

**CITY OF NEW IBERIA
FINANCIAL REPORT
OCTOBER 31, 2010**

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Release Date 5/11/11

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

ANNUAL FINANCIAL REPORT
YEAR ENDED OCTOBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of City of New Iberia
New Iberia, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, as of and for the year ended October 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of New Iberia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented components units. Component unit financial statements audited by other auditors represent 35.65% and 80.30%, respectively, of the assets and program and general revenues of the aggregate discretely presented component units. Two component units, New Iberia City Marshal and Iberia Home Mortgage Authority, are unaudited and represent 64.35% and 19.70%, respectively, of the assets and program and general revenues of the aggregate discretely presented component units. An audit report has been furnished to us for the financial statements which were audited by other auditors, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, as of October 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 12, 2011, on our consideration of the City of New Iberia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 14 and 72 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Iberia's financial statements as a whole. The combining nonmajor governmental funds financial statements and statement of operating expenses - sewerage fund listed as other supplementary information in the table of contents and the schedule of compensation paid to trustees are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining nonmajor governmental funds financial statements, statement of operating expenses - sewerage fund, schedule of compensation paid to trustees, schedule of expenditures of federal awards and the budgetary comparison schedules are the responsibility of management and were

derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Goussard, Poché, Lewis & Greany LLP.

Lafayette, Louisiana
April 12, 2011

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City of New Iberia (the "City"), we offer readers of this financial statement an overview and analysis of the financial activities of the City. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the City's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial statements that begin on page 16.

HIGHLIGHTS

Financial Highlights

- Assets of the City primary government exceeded its liabilities at the close of the most recent fiscal year by \$77.9 million (net assets). Of this amount, 1.7% or \$1.3 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's primary government net assets decreased by \$5.4 million (6.5%) during 2010. Governmental activities net assets decreased \$3.9 million during 2010 while the business-type activities net assets decreased \$1.5 million.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$24.5 million, a decrease of \$11.6 million in comparison with the prior year. Approximately 50.1% of this total amount, \$12.3 million, is available for spending at the City's discretion (unreserved fund balance).
- Resources available for appropriation in the General Fund were \$.2 million less than budgeted while expenditures and transfers were \$1.7 million more than budgeted for the year.
- At October 31, 2010, unreserved fund balance for the General Fund was \$3.9 million or 51% of total 2010 General Fund fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has been greatly changed. The new statements focus on the City as a whole (government-wide) and the major individual funds. The basic financial statements are comprised of three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements combine governmental fund's current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a column for the business-type activities of the City. Component units are separate legal governmental entities to which the City may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities in the fund financial statements.

The statement of net assets (Exhibit A) presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities (Exhibit B) presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave result in cash flows for future periods. The focus of the statement of activities is on both the gross and net cost of various activities that are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost and/or subsidy of various governmental services and business-type activities and component units.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services including general government (executive, legislative, judicial, finance, administrative services), public safety (fire and law enforcement), streets and drainage, culture and recreation, urban redevelopment and housing, and economic development and assistance. These services are financed primarily with taxes. The business-type activities reflect private sector type operations where the fee for service typically covers all or most of the cost of operations including depreciation. The City's wastewater treatment operations are reported here.

The government-wide financial statements can be found on pages 16 through 19 of this report.

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 of New Iberia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus is on major funds, rather than generic fund types.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major funds (see Exhibits C through F) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures and changes in fund balances for the governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of New Iberia maintains 16 individual governmental funds. Information is presented separately for the General Fund, Sales Tax Fund, Garbage Fund and 2009 Bonds Street Construction Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation in one column, titled other governmental funds. Combining financial statements of the nonmajor funds can be found in the other supplementary information section which follows the basic financial statements.

Proprietary Fund represents an enterprise fund on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its wastewater treatment operations. The basic proprietary fund financial statements are located in Exhibits G through I.

Fiduciary Funds are used to account for resources held by the City in a trustee capacity or as an agent for others. These funds (see Exhibits J and K) are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not presented as part of the government-wide financial statements.

The total columns for the governmental funds in the fund financial statements require reconciliation to those amounts presented in the government-wide statements. The governmental funds differences result from the different measurement focus and the reconciliation is presented on the pages following each statement (see Exhibits D and F). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements. There is no reconciliation for the proprietary fund.

Infrastructure Assets

General capital assets include land, land improvements, buildings, vehicles, equipment, and infrastructure, and all other assets of a tangible nature that are used in operations and that exceed the City's capitalization threshold (See Note 4). The City has capitalized all purchased and donated capital assets and infrastructure general capital assets. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time in the 2003 financial statements based on the date of acquisition and the life span of the asset.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on pages 38 through 70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, the budgetary comparison schedules. Required supplementary information can be found in Exhibits N-1 through N-4 of this report.

The other supplementary information section referred to earlier in connection with the nonmajor funds is presented immediately following the required supplementary information in Exhibits O-1 and O-2.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings and schedules.

The following table reflects the condensed statement of net assets for 2010, with comparative figures from 2009:

Table 1
City of New Iberia
Condensed Statement of Net Assets
October 31, 2010 and 2009
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:						
Current and other assets	\$ 29.2	\$ 39.5	\$.7	\$ 5.4	\$ 29.9	\$ 44.9
Restricted assets	-	.1	2.3	2.2	2.3	2.3
Capital assets	<u>43.8</u>	<u>36.6</u>	<u>48.2</u>	<u>47.6</u>	<u>92.0</u>	<u>84.2</u>
Total assets	<u>\$ 73.0</u>	<u>\$ 76.2</u>	<u>\$ 51.2</u>	<u>\$ 55.2</u>	<u>\$124.2</u>	<u>\$131.4</u>
Liabilities:						
Current liabilities	\$ 3.3	\$ 3.7	\$.8	\$ 3.3	\$ 4.1	\$ 7.0
Long-term liabilities	<u>33.5</u>	<u>32.2</u>	<u>8.7</u>	<u>8.7</u>	<u>42.2</u>	<u>40.9</u>
Total liabilities	<u>\$ 36.8</u>	<u>\$ 35.9</u>	<u>\$ 9.5</u>	<u>\$ 12.0</u>	<u>\$ 46.3</u>	<u>\$ 47.9</u>
Net assets:						
Invested in capital assets, net of debt	\$ 18.9	\$ 14.4	\$ 39.7	\$ 38.7	\$ 58.6	\$ 53.1
Restricted	15.7	20.2	2.3	2.3	18.0	22.5
Unrestricted	<u>1.6</u>	<u>5.7</u>	<u>(.3)</u>	<u>2.2</u>	<u>1.3</u>	<u>7.9</u>
Total net assets	<u>\$ 36.2</u>	<u>\$ 40.3</u>	<u>\$ 41.7</u>	<u>\$ 43.2</u>	<u>\$ 77.9</u>	<u>\$ 83.5</u>

For more detailed information see Exhibit A, the statement of net assets.

The City's combined net assets at year end total \$77.9 million. Approximately 75.2% (\$58.6 million) of the City's net assets as of October 31, 2010 reflects the City's investment in capital assets (land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 23.1% (\$18.0 million) of the City's net assets are subject to external restrictions on how they may be used. The remaining 1.7% (\$1.3 million) of net assets, referred to as unrestricted, may be used to meet the ongoing obligations of the City to citizens and creditors.

