124)	\$ 1,265,256
Public Works:					
Salaries	\$ 449,000	\$ 425,275	\$ 394,996	\$ 30,279	\$ 442,399
Street maintenance materials	34,400	38,900	67,452	(28,552)	65,431
Chemicals and supplies	5,000	8,100	7,597	503	6,432
Pest Control	15,500	14,500	25,583	(11,083)	37,233
Building and ground maintenance	8,300	6,900	6,208	692	7,392
Truck and tractor maintenance	93,200	135,607	143,757	(8,150)	132,221
Street lighting	41,000	41,000	41,000	-	40,000
Uniforms	10,400	11,000	11,003	(3)	11,331
Engineering Fees	-	17,000	16,834	166	5,838
Utilities	20,000	14,000	14,781	(781)	18,132
Miscellaneous	5,200	14,690	16,022	(1,332)	7,622
Equipment rentals	14,500	21,740	5,219	16,521	4,749
Capital outlay	32,600	55,000	23,614	31,386	47,781
Total Public Works	\$ 729,100	\$ 803,712	\$ 774,066	\$ 29,646	\$ 826,561
Public Works - FEMA:					
Hurricane expense	\$ -	\$ -	\$ 90,773	\$ (90,773)	\$ -
Culture and Recreation:					
Parks & Center -					
Salaries	\$ 188,000	\$ 205,043	\$ 202,168	\$ 2,875	\$ 185,151
Miscellaneous	13,100	9,212	7,916	1,296	13,986
Campground Expenses	100	100	-	100	21
Upkeep of building and grounds	12,400	22,144	19,085	3,059	16,944
Utilities	92,000	94,300	111,027	(16,727)	100,795
Janitorial supplies	15,600	16,000	14,933	1,067	20,189
Capital outlay	-	-	-	-	-
Vehicle Maintenance	9,450	2,800	3,279	(479)	7,088
Equipment maintenance & Rental	21,800	18,900	21,032	(2,132)	22,219
Total Parks and Center	\$ 352,450	\$ 368,499	\$ 379,440	\$ (10,941)	\$ 366,393

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
 BUDGETARY COMPARISON SCHEDULES - EXPENDITURES
 For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Culture and Recreation					
Museum:					
Salaries	\$ 33,000	\$ 31,500	\$ 32,685	\$ (1,185)	\$ 31,129
Supplies	7,100	900	1,292	(392)	1,550
Building and ground upkeep	1,500	4,300	797	3,503	1,353
Capital Outlay	-	-	-	-	-
Utilities	7,500	8,100	9,210	(1,110)	7,930
Miscellaneous	5,050	2,400	6,668	(4,268)	4,330
Total Museum	\$ 54,150	\$ 47,200	\$ 50,652	\$ (3,452)	\$ 46,292
 Total Culture and Recreation	\$ 406,600	\$ 415,699	\$ 430,092	\$ (14,393)	\$ 412,685
 Total Expenditures	\$ 3,376,925	\$ 3,712,791	\$ 3,727,429	\$ (14,638)	\$ 3,500,922

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
YOUTH RECREATION FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008
With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	20067
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Taxes--ad valorem	\$ 117,000	\$ 124,103	\$ 124,103	\$ -	\$ 116,183
Grant Proceeds	88,000	117,100	97,352	(19,748)	91,299
Charges for services					
Concession stand	15,000	18,219	20,309	2,090	15,639
Registration Fees	18,400	15,755	18,480	2,725	20,136
Interest on investments	100	20	19	(1)	74
Miscellaneous income	2,000	6,400	3,400	(3,000)	500
Total Revenues	\$ 240,500	\$ 281,597	\$ 263,663	\$ (17,934)	\$ 243,831
Current--					
Culture and recreation					
Salaries	\$ 7,700	\$ 5,193	\$ 5,193	\$ -	\$ 4,247
Labor	1,000	300	5,817	(5,517)	-
Engineering Fees	8,000	8,500	6,630	1,870	4,350
Insurance	1,000	-	-	-	-
Repairs and maintenance	2,500	4,000	3,902	98	6,149
Youth basketball	5,000	6,500	6,498	2	3,144
Youth baseball	55,000	46,800	46,120	680	43,830
Youth football	5,000	3,124	5,076	(1,952)	5,638
Umpires & referees	15,000	16,347	11,350	4,997	14,469
Youth Camp	8,000	8,172	10,173	(2,001)	8,221
Material and supplies	4,000	3,400	3,055	345	863
Utilities	6,600	11,000	11,392	(392)	7,803
Building & ground Maintenance	6,000	8,210	9,409	(1,199)	32,133
Miscellaneous	6,975	7,473	7,586	(113)	8,376
Concession expense	14,000	11,382	11,653	(271)	13,203
Capital outlay	88,000	190,000	140,056	49,944	168,896
Total expenditures	\$ 233,775	\$ 330,401	\$ 283,910	\$ 46,491	\$ 321,322
Excess (deficiency) of revenues over expenditures	\$ 6,725	\$ (48,804)	\$ (20,247)	\$ 28,557	\$ (77,491)
Other sources (uses)					
Operating transfer (in)					
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 6,725	\$ (48,804)	\$ (20,247)	\$ -28,557	\$ (77,491)
Fund balance (deficit), beginning of year	(41,054)	(41,054)	(41,054)	-	36,437
Fund balance (deficit), end of year	\$ (34,329)	\$ (89,858)	\$ (61,301)	\$ 28,557	\$ (41,054)