Table 2 below provides a summary of the changes in net assets for the year ended October 31, 2010, with comparative figures from 2009:

Table 2
City of New Iberia
Condensed Statement of Changes in Net Assets
For the Years Ended October 31, 2010 and 2009
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues -						
Fees, fines, and charges for services	\$.8	\$.9	\$ 3.8	\$ 4.2	\$ 4.6	\$ 5.1
Operating grants and contributions	2.3	2.4	-	-	2.3	2.4
Capital grants and contributions	1.1	1.8	1.1	1.3	2.2	3.1
General revenues -						
Property taxes	4.1	4.1	-	-	4.1	4.1
Sales and use taxes	12.8	14.2	-	-	12.8	14.2
Occupational	1.4	1.4	-	-	1.4	1.4
Franchise fees	1.8	2.0	-	-	1.8	2.0
Grants and contributions not restricted to specific programs	.1	.2	-	-	.1	.2
Other	.6	.9	.1	.2	.7	1.1
Total revenues	<u>\$ 25.0</u>	<u>\$ 27.9</u>	<u>\$ 5.0</u>	<u>\$ 5.7</u>	<u>\$ 30.0</u>	<u>\$ 33.6</u>
Expenses:						
General government	\$ 4.4	\$ 4.0	\$ -	\$ -	\$ 4.4	\$ 4.0
Public safety	10.6	9.7	-	-	10.6	9.7
Public works	7.0	7.8	-	-	7.0	7.8
Culture and recreation	2.9	2.6	-	-	2.9	2.6
Urban redevelopment and housing	1.5	1.3	-	-	1.5	1.3
Unallocated depreciation	1.8	1.7	-	-	1.8	1.7
Wastewater	-	-	6.0	5.6	6.0	5.6
Interest on long-term debt	1.2	1.1	-	-	1.2	1.1
Total expenses	<u>\$ 29.4</u>	<u>\$ 28.2</u>	<u>\$ 6.0</u>	<u>\$ 5.6</u>	<u>\$ 35.4</u>	<u>\$ 33.8</u>
Increase (decrease) in net assets before transfers	\$ (4.4)	\$ (.3)	\$ (1.0)	\$.1	\$ (5.4)	\$ (.2)
Transfers	<u>.5</u>	<u>.1</u>	<u>(.5)</u>	<u>(.1)</u>	<u>-</u>	<u>-</u>
Change in net assets	\$ (3.9)	\$ (.2)	\$ (1.5)	\$ -	\$ (5.4)	\$ (.2)
Net assets, November 1, as restated	<u>40.1</u>	<u>40.3</u>	<u>43.3</u>	<u>43.3</u>	<u>83.4</u>	<u>83.6</u>
Net assets, October 31	<u>\$ 36.2</u>	<u>\$ 40.1</u>	<u>\$ 41.8</u>	<u>\$ 43.3</u>	<u>\$ 78.0</u>	<u>\$ 83.4</u>

The City's total revenues were \$30.0 million and the total cost of all programs and services was \$35.4 million. Therefore, net assets decreased by \$5.4 million for the year. Our analysis below separately describes the operations of governmental and business-type activities.

Governmental Activities net assets decreased \$3.9 in 2010. The cost of all governmental activities this year was \$29.4 million. As shown in the statement of activities in Exhibit B, the amount that our taxpayers financed was \$20.1 million because some of the cost was paid by those who directly benefited from the programs (\$.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$3.4 million). Program revenues were 14.2% of total costs.

The City's largest programs in governmental activities are public safety and public works, with \$10.6 and \$7.0 million, respectively, of resources applied thereto. Following those are general government and culture and recreation.

Business Type Activities net assets decreased \$1.5 in 2010. Charges for services make up 76.0% of the revenues in the business-type activities. There were no changes in rates and fees during 2010.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$24.5 million, a decrease of \$11.6 million in comparison with the prior year. Approximately 50.1% of this total amount (\$12.3 million) constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: (1) liquidation of contracts (\$5.9 million), (2) payment of debt service (\$2.5 million), and (3) other miscellaneous commitments (\$3.8 million).

The General Fund is the chief operating fund of the City of New Iberia. At the end of the fiscal year, total fund balance of the General Fund was \$7.7 million, \$3.9 million of which was unreserved. Fund balance decreased by \$3.5 million during 2010.

Fund balance in the Sales Tax Fund decreased \$4.3 million while the fund balance in the Garbage Fund decreased \$.7 million. Fund balance in the 2010 Bond Street Construction Fund increased \$3.5 million.

Proprietary Fund: The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. As of the end of the current fiscal year, the City's proprietary fund reported ending net assets of \$41.7 million, which is a decrease of \$1.5 million from the prior fiscal year.

The City's sole proprietary fund is the Sewerage Fund which accounts for wastewater services. As previously noted, the Sewerage Fund had no changes in rates charged to users.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$1.2 million and an increase in revenues and transfers from other funds of \$.2 million.

When actual results for 2010 are compared with the final budget, revenue collections, including transfers, failed to meet projections by \$3.2 million and expenditures and transfers were \$1.3 million less than appropriated; a negative variance of \$1.9 million. The only material differences between actual results and budgeted amounts in the General Fund were related to transfers to and from other funds, personnel costs and capital outlays.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City of New Iberia's investment in capital assets for its governmental and business type activities as of October 31, 2010 amounts to \$92.0 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, wastewater facilities, and infrastructure. The net increase in the City's investment in capital assets for the current fiscal year was 9.3%, a 19.7% increase for governmental activities and a 1.3% increase for business-type activities.

Table 3
CITY OF NEW IBERIA
Capital Assets
(Net of Depreciation)
October 31, 2010 and 2009
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 2.6	\$ 2.6	\$ 1.4	\$ 1.4	\$ 4.0	\$ 4.0
Land improvements	.7	.8	-	-	.7	.8
Buildings and improvements	4.7	3.5	-	-	4.7	3.5
Equipment	2.9	2.7	.5	.5	3.4	3.2
Infrastructure	27.5	24.6	-	-	27.5	24.6
Sewer plant and equipment	-	-	44.9	43.7	44.9	43.7
Construction in process	<u>5.4</u>	<u>2.4</u>	<u>1.4</u>	<u>2.0</u>	<u>6.8</u>	<u>4.4</u>
Total	<u>\$ 43.8</u>	<u>\$ 36.6</u>	<u>\$ 48.2</u>	<u>\$ 47.6</u>	<u>\$ 92.0</u>	<u>\$ 84.2</u>

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-Term Debt: At the end of the current fiscal year, the City had total bonded debt outstanding of \$39.8 million. Of this amount, \$30.8 million comprises debt backed by the full faith and credit of the City, \$.4 million comprises debt resulting from the mergers into the Louisiana Firefighters' Retirement System, and the remaining \$8.6 million represents bonds secured solely by Sewer System revenues.