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SECTION 8--HOUSING ASSISTANCE FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	2007
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Intergovernmental revenues--					
Grant from Federal Government	\$ 260,000	\$ 290,952	\$ 277,659	\$ (13,293)	\$ 266,200
Interest on investments	100	145	145	-	122
Other income	-	-	11,335	11,335	-
Total revenues	\$ 260,100	\$ 291,097	\$ 289,139	\$ (1,958)	\$ 266,322
Expenditures:					
Current--					
Urban redevelopment and housing--					
Salaries	\$ 22,500	\$ 27,762	\$ 27,865	\$ (103)	\$ 23,249
Professional fees	8,500	7,450	7,562	(112)	8,795
Office supplies	100	100	214	(114)	238
Meeting expense	1,000	2,000	2,227	(227)	769
Miscellaneous	2,050	2,162	2,317	(155)	2,050
Capital outlay	-	-	-	-	-
Payroll taxes	1,800	2,321	2,250	71	1,946
Car expense	750	300	118	182	315
Utility assistance	2,700	6,773	6,102	671	4,979
Group insurance	5,000	-	-	-	3,870
Housing assistance	215,000	260,713	255,561	5,152	193,159
Total expenditures	\$ 259,400	\$ 309,581	\$ 304,216	\$ 5,365	\$ 239,370
Excess of revenues over expenditures	\$ 700	\$ (18,484)	\$ (15,077)	\$ 3,408	\$ 26,952
Fund balance (deficit), beginning of year	56,334	56,334	56,334	-	29,382
Prior Period Adjustment	-	-	-	-	-
Fund balance (deficit), end of year	\$ 57,034	\$ 37,850	\$ 41,257	\$ 3,408	\$ 56,334

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
UNEMPLOYMENT COMPENSATION FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 20067

	2008			2007	
	Budget		Actual	Variance-- Favorable (Unfavorable)	Actual
	Original	Final			
Revenues:					
Contributions from other funds	\$ 18,000	\$ 13,750	\$ 14,238	\$ 488	\$ 13,322
Interest on investments	150	140	390	250	349
Total Revenues	\$ 18,150	\$ 13,890	\$ 14,628	\$ 738	\$ 13,671
Expenditures:					
Administrative fees	\$ 4,500	\$ 3,678	\$ -	\$ 3,678	\$ 3,143
Excess of Revenues over Expenditures	\$ 13,650	\$ 10,212	\$ 14,628	\$ 4,416	\$ 10,528
Other Sources (Uses)					
Operating Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 13,650	\$ 10,212	\$ 14,628	\$ 4,416	\$ 10,528
Fund Balance, beginning of year	50,001	50,001	50,001	-	39,473
Fund Balance, end of year	\$ 63,651	\$ 60,213	\$ 64,629	\$ 4,416	\$ 50,001

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
LCDBG FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Positive (Negative)	2007
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Intergovernmental revenues--					
Grant from State Government	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Current--					
Urban redevelopment and housing--					
Administrative fees	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Fees	-	-	-	-	-
Construction	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources (Uses)					
Operating Transfer General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of sources and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year	-	-	-	\$ -	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	2007
	Budget		Actual		Actual
	Original	Final			
Operating Revenues:					
Power customers	\$ 275,000	\$ 334,761	\$ 340,029	\$ 5,268	\$ 301,772
Residential	5,400,000	6,018,030	5,823,363	(194,667)	5,219,487
Commercial	2,900,000	3,330,667	3,205,318	(125,349)	2,882,684
Street lighting	41,000	41,000	41,000	-	40,000
Water revenue	515,000	519,500	512,077	(7,423)	506,178
Fire hydrant rental	21,000	21,000	21,000	-	20,000
Delinquent charges	135,000	105,000	142,249	37,249	173,475
	<u>\$ 9,287,000</u>	<u>\$ 10,369,958</u>	<u>\$ 10,085,036</u>	<u>\$ (284,922)</u>	<u>\$ 9,143,596</u>
Other operating revenue	274,150	259,540	260,898	1,358	274,978
Total Operating Revenues	<u>\$ 9,561,150</u>	<u>\$ 10,629,498</u>	<u>\$ 10,345,934</u>	<u>\$ (283,564)</u>	<u>\$ 9,418,574</u>
Operating Expenses:					
Electric generating expense	\$ 6,342,500	\$ 7,153,804	\$ 7,263,880	\$ (110,076)	\$ 6,201,589
Electric distribution expense	303,850	361,576	338,997	22,579	378,481
Water department expense	245,050	249,850	248,023	1,827	256,315
Water treatment plant expense	255,860	291,674	321,289	(29,615)	263,816
Overhead expense	1,325,300	1,449,130	1,440,875	8,255	1,427,261
Warehouse expense	28,900	38,604	49,256	(10,652)	29,752
Hurricane expense	-	-	64,398	(64,398)	-
Total Operating Expenses	<u>\$ 8,501,460</u>	<u>\$ 9,544,638</u>	<u>\$ 9,726,718</u>	<u>\$ (182,080)</u>	<u>\$ 8,557,214</u>
Total Operating Income	<u>\$ 1,059,690</u>	<u>\$ 1,084,860</u>	<u>\$ 619,216</u>	<u>\$ (465,644)</u>	<u>\$ 861,360</u>
Non-Operating Revenues (expense)	<u>\$ (11,108)</u>	<u>\$ 12,908</u>	<u>\$ 7,139</u>	<u>\$ (5,769)</u>	<u>\$ 121,339</u>
Income before Operating Transfers	<u>\$ 1,048,582</u>	<u>\$ 1,097,768</u>	<u>\$ 626,355</u>	<u>\$ (471,413)</u>	<u>\$ 982,699</u>
Other sources (uses):					
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(1,100,000)	(1,100,000)	(1,100,000)	-	(1,100,000)
Total Other Sources	<u>\$ (1,100,000)</u>	<u>\$ (1,100,000)</u>	<u>\$ (1,100,000)</u>	<u>\$ -</u>	<u>\$ (1,100,000)</u>
Net Income (Loss)	<u>\$ (51,418)</u>	<u>\$ (2,232)</u>	<u>\$ (473,645)</u>	<u>\$ (471,413)</u>	<u>\$ (117,301)</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	2007
	Budget		Actual		Actual
	Original	Final			
Electric Generating Expense:					
Salaries	\$ 72,000	\$ 87,604	\$ 72,414	\$ 15,190	\$ 71,633
Leave Benefits	-	-	-	-	-
Fuel	15,000	2,000	10,422	(8,422)	20,580
Repairs to generators	50,000	10,000	9,050	950	61,999
Purchased power	6,174,000	7,050,000	7,167,040	(117,040)	6,033,797
Small tools and supplies	300	500	-	500	-
Miscellaneous	31,200	3,700	4,954	(1,254)	13,580
	<u>\$ 6,342,500</u>	<u>\$ 7,153,804</u>	<u>\$ 7,263,880</u>	<u>\$ (110,076)</u>	<u>\$ 6,201,589</u>
Electric Distribution Expense:					
Salaries and wages	\$ 208,500	\$ 235,100	\$ 227,832	\$ 7,268	\$ 207,925
Leave Benefits	-	-	-	-	6,587
Line maintenance	30,000	16,500	26,034	(9,534)	78,928
Street light maintenance	15,000	15,100	12,926	2,174	12,053
Meter maintenance	6,000	5,671	6,077	(406)	4,194
Maintenance equipment	2,500	3,650	9,060	(5,410)	6,699
Truck operation and maintenance	23,800	44,650	18,029	26,621	39,685
Tools and supplies	1,600	6,450	5,981	469	1,612
Uniforms	4,400	10,900	10,691	209	4,973
Miscellaneous	12,050	23,555	22,367	1,188	15,825
	<u>\$ 303,850</u>	<u>\$ 361,576</u>	<u>\$ 338,997</u>	<u>\$ 22,579</u>	<u>\$ 378,481</u>
Water Department Expense:					
Salaries and wages	\$ 170,000	\$ 164,250	\$ 163,126	\$ 1,124	\$ 165,812
Leave Benefits	-	-	-	-	82
Well maintenance	2,000	1,000	1,887	(887)	2,948
Line maintenance	16,000	14,500	25,794	(11,294)	20,121
Meter maintenance	-	15,600	15,908	(308)	8,349
Uniforms	3,000	3,400	3,480	(80)	3,100
Truck operation and maintenance	14,500	19,200	14,729	4,471	13,396
Engineering fees	15,000	2,000	-	2,000	23,282
Small tools and supplies	2,000	6,300	5,305	995	1,893
Chemicals	-	-	-	-	-
Miscellaneous	22,550	23,600	17,794	5,806	17,332
	<u>\$ 245,050</u>	<u>\$ 249,850</u>	<u>\$ 248,023</u>	<u>\$ 1,827</u>	<u>\$ 256,315</u>

(continued)