Table 4
CITY OF NEW IBERIA
Summary of Outstanding Debt at Year-End
October 31, 2010 and 2009
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Notes and loans payable	\$ 8.4	\$ 8.7	\$ -	\$ -	\$ 8.4	\$ 8.7
Compensated absences	.6	.6	.1	.1	.7	.7
General obligation bonds	19.4	20.6	-	-	19.4	20.6
Certificates of indebtedness	2.7	3.0	-	-	2.7	3.0
Sewer revenue bonds	-	-	8.6	9.0	8.6	9.0
OPEB obligation	2.3	1.1	-	-	2.3	1.1
Total	\$ 33.4	\$ 34.0	\$ 8.7	\$ 9.1	\$ 42.1	\$ 43.1

The City of New Iberia's total debt decreased during the year by \$1.0 million. This is the result of scheduled principal payments of \$2.3 million and recording addition OPEB of \$1.3 million.

As of October 31, 2010, City bonds are rated by Moody's Investors Service as Aaa.

Computation of the legal debt margin for general obligation bonds is as follows:

Ad Valorem Taxes:

Assessed Valuation	<u>\$186,105,634</u>
Debt Limit: 10% of Assessed Valuation (for any one purpose)	<u>\$ 18,610,563</u>
Debt Limit: 35% of Assessed Valuation (aggregate, all purposes)	<u>\$ 65,136,972</u>

The Louisiana Revised Statutes limit the City's bonded debt for any one purpose to 10% of the assessed valuation of the taxable property and 35% for all purposes. The City of New Iberia has complied with this statute for the fiscal year ended October 31, 2010.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered when preparing the fiscal year 2011 budget:

- The sales tax levies in 2011 were projected to be the same as 2010.
- Property taxes are projected to increase by approximately .2%.
- The City employees receive annual cost of living increases based on CPI. The increase for 2011 is budgeted at 2%.
- Health insurance coverages for employees is expected to increase by approximately 10%.

These indicators and others were taken into account when adopting the budget for 2011. Amounts available for appropriation in the General Fund budget are \$6.9 million.

If budget estimates are met, the City's budgetary General Fund fund balance is expected to decrease by \$2 million by the close of 2011.

As for business-type activities, revenue and expenses are projected to remain basically the same.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of New Iberia's finances and to demonstrate accountability for monies received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of New Iberia, Office of the City Treasurer, 457 E. Main Street, Suite 300, New Iberia, Louisiana 70560.

BASIC FINANCIAL STATEMENTS

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF NET ASSETS
October 31, 2010

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 13,971,047	\$ 798,484	\$ 14,769,531	\$ 262,977
Certificates of deposit	11,344,050	-	11,344,050	-
Accounts receivable	-	128,304	128,304	7,030
Accrued interest receivable	24,820	3,053	27,873	-
Special assessments receivable	578,088	-	578,088	-
Other receivables	336,809	-	336,809	2,979
Due from other governmental agencies	1,462,275	351,421	1,813,696	-
Internal balances	722,229	(722,229)	-	-
Due from external parties	-	-	-	34,348
Real estate held for resale	61,343	-	61,343	-
Other assets	1,984	-	1,984	-
Prepaid expenses	166,287	-	166,287	-
Deferred debits	557,446	52,954	610,400	-
Restricted assets	-	2,338,513	2,338,513	-
Capital assets:				
Non-depreciable	7,993,291	2,826,255	10,819,546	-
Depreciable, net	35,825,390	45,404,949	81,230,339	10,355

Total assets \$ 73,045,059 \$ 51,181,704 \$124,226,763 \$ 317,689

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Overdraft	\$ 2,071	\$ -	\$ 2,071	\$ -
Accounts payable	1,410,247	654,214	2,064,461	6,607
Retainage payable	747,865	90,451	838,316	-
Accrued expenses	116,120	25,538	141,658	-
Accrued interest payable	208,706	-	208,706	-
Due to other governmental agencies	12,900	-	12,900	-
Deferred revenue	744,901	-	744,901	-
Other liabilities	77,128	-	77,128	-
Due to external parties	24,493	-	24,493	-
Long-term liabilities -				
Portion due or payable within one year:				
Bonds payable	1,382,000	395,000	1,777,000	-
Certificates of indebtedness	246,600	-	246,600	-
Notes and loans payable	445,491	-	445,491	-
Accrued compensated absences	59,486	8,562	68,048	-
Portion due or payable after one year:				
Bonds payable	17,951,745	8,170,000	26,121,745	-
Certificates of indebtedness	2,484,600	-	2,484,600	-
Notes and loans payable	7,999,516	-	7,999,516	-
OPEB obligation	2,336,915	-	2,336,915	-
Accrued compensated absences	545,631	137,745	683,376	-
Total liabilities	\$ 36,796,415	\$ 9,481,510	\$ 46,277,925	\$ 6,607
Net assets:				
Invested in capital assets, net of related debt	\$ 18,901,492	\$ 39,666,204	\$ 58,567,696	\$ 10,355
Restricted for -				
Capital projects	4,227,211	-	4,227,211	-
Debt service	2,338,546	2,338,513	4,677,059	-
Other	9,231,191	-	9,231,191	-
Unrestricted	1,550,204	(304,523)	1,245,681	300,727
Total net assets	\$ 36,248,644	\$ 41,700,194	\$ 77,948,838	\$ 311,082
Total liabilities and net assets	\$ 73,045,059	\$ 51,181,704	\$124,226,763	\$ 317,689

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2010

Function/Program	Expenses	Fees, Fines and Charges for Services	Program Operating Grants and Contributions
Primary government:			
Governmental activities -			
General government	\$ 4,441,182	\$ 60,209	\$ -
Public safety	10,580,603	356,001	155,780
Public works	6,986,688	32,350	837,842
Culture and recreation	2,893,050	372,360	37,212
Urban redevelopment and housing	1,504,199	-	1,283,023
Economic development and assistance	995	-	-
Unallocated depreciation	1,822,164	-	-
Interest on long-term debt	1,199,105	-	-
Total governmental activities	\$29,427,986	\$ 820,920	\$ 2,313,857
Business-type activities -			
Wastewater	5,992,491	3,834,580	3,517
Total primary government	\$35,420,477	\$ 4,655,500	\$ 2,317,374
Component units:			
City Court	\$ 654,557	\$ 448,485	\$ -
City Marshal	130,982	82,061	-
Iberia Home Mortgage Authority	1,358	-	-
Total component units	\$ 786,897	\$ 530,546	\$ -0-

General revenues:

Taxes -
 Property
 Sales and use
 Occupational
 Franchise fees
Grants and contributions not restricted
to specific programs
Investment income
Miscellaneous
Gain (loss) on sale of capital assets
Transfers
 Total general revenues and transfers

Change in net assets

Net assets, beginning,
as previously reported

Prior period adjustment

Net assets, beginning, as restated

Net assets, ending

See Notes to Financial Statements.