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	2007
	Budget		Actual		Actual
	Original	Final			
Water Treatment Plant:					
Salaries	\$ 140,000	\$ 144,100	\$ 146,036	\$ (1,936)	\$ 137,451
Leave Benefits	-	-	-	-	1,025
Chemicals	75,000	44,800	58,967	(14,167)	78,399
Tools and equipment maintenance	30,000	39,900	33,425	6,475	23,919
Building maintenance	2,000	4,200	3,713	487	1,993
Utilities	500	40,033	63,569	(23,536)	414
Miscellaneous	8,360	18,641	15,579	3,062	20,615
	<u>\$ 255,860</u>	<u>\$ 291,674</u>	<u>\$ 321,289</u>	<u>\$ (29,615)</u>	<u>\$ 263,816</u>
Overhead Expenses:					
Salaries and wages	\$ 258,100	\$ 297,500	\$ 272,106	\$ 25,394	\$ 255,819
Leave Benefits	-	-	-	-	4,974
Payroll taxes	65,500	73,200	69,591	3,609	66,603
Group insurance	175,000	208,150	207,136	1,014	186,762
Professional fees	30,000	95,000	72,177	22,823	58,454
General insurance	159,000	160,000	144,009	15,991	145,845
Depreciation	350,000	300,000	320,175	(20,175)	336,237
Postage and supplies	82,500	74,000	63,255	10,745	63,917
Utilities	2,000	6,800	12,767	(5,967)	2,620
Equipment maintenance	4,100	14,300	10,947	3,353	9,332
Bad debt expense	10,000	10,000	56,115	(46,115)	51,101
Promotions	50,000	60,000	49,685	10,315	65,175
Building and ground maintenance	16,600	35,100	24,584	10,516	25,358
Engineering fees	12,000	2,000	3,489	(1,489)	1,859
Miscellaneous	39,800	49,565	76,334	(26,769)	86,442
Administrative expense-Retirement	64,200	57,015	57,613	(598)	62,121
Uniforms	6,500	6,500	892	5,608	4,642
	<u>\$ 1,325,300</u>	<u>\$ 1,449,130</u>	<u>\$ 1,440,875</u>	<u>\$ 8,255</u>	<u>\$ 1,427,261</u>
Warehouse Expense:					
Salaries and wages	\$ 24,600	\$ 26,904	\$ 39,841	\$ (12,937)	\$ 25,408
Tools and equipment maintenance	1,100	300	265	35	80
Building and ground maintenance	700	10,500	8,499	2,001	2,176
Supplies	2,500	700	374	326	1,949
Miscellaneous	-	200	277	(77)	139
	<u>\$ 28,900</u>	<u>\$ 38,604</u>	<u>\$ 49,256</u>	<u>\$ (10,652)</u>	<u>\$ 29,752</u>
Hurricane expense	\$ -	\$ -	\$ 64,398	\$ (64,398)	\$ -
FEMA Refund	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,398</u>	<u>\$ (64,398)</u>	<u>\$ -</u>
Total Operating Expenses	<u>\$ 8,501,460</u>	<u>\$ 9,544,638</u>	<u>\$ 9,726,718</u>	<u>\$ (182,080)</u>	<u>\$ 8,557,214</u>

The accompanying notes are an integral part of this statement

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008

With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	2007
	Budget		Actual		Actual
	Original	Final			
Non-Operating Revenue:					
Interest earned on investments	\$ 7,500	\$ 8,190	\$ 8,263	\$ 73	\$ 10,309
Claims from Insurance	500	500	-	(500)	-
Intergovernmental					
FEMA	-	-	-	-	-
State contract	-	-	-	-	205,012
Miscellaneous	3,000	22,500	18,490	(4,010)	10,159
	<u>\$ 11,000</u>	<u>\$ 31,190</u>	<u>\$ 26,753</u>	<u>\$ (4,437)</u>	<u>\$ 225,480</u>
Non-Operating Expenses:					
Bond interest expense	\$ 22,108	\$ 18,282	\$ 19,614	\$ (1,332)	\$ 22,188
Loss on Disposal of Assets	-	-	-	-	69,974
Inventory Obsolescence	-	-	-	-	11,979
	<u>\$ 22,108</u>	<u>\$ 18,282</u>	<u>\$ 19,614</u>	<u>\$ (1,332)</u>	<u>\$ 104,141</u>
Non-operating revenue (expenses)	<u>\$ (11,108)</u>	<u>\$ 12,908</u>	<u>\$ 7,139</u>	<u>\$ (5,769)</u>	<u>\$ 121,339</u>

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND
SANITATION FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2008
With Comparative Actual Amounts for Year Ended September 30, 2007

	2008			Variance-- Favorable (Unfavorable)	2007
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Operating Revenues:					
Charges for service	\$ 848,000	\$ 866,800	\$ 870,631	\$ 3,831	\$ 857,792
Non-Operating Revenues:					
Miscellaneous income	4,800	4,073	52,198	48,125	3,565
Interest on investments	22,000	24,011	23,929	(82)	22,750
Total Revenues	\$ 874,800	\$ 894,884	\$ 946,758	\$ 51,874	\$ 884,107
Expenditures:					
Current--					
Sanitation--					
Salaries	\$ 160,000	\$ 170,795	\$ 172,049	\$ (1,254)	\$ 156,889
Leave Benefits	-	-	-	-	-
Payroll taxes	12,500	13,908	13,555	353	12,437
Line maintenance	6,500	3,900	3,592	308	6,804
Repairs and maintenance	48,000	25,932	24,901	1,031	60,705
Insurance	7,500	8,928	8,529	399	7,698
Utilities/Telephone	58,700	53,300	58,416	(5,116)	55,410
Chemicals	1,000	500	244	256	-
Lab fees	16,500	15,500	14,343	1,157	15,053
Group insurance	26,000	23,901	23,898	3	26,118
Building & ground maintenance	2,350	6,055	4,654	1,401	2,008
Retirement system	12,300	9,000	9,208	(208)	11,132
Engineering fees	12,000	11,250	14,052	(2,802)	40,707
Department supplies	1,500	780	655	125	1,018
Hurricane expenses	-	-	17,562	(17,562)	-
Miscellaneous	3,900	3,200	5,089	(1,889)	9,881
Depreciation	315,000	350,000	345,333	4,667	348,692
Bad debt	6,000	6,000	5,763	237	7,623
Bond interest	109,150	109,150	104,356	4,794	113,796
Total Expenditures	\$ 798,900	\$ 812,099	\$ 826,199	\$ (14,100)	\$ 875,971
Income before operating transfers	\$ 75,900	\$ 82,785	\$ 120,559	\$ 37,774	\$ 8,136
Other sources (uses):					
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-	-
Total Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ 75,900	\$ 82,785	\$ 120,559	\$ 37,774	\$ 8,136
Fund Balance, beginning of year	4,507,392	4,507,392	4,507,392	-	4,499,256
Prior Period Adjustment	-	-	-	-	-
Fund Balance, end of year	\$ 4,583,292	\$ 4,590,177	\$ 4,627,951	\$ 37,774	\$ 4,507,392