Revenues	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Units
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
\$ -	\$ (4,380,973)	\$ -	\$ (4,380,973)	\$ -
-	(10,068,822)	-	(10,068,822)	-
988,444	(5,128,052)	-	(5,128,052)	-
66,822	(2,416,656)	-	(2,416,656)	-
-	(221,176)	-	(221,176)	-
-	(995)	-	(995)	-
-	(1,822,164)	-	(1,822,164)	-
-	(1,199,105)	-	(1,199,105)	-
<u>\$ 1,055,266</u>	<u>\$ (25,237,943)</u>	<u>\$ -0-</u>	<u>\$ (25,237,943)</u>	<u>\$ -0-</u>
<u>1,042,327</u>	<u>-</u>	<u>(1,112,067)</u>	<u>(1,112,067)</u>	<u>-</u>
<u>\$ 2,097,593</u>	<u>\$ (25,237,943)</u>	<u>\$ (1,112,067)</u>	<u>\$ (26,350,010)</u>	<u>\$ -0-</u>
\$ -	\$ -	\$ -	\$ -	\$ (206,072)
-	-	-	-	(48,921)
-	-	-	-	(1,358)
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (256,351)</u>
	\$ 4,118,299	\$ -	\$ 4,118,299	\$ -
	12,849,040	-	12,849,040	-
	1,370,370	-	1,370,370	-
	1,799,129	-	1,799,129	-
	134,716	-	134,716	-
	263,711	72,125	335,836	888
	361,887	2,663	364,550	205,818
	(21,245)	10,515	(10,730)	-
	498,069	(498,069)	-	-
	<u>\$ 21,373,976</u>	<u>\$ (412,766)</u>	<u>\$ 20,961,210</u>	<u>\$ 206,706</u>
	<u>\$ (3,863,967)</u>	<u>\$ (1,524,833)</u>	<u>\$ (5,388,800)</u>	<u>\$ (49,645)</u>
	\$ 40,268,911	\$ 43,225,027	\$ 83,493,938	\$ 360,727
	(156,300)	-	(156,300)	-
	<u>\$ 40,112,611</u>	<u>\$ 43,225,027</u>	<u>\$ 83,337,638</u>	<u>\$ 360,727</u>
	<u>\$ 36,248,644</u>	<u>\$ 41,700,194</u>	<u>\$ 77,948,838</u>	<u>\$ 311,082</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
October 31, 2010

ASSETS	<u>General</u>	<u>Sales Tax</u>	<u>Garbage</u>
Cash	\$ 254,708	\$ 1,401,943	\$ 289,030
Certificates of deposit	5,553,369	4,448,210	-
Accrued interest receivable	8,502	14,447	-
Special assessments receivable	-	-	-
Other receivables	334,754	-	-
Due from other funds	1,845,999	-	-
Due from other governmental agencies	110,992	94,242	49,156
Prepaid expenses	-	-	-
Other assets	1,984	-	-
Real estate held for resale	61,343	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 8,171,651</u>	<u>\$ 5,958,842</u>	<u>\$ 338,186</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Overdraft	\$ -	\$ -	\$ -
Accounts payable	288,628	-	203,861
Retainage payable	36,942	-	-
Accrued expenses	59,734	-	-
Due to other funds	24,959	1,851,894	-
Due to other governmental agencies	-	-	-
Deferred revenue	21,313	-	-
Other liabilities	77,128	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 508,704</u>	<u>\$ 1,851,894</u>	<u>\$ 203,861</u>
Fund balances:			
Reserved for -			
Construction	\$ -	\$ -	\$ -
Debt service	-	-	-
Sales taxes	3,754,375	-	-
Designated	-	1,500,000	-
Unreserved, undesignated	3,908,572	2,606,948	134,325
Unreserved, undesignated, reported in -			
Special Revenue Funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>\$ 7,662,947</u>	<u>\$ 4,106,948</u>	<u>\$ 134,325</u>
Total liabilities and fund balances	<u>\$ 8,171,651</u>	<u>\$ 5,958,842</u>	<u>\$ 338,186</u>

See Notes to Financial Statements.

<u>2009 Bonds Street Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,074,968	\$ 6,950,398	\$ 13,971,047
-	1,342,471	11,344,050
-	1,871	24,820
-	578,088	578,088
-	2,055	336,809
-	886,304	2,732,303
-	169,754	424,144
-	166,287	166,287
-	-	1,984
-	-	61,343
<u>\$ 5,074,968</u>	<u>\$ 10,097,228</u>	<u>\$ 29,640,875</u>
\$ -	\$ 2,071	\$ 2,071
626,466	279,933	1,398,888
324,392	386,531	747,865
-	56,386	116,120
-	157,714	2,034,567
-	12,900	12,900
-	723,588	744,901
-	-	77,128
<u>\$ 950,858</u>	<u>\$ 1,619,123</u>	<u>\$ 5,134,440</u>
\$ 4,124,110	\$ 1,802,991	\$ 5,927,101
-	2,547,252	2,547,252
-	-	3,754,375
-	2,424,220	3,924,220
-	-	6,649,845
-	1,703,642	1,703,642
<u>\$ 4,124,110</u>	<u>\$ 8,478,105</u>	<u>\$ 24,506,435</u>
<u>\$ 5,074,968</u>	<u>\$ 10,097,228</u>	<u>\$ 29,640,875</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
October 31, 2010

Total fund balances - governmental funds		\$ 24,506,435
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.		
Capital assets, net		43,818,681
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the governmental funds.		
Accrued interest payable	\$ (208,706)	
Bonds payable	(19,333,745)	
Certificates of indebtedness payable	(2,731,200)	
Notes and loans payable	(8,445,007)	
Accrued compensated absences	(605,117)	
OPEB obligation	<u>(2,336,915)</u>	(33,660,690)
Sales taxes which are not "measurable" at year end and therefore not available soon enough to pay for current period expenditures are not reported in the governmental funds.		1,026,772
Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the statement of activities.		
Bond issue costs, net of accumulated amortization		<u>557,446</u>
Net assets of governmental activities		<u>\$ 36,248,644</u>

See Notes to Financial Statements.

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended October 31, 2010

	<u>General</u>	<u>Sales Tax</u>	<u>Garbage</u>
Revenues:			
Taxes -			
Ad valorem	\$ 1,114,311	\$ -	\$ -
Sales and use	1,601,150	8,005,751	3,202,300
Franchise	1,799,129	-	-
Licenses and permits	1,611,281	-	-
Intergovernmental	375,865	-	-
Charges for services	60,354	-	-
Fines and forfeitures	94,940	-	-
Investment income	126,814	82,081	17,667
Miscellaneous	85,312	-	45,000
Total revenues	<u>\$ 6,869,156</u>	<u>\$ 8,087,832</u>	<u>\$3,264,967</u>
Expenditures:			
Current -			
General government	\$ 2,922,423	\$ 84,570	\$ 33,828
Public safety	10,250,485	-	-
Public works	-	-	3,963,228
Culture and recreation	154,460	-	-
Urban redevelopment and housing	-	-	-
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	901,016	-	-
Total expenditures	<u>\$14,228,384</u>	<u>\$ 84,570</u>	<u>\$3,997,056</u>
Excess (deficiency) of revenues over expenditures	<u>\$(7,359,228)</u>	<u>\$ 8,003,262</u>	<u>\$(732,089)</u>
Other financing sources (uses):			
Transfers in	\$ 9,915,669	\$ -	\$ -
Transfers out	(6,033,039)	(12,340,898)	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>\$ 3,882,630</u>	<u>\$(12,340,898)</u>	<u>\$ -0-</u>
Net change in fund balances	<u>\$(3,476,598)</u>	<u>\$ (4,337,636)</u>	<u>\$(732,089)</u>
Fund balances, beginning, as previously reported	\$11,139,545	\$ 8,444,584	\$ 973,083
Prior period adjustment	-	-	(106,669)
Fund balances, beginning, as restated	<u>\$11,139,545</u>	<u>\$ 8,444,584</u>	<u>\$ 866,414</u>
Fund balances, ending	<u>\$ 7,662,947</u>	<u>\$ 4,106,948</u>	<u>\$ 134,325</u>
See Notes to Financial Statements.			