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
 Combining Balance Sheet
 Nonmajor Governmental Funds

For the Year Ended September 30, 2008

	Special Revenue			Debt Service			Total Nonmajor Governmental Funds
	Youth Recreation Fund	Section 8 Fund	Unemployment Compensation	Series 2003	Capital Lease	Total Nonmajor Governmental Funds	
ASSETS							
Cash and cash equivalents	\$ 2,756	\$ 42,016	\$ 10,824	\$ 101,462	\$ -	\$ 157,058	
Investments	2,483	-	3,805	-	-	6,288	
Receivables	1,183	-	-	350,000	-	351,183	
Due from other funds	-	-	50,000	45,000	-	95,000	
Due from other governments	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	
Restricted assets	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	
TOTAL ASSETS	\$ 6,422	\$ 42,016	\$ 64,629	\$ 496,462	\$ -	\$ 609,529	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 5,203	\$ -	\$ -	\$ -	\$ -	\$ 5,203	
Accrued Payroll liabilities	-	759	-	-	-	759	
Payable from restricted assets	-	-	-	-	-	-	
Due to other funds	60,000	-	-	-	-	60,000	
Matured bonds and interest payable	-	-	-	-	-	-	
Deferred revenues	2,520	-	-	-	-	2,520	
Other liabilities	-	-	-	-	-	-	
Matured bonds and interest payable	-	-	-	-	-	-	
Total Liabilities	\$ 67,723	\$ 759	\$ -	\$ -	\$ -	\$ 68,482	
Fund balances:							
Reserved for:							
Debt Service	\$ -	\$ -	\$ -	\$ 496,462	\$ -	\$ 496,462	
Unreserved, undesignated	(61,301)	41,257	64,629	-	-	44,585	
Total Fund Balances	\$ (61,301)	\$ 41,257	\$ 64,629	\$ 496,462	\$ -	\$ 541,047	
Total Liabilities and Fund Balances	\$ 6,422	\$ 42,016	\$ 64,629	\$ 496,462	\$ -	\$ 609,529	

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended September 30, 2008

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Youth Recreation	Section 8	Unemployment Compensation	Total	Series 2003	Capital Lease	Total	
REVENUES								
Ad valorem	\$ 124,103	\$ -	\$ -	\$ 124,103	\$ -	\$ -	\$ -	\$ 124,103
Charges for services	38,789	-	-	38,789	-	-	-	38,789
Intergovernmental revenues								
State grants	97,352	-	-	97,352	-	-	-	97,352
Federal grants	-	277,659	-	277,659	-	-	-	277,659
Investment earnings	19	145	390	554	3,488	-	3,488	4,042
Other revenues	3,400	11,335,000	14,238	28,973	-	-	-	28,973
Total Revenues	\$ 263,663	\$ 289,139	\$ 14,628	\$ 567,430	\$ 3,488	\$ -	\$ 3,488	\$ 570,918
EXPENDITURES								
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cultural and recreation	283,910	-	-	283,910	-	-	-	283,910
Urban Redevelopment and housing	-	304,216	-	304,216	-	-	-	304,216
Debt service	-	-	-	-	-	-	-	-
Principle retirement	-	-	-	-	445,000	11,267	456,267	456,267
Interest & Fiscal charges	-	-	-	-	33,015	1,096	34,111	34,111
Total Expenditures	\$ 283,910	\$ 304,216	\$ -	\$ 588,126	\$ 478,015	\$ 12,363	\$ 490,378	\$ 1,078,504
Excess (Deficiency) of Revenues Over Expenditures	\$ (20,247)	\$ (15,077)	\$ 14,628	\$ (20,696)	\$ (474,527)	\$ (12,363)	\$ (486,890)	\$ (507,586)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 540,000	\$ 12,363	\$ 552,363	\$ 552,363
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	\$ -	\$ -	\$ -	\$ -	\$ 540,000	\$ 12,363	\$ 552,363	\$ 552,363
Net Change in Fund Balance	\$ (20,247)	\$ (15,077)	\$ 14,628	\$ (20,696)	\$ 65,473	\$ -	\$ 65,473	\$ 44,777
Fund balances - beginning Prior Period Adjustment	(41,054)	55,334	50,001	-	430,989	-	430,989	430,989
Fund balances - ending	\$ (61,301)	\$ 41,257	\$ 64,629	\$ (20,696)	\$ 496,462	\$ -	\$ 496,462	\$ 475,766