<u>2009 Bonds Street Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 3,003,988	\$ 4,118,299
-	-	12,809,201
-	-	1,799,129
-	-	1,611,281
-	3,066,034	3,441,899
-	404,345	464,699
-	-	94,940
2,212	34,937	263,711
-	37,242	167,554
<u>\$ 2,212</u>	<u>\$ 6,546,546</u>	<u>\$ 24,770,713</u>
\$ 46,228	\$ 26,493	\$ 3,113,542
-	-	10,250,485
-	2,993,760	6,956,988
-	2,580,893	2,735,353
-	1,504,540	1,504,540
-	1,792,029	1,792,029
-	1,163,530	1,163,530
<u>3,504,414</u>	<u>5,100,696</u>	<u>9,506,126</u>
<u>\$ 3,550,642</u>	<u>\$ 15,161,941</u>	<u>\$ 37,022,593</u>
<u>\$ (3,548,430)</u>	<u>\$ (8,615,395)</u>	<u>\$ (12,251,880)</u>
\$ -	\$ 9,837,357	\$ 19,753,026
-	(798,963)	(19,172,900)
-	37,355	37,355
<u>\$ -0-</u>	<u>\$ 9,075,749</u>	<u>\$ 617,481</u>
<u>\$ (3,548,430)</u>	<u>\$ 460,354</u>	<u>\$ (11,634,399)</u>
\$ 7,672,540	\$ 8,067,382	\$ 36,297,134
-	(49,631)	(156,300)
<u>\$ 7,672,540</u>	<u>\$ 8,017,751</u>	<u>\$ 36,140,834</u>
<u>\$ 4,124,110</u>	<u>\$ 8,478,105</u>	<u>\$ 24,506,435</u>

CITY OF NEW IBERIA
NEW IBERIA, 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 October 31, 2010

Net change in fund balances -
total governmental funds \$ (11,634,399)

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

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	\$ 9,697,957	
Depreciation expense	<u>(2,435,674)</u>	7,262,283

Because some revenues are not considered
measurable at year end, they are not
considered "available" revenues in the
governmental funds.

Sales taxes		37,842
-------------	--	--------

Debt proceeds are reported as financing
sources in governmental funds and thus
contributed to the change in fund balance.
In the statement of net assets, however,
issuing debt increases long-term liabilities
and does not affect the statement of activities.
Similarly, repayment of principal is an
expenditure in the governmental funds but
reduces the liability in the statement of
activities.

Principal payments	\$ 1,792,029	
Increase in net OPEB obligation	<u>(1,278,705)</u>	513,324

Governmental funds report the effect of
issuance costs, premiums, discounts and
similar items when debt is first issued,
whereas these amounts are deferred and
amortized in the statement of activities.

Bond issue costs amortized	\$ (41,497)	
Bond issue costs incurred in the current year	<u>49,228</u>	7,731

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES (CONTINUED)
For the Year Ended October 31, 2010

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.

Decrease in accrued interest payable	\$ 5,923	
Decrease in compensated absences payable	<u>1,929</u>	7,852

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donating is to decrease net assets.

(58,600)

Change in net assets of
governmental activities

\$ (3,863,967)

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
October 31, 2010

ASSETS	<u>Business-Type Activities - Enterprise Fund</u> <u>Sewerage</u>
CURRENT ASSETS	
Cash	\$ 798,484
Accounts receivable	128,304
Accrued interest receivable	3,053
Due from other funds	2,200
Due from other governmental agencies	<u>351,421</u>
Total current assets	<u>\$ 1,283,462</u>
NONCURRENT ASSETS	
Restricted cash	\$ 546,107
Restricted certificates of deposit	<u>1,792,406</u>
Total restricted assets	<u>\$ 2,338,513</u>
CAPITAL ASSETS	
Land	\$ 1,437,748
Buildings and improvements, net	17,249
Equipment, net	455,575
Sewer plant, net	44,932,125
Construction in process	<u>1,388,507</u>
Total capital assets	<u>\$ 48,231,204</u>
DEFERRED DEBITS	
Bond issue costs, net	<u>\$ 52,954</u>
 Total assets	 <u>\$ 51,906,133</u>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
CURRENT LIABILITIES (payable from current assets)	
Accounts payable	\$ 654,214
Retainage payable	90,451
Accrued liabilities	25,538
Due to other funds	724,429
Accrued compensated absences	8,562
Total	<u>\$ 1,503,194</u>
CURRENT LIABILITIES (payable from restricted assets)	
Revenue bonds	<u>\$ 395,000</u>
Total current liabilities	<u>\$ 1,898,194</u>
NONCURRENT LIABILITIES	
Accrued compensated absences	\$ 137,745
Sewer revenue bonds	8,170,000
Total noncurrent liabilities	<u>\$ 8,307,745</u>
Total liabilities	<u>\$ 10,205,939</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 39,666,204
Restricted for debt service	2,338,513
Unrestricted	(304,523)
Total net assets	<u>\$ 41,700,194</u>
Total liabilities and net assets	<u>\$ 51,906,133</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
For the Year Ended October 31, 2010

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
Operating revenues:	
Charges for services -	
Customers	\$ 3,536,497
Parish Government under cooperative agreement	298,083
Total operating revenues	<u>\$ 3,834,580</u>
Operating expenses:	
Cost of services rendered	\$ 3,590,095
Depreciation	2,081,526
Total operating expenses	<u>\$ 5,671,621</u>
Operating loss	<u>\$ (1,837,041)</u>
Nonoperating revenues (expenses):	
Grant revenue	\$ 1,045,844
Investment income	72,125
Interest expense	(320,870)
Other, net	13,178
Total nonoperating revenues (net)	<u>\$ 810,277</u>
Income before contributions and transfers	\$ (1,026,764)
Transfers in	228,860
Transfers out	<u>(726,929)</u>
Change in net assets	\$ (1,524,833)
Net assets, beginning	<u>43,225,027</u>
Net assets, ending	<u>\$ 41,700,194</u>

See Notes to Financial Statements.