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA

Combined Schedule of Long-Term Debt
For the Year Ended September 30, 2008

	Issue Date	Final Maturity Date	Interest Rates	Payment Dates	Bonds		
					Issued	Retired	Outstanding
Public Improvement Bonds Certificate of Indebtedness 2003	1/13/03	3/1/10	2.84%	3/1	\$ 3,255,000	\$ 2,315,000	\$ 940,000
Utility Revenue Bonds - Utility Revenue Bonds, Series 1996 - Sewer	5/1/96	3/1/17	2.95%	3/1	\$ 6,250,000	\$ 2,875,000	\$ 3,375,000
Certificates of Indebtedness, Series 2004	11/1/2004	3/1/2014	3.55%	3/1	\$ 800,000	\$ 285,000	\$ 515,000

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Schedule of Insurance in Force
(Unaudited)
For the Year Ended September 30, 2008

Insurance / Agent	Risks Covered	Limits of Coverage	Expiration Date
Hartford Steam Boilers	Equipment Breakdown	7,000,000	
	Property Damage	6,000,000	
	Extra Expense	50,000	
	Computer Equipment	250,000	
	Demolition & ICC	100,000	
	Expediting Expense	100,000	
	Hazardous Substances	100,000	
	Newly Acquired Locations	1,000,000	1/1/09
Western Surety	Bond -		3/8/09
National	Blanket Acc		8/21/09
Allstate	Blanket Property		1/1/09
Trinity Insurance	Bonds - Police Officers City Court & City Clerk	125,000	Various 1/13/08 to 3/3/10
	Blanket - City Employees	50,000	6/24/09
National Casualty Ins.	Rayne Auxiliary Police	10,000	1/17/09
American Inter. Ins.	Rayne Museum	50,900	11/7/09
Francis Dean & Assoc.	Baseball	5,000	10/21/09
Risk Management, Inc.	Liability	500,000	10/2/09
	Health	500,000	4/25/09
	Workmen's Compensation	500,000	1/1/09

The accompanying notes are an integral part of this statement.

CITY OF RAYNE, LOUISIANA
Combined Schedule of Investments - All Funds

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Utility				
Money Market Account	Rayne Bldg & Loan	3.25%	4/19/2009	\$ 100,000
Passbook	Bank of Commerce	1.00%		202,187
Passbook	Bank of Commerce	1.00%		12,597
Passbook	Bank of Commerce	2.65%		-
				<u>\$ 314,784</u>
Sewer				
Money Market Account	Rayne Bldg & Loan	4.75%	1/8/2009	\$ 430,177
Money Market	Rayne Bldg & Loan	3.25%	4/1/2009	75,000
Passbook	Rayne State Bank	1.00%		48,049
				<u>\$ 553,226</u>
Unemployment Compensation				
Passbook	Bank of Commerce	0.85%		<u>\$ 3,806</u>
Youth Recreation				
Passbook	Rayne State Bank	0.75%		<u>\$ 2,483</u>
Series 2003 Bond Fund				
Passbook	Rayne State Bank	1.00%		<u>\$ 101,463</u>
				<u>\$ 975,762</u>

The accompanying notes are an integral part of this statement.

Statistical Section

CITY OF RAYNE, LOUISIANA
STATISTICAL INFORMATION

Table 1

PROPERTY TAX LEVIES AND COLLECTION
FOR THE LAST TEN FISCAL YEARS

Year	Valuation	Millage	Taxes
1998-1999	16,624,210	12.00	199,490
1999-2000	17,629,690	12.00	211,556
2000-2001	18,204,100	12.00	217,961
2001-2002	19,091,660	12.00	229,016
2002-2003	19,680,900	12.00	234,766
2003-2004	19,795,480	12.00	237,546
2004-2005	21,934,090	12.10	262,469
2005-2006	22,528,990	12.10	272,603
2006-2007	23,236,560	12.10	281,166
2007-2008	24,820,680	12.10	300,334

Table 2

GENERAL REVENUES BY SOURCE*
FOR THE LAST FIVE FISCAL YEARS

	2008	2007	2006	2005	2004
Taxes	\$ 2,317,824	\$ 2,305,937	\$ 2,094,613	\$ 1,774,102	\$1,786,699
Licenses and permits	284,536	314,467	282,190	283,317	279,662
Intergovernmental	819,148	781,166	1,193,504	1,307,831	890,002
Charges for services	94,773	78,225	76,982	73,332	72,776
Fines	110,565	133,478	90,050	66,555	60,244
Miscellaneous	149,742	230,647	107,359	155,843	57,153
Totals	<u>\$ 3,776,588</u>	<u>\$ 3,843,920</u>	<u>\$ 3,844,698</u>	<u>\$ 3,660,980</u>	<u>\$3,146,536</u>

*Includes General, Special Revenue, and Debt Service Funds.