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
For the Year Ended October 31, 2010

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 3,455,101
Receipts under cooperative agreement	246,199
Payments to suppliers for goods and services	(1,841,531)
Payments to employees and for employee related costs	(1,698,903)
Other receipts (payments)	<u>5,717</u>
Net cash provided by operating activities	<u>\$ 166,583</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Decrease in overdraft	\$ (2,492,691)
Transfers in	229,360
Transfers out	<u>(36,333)</u>
Net cash used in noncapital financing activities	<u>\$ (2,299,664)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and construction of capital assets	\$ (2,371,173)
Principal paid on revenue bonds	(380,000)
Interest paid on revenue bonds	(320,870)
Grant revenues	1,459,207
Other	<u>13,179</u>
Net cash used in capital and related financing activities	<u>\$ (1,599,657)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Maturities of certificates of deposits	\$ 3,559,039
Investment income	<u>88,937</u>
Net cash provided by investing activities	<u>\$ 3,647,976</u>
Net decrease in cash and cash equivalents	\$ (84,762)
Balance, beginning of year	<u>1,429,353</u>
Balance, ending of year	<u>\$ 1,344,591</u>

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
For the Year Ended October 31, 2010

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,837,041)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	2,081,526
Amortization of bond issue costs	3,310
Other	3,516
Change in assets and liabilities -	
Accounts receivable	(81,396)
Due from other governmental agencies	(49,684)
Accounts payable and accrued liabilities	<u>46,352</u>
Net cash provided by operating activities	<u>\$ 166,583</u>
Cash shown on statement of net assets as:	
Current assets	\$ 798,484
Restricted assets	<u>546,107</u>
	<u>\$ 1,344,591</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
October 31, 2010

ASSETS	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Cash	\$1,003,864	\$ 174,862
Certificates of deposit	162,313	-
Due from other funds	<u>70,604</u>	<u>-</u>
Total assets	<u>\$1,236,781</u>	<u>\$ 174,862</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ -	\$ 27,009
Due to other funds	46,111	34,348
Held for others pending court action	<u>-</u>	<u>113,505</u>
Total liabilities	\$ 46,111	\$ 174,862
 NET ASSETS		
Held in trust for pension benefits	<u>1,190,670</u>	<u>-</u>
Total liabilities and net assets	<u>\$1,236,781</u>	<u>\$ 174,862</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended October 31, 2010

	<u>Pension Trust Funds</u>
Additions:	
Fire insurance rebate	\$ 100,003
Investment income	4,192
Other	<u>194,584</u>
Total additions	<u>\$ 298,779</u>
Deductions:	
Benefit payments	\$ 22,138
Other	<u>276,641</u>
Total deductions	<u>\$ 298,779</u>
Change in net assets	\$ -0-
Net assets, beginning	<u>1,190,670</u>
Net assets, ending	<u>\$1,190,670</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
October 31, 2010

ASSETS	City Court of New Iberia	New Iberia City Marshal (Unaudited)	Iberia Home Mortgage Authority (Unaudited)	Total
Cash	\$ 68,549	\$ 98,445	\$ 95,983	\$ 262,977
Mortgage loans receivable	-	-	2,979	2,979
Accounts receivable	-	7,030	-	7,030
Due from external parties	34,348	-	-	34,348
Capital assets, net	<u>10,355</u>	<u>-</u>	<u>-</u>	<u>10,355</u>
Total assets	<u>\$ 113,252</u>	<u>\$ 105,475</u>	<u>\$ 98,962</u>	<u>\$ 317,689</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	<u>\$ 3,607</u>	<u>\$ -0-</u>	<u>\$ 3,000</u>	<u>\$ 6,607</u>
Net assets:				
Invested in capital assets, net of related debt	<u>\$ 10,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,355</u>
Unrestricted	<u>99,290</u>	<u>105,475</u>	<u>95,962</u>	<u>300,727</u>
Total net assets	<u>\$ 109,645</u>	<u>\$ 105,475</u>	<u>\$ 95,962</u>	<u>\$ 311,082</u>
Total liabilities and net assets	<u>\$ 113,252</u>	<u>\$ 105,475</u>	<u>\$ 98,962</u>	<u>\$ 317,689</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended October 31, 2010

	City Court of New Iberia	New Iberia City Marshal (Unaudited)	Iberia Home Mortgage Authority (Unaudited)	Total
Expenses	\$ 654,557	\$ 130,982	\$ 1,358	\$ 786,897
Program revenues:				
Fees and fines	444,135	82,061	-	526,196
Bonds forfeited	<u>4,350</u>	<u>-</u>	<u>-</u>	<u>4,350</u>
Net program (expenses) revenue	\$ <u>(206,072)</u>	\$ <u>(48,921)</u>	\$ <u>(1,358)</u>	\$ <u>(256,351)</u>
General revenues:				
Intergovernmental	\$ 109,801	\$ 62,301	\$ -	\$ 172,102
Interest income	-	-	888	888
Miscellaneous	<u>33,716</u>	<u>-</u>	<u>-</u>	<u>33,716</u>
Total general revenues	\$ <u>143,517</u>	\$ <u>62,301</u>	\$ <u>888</u>	\$ <u>206,706</u>
Change in net assets	\$ (62,555)	\$ 13,380	\$ (470)	\$ (49,645)
Net assets, beginning	<u>172,200</u>	<u>92,095</u>	<u>96,432</u>	<u>360,727</u>
Net assets, ending	<u>\$ 109,645</u>	<u>\$ 105,475</u>	<u>\$ 95,962</u>	<u>\$ 311,082</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of New Iberia (the "City") are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements for both the business-type activities and proprietary fund financial statements. Although the City has the option to apply FASB pronouncements issued after that date, they have chosen not to do so. The more significant of the City's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

The City operates under a special legislative charter. The charter provides for the Mayor-Board of Trustees form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, certain social services (including urban redevelopment and housing) and general administration services. The City owns and operates one enterprise activity, a sewerage fund which provides sewerage services.

Component units -

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

NOTES TO FINANCIAL STATEMENTS

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Board of Trustees or Mayor) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the primary government and the potential component unit.
4. Imposition of will by the primary government on the potential component unit.
5. Financial benefit/burden relationship between the primary government and the potential component unit.

Based on the above criteria, the following are component units of the City.

City Court of New Iberia - The day-to-day operations of the City Court are funded through the City of New Iberia. In addition, the activities of the Court are primarily for City residents. The City has responsibility for funding any deficits of the Court. The City Court's fiscal year end is June 30.

New Iberia City Marshal - The day-to-day operations of the City Marshal are funded through the City of New Iberia. In addition, the activities of the Marshal are primarily for City residents. The City has responsibility for funding any deficits of the City Marshal. The City Marshal's fiscal year end is June 30.

Iberia Home Mortgage Authority - The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the City of New Iberia. The Authority was created to provide financing to low and moderate income families within the Parish of Iberia. The governing body is comprised of a ten member Board of Trustees consisting of the Mayor of City of New Iberia. The City has responsibility for funding any deficits of the Authority and approves its operating budget. The Authority's fiscal year end is March 31.

Complete financial statements of the above component units can be obtained at the office of the Legislative Auditor of the State of Louisiana, 1600 North 3rd, Baton Rouge, Louisiana 70802.

NOTES TO FINANCIAL STATEMENTS

Basis of presentation:

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements -

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The primary government is reported separately from the legally separate component units as detailed in the previous section.

In the government-wide statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, investment income, etc.).

NOTES TO FINANCIAL STATEMENTS

The City does not allocate indirect costs.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Sales Tax Fund - This fund accounts for the receipts and disbursements of proceeds from the City's 1.25% sales and use tax levies. These taxes are dedicated as described in Note 9.

Garbage Fund - This fund accounts for the receipt and use of proceeds of two of the City's .25% sales and use tax levies. These taxes are dedicated as described in Note 9.

2009 Bonds Street Construction Fund - This fund accounts for the disbursements of the \$8,000,000 in proceeds borrowed from the issuance of revenue bonds by the Louisiana Local Government Environmental Facilities and Community Development Authority.

The City reports the following major enterprise fund:

Sewerage Fund - This fund is used to account for the monies collected from sewer user fees and the operations of the sewer plants.

NOTES TO FINANCIAL STATEMENTS

In addition, the City reports the following:

Pension Trust Funds - These funds account for the accumulation of resources to be used for police and fire retirement annuity payments at appropriate amounts and times in the future. The funds do not account for the administrative costs of the systems, which are borne by the General Fund.

Agency Funds - These funds account for assets held by the City to cover estimated court costs in connection with criminal and civil suits.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

Basis of accounting:

Government-wide, proprietary and fiduciary fund financial statements -

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are

NOTES TO FINANCIAL STATEMENTS

recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Cash and cash equivalents:

Cash includes amounts in interest-bearing demand, savings and money market deposits, as well as cash on hand. The cash balances of the majority of the City's funds are pooled by the City. For purposes of statements of cash flows, highly liquid investments (including restricted assets) with an original maturity of three months or less are considered to be cash equivalents. The City has no cash equivalents at October 31, 2010.

Investments:

State statutes authorize the City to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

In accordance with GASB Statement No. 31, investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost.

Custodial credit risk:

Deposits -

The City is exposed to custodial credit risk as it relates to their deposits with financial institutions. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the City's name. Accordingly, the City had no custodial credit risk related to its deposits at October 31, 2010.

NOTES TO FINANCIAL STATEMENTS

Investments -

The City's policy is to require investments, if any, to be held in the City's name. At October 31, 2010, the City did not have any investments.

Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Receivables:

All receivables are considered collectible and accordingly there is no allowance for doubtful accounts at October 31, 2010.

Bond discounts/issuance costs:

In governmental funds, bond discounts and issuance costs are recognized in the current period. In proprietary funds (and for governmental funds, in the government-wide statements), bond discount and issuance costs are deferred and amortized over the terms of the bonds to which such discounts and costs apply.

Restricted assets:

Certain resources of the City are classified as restricted assets on the balance sheet because their use is limited by debt restrictions.

Fixed assets:

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

Government-wide statements -

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Prior to November 1, 2002, governmental funds'

NOTES TO FINANCIAL STATEMENTS

infrastructure assets were not capitalized. These assets have been valued at estimated historical cost and have been included in the accompanying financial statements.

Depreciation of all exhaustible fixed 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:

	<u>Years</u>
Land improvements	20 - 30
Buildings and improvements	10 - 40
Equipment	5 - 15
Infrastructure	20 - 50
Sewer plant	5 - 35

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

Fund financial statements -

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

Interest on debt issued to finance construction of the wastewater treatment plant has been capitalized as a part of the cost of such projects. Fixed assets of the Sewerage Fund include capitalized interest totaling \$3,379,805.

Compensated absences:

Employees of the City earn annual leave in amounts ranging from eight hours per month to 16 hours per month, depending upon length of service. At the end of each year, employees may carry forward annual leave earned but not taken with the maximum allowable carryover of unused annual leave being equal to five days. Unused annual leave in excess of what can be carried forward is credited to the employee's sick leave balance. Unused annual leave is paid to an employee upon retirement or resignation at hourly rates being earned by that employee upon separation.

NOTES TO FINANCIAL STATEMENTS

Effective April 1, 1997, sick leave is credited to all classified employees at the rate of 12 hours per month. All unused sick leave is carried forward from year to year. Employees separated due to retirement or death are paid for all accumulated sick leave earned between January 1, 1991 and December 31, 1994 at the hourly rates being earned by the employee at that time.

Compensatory leave is earned at a rate of one and one-half hours for each hour of overtime worked. The maximum accumulation of compensatory leave is 120 hours. It may be carried forward from year to year. Upon termination, unused compensatory leave is paid up to 120 hours.

Police and firemen earn vacation and sick leave in accordance with state law. Policemen have the option of accumulating compensatory leave or receiving payment for any overtime hours worked. Firemen are paid for any overtime hours worked.

In the government-wide and proprietary fund statements, the City accrues accumulated unpaid sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

Long-term debt:

The accounting treatment of long-term debt depends on whether the debt relates to governmental or proprietary fund obligations and whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, certificates of indebtedness, notes payable, claims payable, and accrued compensated absences.

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

Equity classifications:

Government-wide statements -

Equity is classified as net assets and displayed in three components:

NOTES TO FINANCIAL STATEMENTS

- 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, notes, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The government-wide statement of net assets reports \$9,231,191 of other restricted net assets of which \$9,022,420 is restricted by enabling legislation.

Fund financial statements -

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

Interfund transfers:

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and individual proprietary funds have been eliminated.

Use of estimates:

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

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The City is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred.

NOTES TO FINANCIAL STATEMENTS

A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The City recorded no impairment losses during the year ended October 31, 2010.

NOTES TO FINANCIAL STATEMENTS

Note 2. Interfund Balances

Interfund balances at October 31, 2010 consist of the following:

	Due From:					Total
	General	Sales Tax	Other Governmental Funds	Sewerage	Pension Trust Funds	
Due to:						
General	\$ -	\$1,736,315	\$ 109,684	\$ -	\$ -	\$1,845,999
Other Governmental Funds	24,959	44,975	45,830	724,429	46,111	886,304
Sewerage	-	-	2,200	-	-	2,200
Pension Trust Funds	-	70,604	-	-	-	70,604
Total	<u>\$ 24,959</u>	<u>\$1,851,894</u>	<u>\$ 157,714</u>	<u>\$ 724,429</u>	<u>\$46,111</u>	<u>\$2,805,107</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTES TO FINANCIAL STATEMENTS

Note 3. Due From Other Governmental Agencies

Amounts due from other governmental agencies consist of the following at October 31, 2010:

Fund financial statements:

Governmental Funds -

Iberia Parish School Board:	
Sales and use taxes collected but not remitted	\$ 150,786
Delta Regional Authority	43,322
U.S. Environmental Protection Agency	28,472
State of Louisiana:	
Federal pass-through grant funds	181,408
State shared revenue	<u>20,156</u>
	<u>\$ 424,144</u>

Proprietary Funds -

Iberia Parish Government:	
Reimbursement for joint operations	\$ 131,513
Delta Regional Authority	100,000
State of Louisiana:	
State grant funds	<u>119,908</u>
	<u>\$ 351,421</u>

Government-wide financial statements:

Total amount reported in -	
Governmental Funds, from above	\$ 424,144
Proprietary Funds, from above	351,421
Additional sales and use taxes due from Iberia Parish School Board	<u>1,038,131</u>
	<u>\$1,813,696</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets and Depreciation