CITY OF RAYNE, LOUISIANA
STATISTICAL INFORMATION

Table 3

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
FOR THE LAST FIVE FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General governments	\$ 1,093,473	\$ 1,066,569	\$ 1,210,094	\$ 1,049,437	\$ 1,115,196
Public safety	1,406,702	1,265,256	1,230,315	1,103,521	1,108,295
Public works	774,066	826,561	750,975	749,718	753,935
Culture and recreation	714,002	734,007	637,498	522,938	640,056
Public works - hurricane	90,773	-	-	81,753	-
Urban and housing redevelopment	304,216	239,370	559,241	898,347	419,486
Debt service	490,378	475,440	513,007	576,639	565,626
Totals	<u>\$ 4,873,610</u>	<u>\$ 4,607,203</u>	<u>\$ 4,901,130</u>	<u>\$ 4,982,353</u>	<u>\$ 4,602,594</u>

* Includes General, Special Revenue, and Debt Service Funds and Capital Project Funds.

Table 4

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Principal	\$ 445,000	\$ 430,000	\$ 455,000	\$ 505,000	\$ 480,000
Interest	33,015	45,440	58,007	71,639	85,626
Total Debt Service	<u>\$ 478,015</u>	<u>\$ 475,440</u>	<u>\$ 513,007</u>	<u>\$ 576,639</u>	<u>\$ 565,626</u>
Total general expenditures	<u>\$ 4,873,610</u>	<u>\$ 4,607,203</u>	<u>\$ 4,901,130</u>	<u>\$ 4,982,353</u>	<u>\$ 4,602,594</u>
Ratio of debt service to total general expenditures	<u>9.8%</u>	<u>10.3%</u>	<u>10.5%</u>	<u>11.6%</u>	<u>12.3%</u>

CITY OF RAYNE, LOUISIANA
STATISTICAL INFORMATION

Table 5

UTILITY REVENUE BOND COVERAGE
FOR THE LAST FIVE FISCAL YEARS

	2008	2007	2006	2005	2004
Gross revenues*	\$ 11,216,565	\$ 10,276,366	\$ 10,753,412	\$ 9,097,644	\$ 8,424,435
Operating expenditures**	9,717,733	8,634,460	8,974,413	7,887,064	7,295,670
Net available for debt service	<u>\$ 1,498,832</u>	<u>\$ 1,641,906</u>	<u>\$ 1,778,999</u>	<u>\$ 1,210,580</u>	<u>\$ 1,128,765</u>
Debt service requirements:					
Principal	\$ 410,000	\$ 400,000	\$ 385,000	\$ 300,000	\$ 285,000
Interest	104,356	106,283	147,614	131,791	140,346
Total	<u>\$ 514,356</u>	<u>\$ 506,283</u>	<u>\$ 532,614</u>	<u>\$ 431,791</u>	<u>\$ 425,346</u>
Coverage	<u>2.9</u>	<u>3.3</u>	<u>3.3</u>	<u>2.7</u>	<u>2.7</u>

* Includes revenue from all sources.

** Includes all expenditures except debt service interest, depreciation and in 2003 Hurricane Lili expenses.

Table 6

GROSS SALARIES BY FUNCTION
FOR LAST FIVE FISCAL YEARS

	2008	2007	2006	2005	2004
General government	\$ 280,460	\$ 241,478	\$ 231,485	\$ 225,875	\$ 224,292
Public safety	771,708	717,177	694,933	668,270	700,819
Public works	432,432	442,399	418,941	423,319	472,307
Culture and recreations	231,209	220,527	221,896	213,681	192,794
Urban redevelopment and housing	27,865	23,249	20,981	21,249	22,697
Enterprise	<u>1,118,737</u>	<u>1,033,605</u>	<u>1,008,155</u>	<u>1,056,108</u>	<u>1,071,175</u>
Totals	<u>\$ 2,862,411</u>	<u>\$ 2,678,435</u>	<u>\$ 2,596,391</u>	<u>\$ 2,608,502</u>	<u>\$ 2,684,084</u>

**Compliance, Internal Control
and Other Information**

Brupbacher & Associates

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

The Honorable James J. Petitjean
And the Board of Alderman
City of Rayne, 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 Rayne, Louisiana, as of and for the year ended September 30, 2008, which collectively comprise the City of Rayne, Louisiana's basic financial statements and have issued our report thereon dated March 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Rayne, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance to generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Rayne, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the City of Rayne, Louisiana's internal control. We consider the deficiencies described in the accompanying schedule of audit findings and corrective action to be significant deficiencies in internal control over financial reporting. The deficiencies are described in the accompanying schedule of audit findings and corrective action plan as items 2008-1 and 2008-2.

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The Honorable James J. Petitjean
And the Board of Alderman
City of Rayne, Louisiana

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and corrective action plans as item 2008-3.

We noted certain matters that we reported to the management of the City of Rayne, Louisiana, in a separate letter dated March 25, 2009.

City of Rayne, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plans. We did not audit the City of Rayne, Louisiana's response, and accordingly, we express no opinion on it.

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

Brupbacher & Associates, APAC

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
March 25, 2009

City of Rayne, Louisiana

Schedule of Corrective Action Taken on Prior Year Findings
For the Year Ended September 30, 2008

Part 1 Significant Deficiencies - Financial Reporting

There were no significant deficiencies in internal control over financial reporting required to be disclosed during the audit for the period ended September 30, 2008.

Part 2 Non-Compliance - Financial Reporting

2007-1 The City of Rayne's Unemployment Compensation Fund revenues failed to meet budget amounts by more than 5%.

This matter has been resolved.

2007-2 State law requires that for purchases of materials and supplies between \$10,000 and \$20,000 three quotes must be obtained and documented. The City purchased computer supplies which fell within the \$10,000 to \$20,000 range and there was no documentation of quotes received.

This matter has been addressed by the City's management and has been resolved.

Part 3 Findings and questioned costs relating to federal programs.

There were no findings or questioned costs relating to federal programs.

Part 4 Management Letter

ML2-05 The police department bond fund account is not posted timely to the general ledger.

This matter is patially resolved. See ML1-08.

ML-2-07 Refreshments and Door Prizes

Refreshments and door prizes were purchased during the Christmas Season totaling \$1,104.

This matter is unresolved. See ML-2-08.

ML-3-07 Candy and Beads for Parades

The City purchased candy and beads for various City sponsored parades totaling \$694.

This matter is unresolved. See ML-2-08.

City of Rayne, Louisiana

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2008

Part 1 Summary of Auditor's Results

Financial Statements

Auditor's Report

An unqualified opinion has been issued on the City of Rayne's basic financial statements as of and for the year ended September 30, 2008.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control over financial reporting required to be disclosed during the audit of the financial statements for the period ended September 30, 2008 and are identified as 2008-1 and 2008-2.

Noncompliance - Financial Reporting

There were no instances of noncompliance that were disclosed during the audit of the financial statements for the period ended September 30, 2008.

Part 2 Findings Relating to an audit in accordance with Government Auditing Standards

2008-1 The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements including the related notes.

Corrective Action Planned

The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2008-2 Traffic citations are not reconciled monthly to ensure that all citations are entered into the computer system. Also, those citations sent to the district attorney's office are not documented in the system shared with the city court. Therefore, the city court does not have record of a docket number and final disposition of those cases. Initially there were seventy-eight tickets that were not accounted for as processed through the court. Forty-seven of the seventy-eight tickets were forwarded to either the district attorney's office or the city prosecutor's office. The remaining tickets are being researched through the district court records.

Corrective Action Planned

The police department will implement policies and procedures to ensure the citations forwarded to the DA's office will be documented in the system shared with the city court. The traffic/misdemeanor tickets will be reconciled monthly to ensure that all citations issued are entered in the computer system.

City of Rayne, Louisiana

Schedule of Findings and Corrective Action Plan
For the Year Ended September 30, 2008

Part 2 Findings Relating to an audit in accordance with Government Auditing Standards (Continued)

2008-3 The City of Rayne for September 30, 2008 has a deficit fund balance in the Youth Recreation Fund of \$61,301.

Corrective Action Planned

The City's management will implement a plan to eliminate the deficit fund balance and operate as required with a surplus fund balance.

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Management Letter

Honorable James J. Petitjean, Mayor
and the Board of Aldermen,
City of Rayne
Rayne, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Rayne, as of and for the year ended September 31, 2008, which collectively comprise the City's basic financial statements, we considered the City's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted matters involving operations that are presented for your consideration. This letter does not affect our report dated March 25, 2009, on the basic financial statements of the City. We will review the status of this comment during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to result in other operating efficiency. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comments are summarized as follows:

ML-1-08 Timely Posting of Police Bond Account

Comment: During the course of our audit, it was noted that the police bond account is not posted on a timely basis to the general ledger. The bond account is reconciled monthly, but not posted to the general ledger until year-end.

Recommendation: We recommend that the account activity be posted to the general ledger on a regular basis.

Management's Response: The bond account contained minimal activity that is not material to the financial statements, therefore, the transactions of that account were recorded at year-end. The account activity was monitored and reconciled monthly. We will post the bond account activity to the general ledger on a more regular basis than once a year.

ML-2-08 Donations of Public Funds

Comment: Purchases were made for items that had no documentation as to the public purpose totaling \$1,879. The City donated a total of \$550 to two nonprofit organizations, \$303 was expended for flowers and gifts during the holiday season, \$694 was expended for candy purchased for the City sponsored parade, \$255 was expended at a local gift shop with no documentation as to a public purpose, and \$77 was expended for a retirement gift and cake.

Recommendation: Article 7, Section 14 of the Louisiana Constitution prohibits public entities from donating public funds. The City should adhere to policies and procedures to ensure that all purchases are in compliance with state law.

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Honorable James J. Petitjean, Mayor
and the Board of Aldermen,
City of Rayne
Rayne, Louisiana

Management's Response: The City will adhere to policies and procedures to ensure that all purchases are in compliance with state law. Our previous year audit was completed in March 2008 and we were made aware of this issue at that time. The City will not incur expenditures for items considered to be donations.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements of governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 31, 2008, which collectively comprise the City's financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

Brupbacher & Associates, APAC

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A Professional Accounting Corporation

Rayne, Louisiana
March 25, 2009