Capital asset activity for the year ended October 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 2,604,295	\$ -	\$ -	\$ 2,604,295
Construction in process	<u>2,408,237</u>	<u>8,577,836</u>	<u>(5,597,077)</u>	<u>5,388,996</u>
Total capital assets not being depreciated	<u>\$ 5,012,532</u>	<u>\$ 8,577,836</u>	<u>\$ (5,597,077)</u>	<u>\$ 7,993,291</u>
Capital assets being depreciated -				
Land improvements	\$ 1,320,750	\$ -	\$ -	\$ 1,320,750
Buildings and improvements	6,410,098	1,461,936	-	7,872,034
Equipment	8,454,100	579,640	(891,327)	8,142,413
Infrastructure	<u>66,539,565</u>	<u>4,675,622</u>	<u>-</u>	<u>71,215,187</u>
Total capital assets being depreciated	<u>\$ 82,724,513</u>	<u>\$ 6,717,198</u>	<u>\$ (891,327)</u>	<u>\$ 88,550,384</u>
Less accumulated depreciation for:				
Land improvements	\$ (538,878)	\$ (47,866)	\$ -	\$ (586,744)
Buildings and improvements	(2,940,651)	(188,379)	-	(3,129,030)
Equipment	(5,725,827)	(377,265)	832,727	(5,270,365)
Infrastructure	<u>(41,916,691)</u>	<u>(1,822,164)</u>	<u>-</u>	<u>(43,738,855)</u>
Total accumulated depreciation	<u>\$ (51,122,047)</u>	<u>\$ (2,435,674)</u>	<u>\$ 832,727</u>	<u>\$ (52,724,994)</u>
Total capital assets being depreciated, net	<u>\$ 31,602,466</u>	<u>\$ 4,281,524</u>	<u>\$ (58,600)</u>	<u>\$ 35,825,390</u>
Governmental activities capital assets, net	<u>\$ 36,614,998</u>	<u>\$12,859,360</u>	<u>\$ (5,655,677)</u>	<u>\$ 43,818,681</u>

(continued)

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$ 1,437,748	\$ -	\$ -	\$ 1,437,748
Construction in process	<u>2,032,848</u>	<u>-</u>	<u>(644,341)</u>	<u>1,388,507</u>
Total capital assets not being depreciated	<u>\$ 3,470,596</u>	<u>\$ -0-</u>	<u>\$ (644,341)</u>	<u>\$ 2,826,255</u>
Capital assets being depreciated -				
Buildings and improvements	\$ 28,455	\$ -	\$ -	\$ 28,455
Equipment	1,634,028	48,172	(64,473)	1,617,727
Sewer plant	<u>53,980,199</u>	<u>3,260,678</u>	<u>-</u>	<u>57,240,877</u>
Total capital assets being depreciated	<u>\$ 55,642,682</u>	<u>\$ 3,308,850</u>	<u>\$ (64,473)</u>	<u>\$ 58,887,059</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (10,400)	\$ (806)	\$ -	\$ (11,206)
Equipment	(1,143,552)	(83,073)	64,473	(1,162,152)
Sewer plant	<u>(10,311,105)</u>	<u>(1,997,647)</u>	<u>-</u>	<u>(12,308,752)</u>
Total accumulated depreciation	<u>\$ (11,465,057)</u>	<u>\$ (2,081,526)</u>	<u>\$ 64,473</u>	<u>\$ (13,482,110)</u>
Total capital assets being depreciated, net	<u>\$ 44,177,625</u>	<u>\$ 1,227,324</u>	<u>\$ -0-</u>	<u>\$ 45,404,949</u>
Business-type capital assets, net	<u>\$ 47,648,221</u>	<u>\$ 1,227,324</u>	<u>\$ (644,341)</u>	<u>\$ 48,231,204</u>

NOTES TO FINANCIAL STATEMENTS

Depreciation was charged to activities as follows:

Governmental activities:	
General government	\$ 97,257
Public safety	212,239
Public works	164,030
Culture and recreation	138,726
Urban redevelopment and housing	263
Economic development and assistance	995
Infrastructure depreciation is unallocated	<u>1,822,164</u>
Total governmental activities depreciation expense	<u>\$ 2,435,674</u>
Business-type activities:	
Wastewater	<u>\$ 2,081,526</u>

Note 5. Long-Term Debt

Governmental Activities

The City issues general obligation bonds, public improvement bonds and certificates of indebtedness to provide funds for the acquisition, construction or improvement of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City has also issued notes payable to fund firefighters' retirement.

In addition, the City has borrowed proceeds from revenue bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority to finance the costs of the acquisition, rehabilitation, improvement and expansion of roads within the limits of the City. The loan is to be repaid from lawfully available funds.

Business-Type Activities

The City also issues bonds which are payable from a specific revenue source, income derived from the City's proprietary fund. Proceeds were used for the construction of the wastewater treatment plant. These bonds, which are expected to be paid from sewer revenues, are reported in the proprietary fund.

NOTES TO FINANCIAL STATEMENTS

Long-term debt outstanding at October 31, 2010 is as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>	<u>Amount Due in One Year</u>
Governmental activities:					
General obligation bonds -					
Payable from ad valorem taxes:					
General Obligation Refunding Bonds, Series 2001	2001	2012	4.35%	\$ 195,000	\$ 95,000
General Obligation Bonds, Series 2002	2002	2024	4.20% - 5.20%	7,435,000	390,000
General Obligation Bonds, Series 2003	2003	2025	3.80% - 4.80%	4,005,000	180,000
General Obligation Bonds, Series 2005	2005	2026	3.95%	<u>3,278,745</u>	<u>157,000</u>
				<u>\$14,913,745</u>	<u>\$ 822,000</u>
Public improvement bonds -					
Payable from sales taxes:					
Public Improvement Bonds 1995	1995	2016	2.95%	\$ 1,885,000	\$ 290,000
Public Improvement Bonds 1997	1997	2016	2.95%	750,000	120,000
Public Improvement Bonds 1999	1999	2020	3.95%	<u>1,785,000</u>	<u>150,000</u>
				<u>\$ 4,420,000</u>	<u>\$ 560,000</u>
Certificates of indebtedness -					
Street certificates					
Street certificates 2005	2005	2020	4.10%	\$ 2,265,000	\$ 180,000
Paving certificates					
Paving certificates 2007	2007	2017	4.375%	409,500	58,500
Sewerage certificates					
Sewerage certificates 2007	2007	2017	4.40%	<u>56,700</u>	<u>8,100</u>
				<u>\$ 2,731,200</u>	<u>\$ 246,600</u>
Notes payable -					
Firefighters' retirement system					
Firefighters' retirement system 1988	1988	2011	7.00%	\$ 155,410	\$ 155,410
Firefighters' retirement system 1994	1994	2013	7.00%	<u>289,597</u>	<u>90,081</u>
				<u>\$ 445,007</u>	<u>\$ 245,491</u>
Loan payable -					
LLGEFCDA loan 2009	2009	2035	2.00% - 4.50%	<u>\$ 8,000,000</u>	<u>\$ 200,000</u>

(continued)

NOTES TO FINANCIAL STATEMENTS

	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rates</u>	<u>Balance</u> <u>Outstanding</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
Other liabilities -					
Accrued compensated absences				\$ 605,117	\$ 59,486
Other post-employment benefits				<u>2,336,915</u>	<u>-</u>
				<u>\$ 2,942,032</u>	<u>\$ 59,486</u>
Total governmental activity debt				<u>\$33,451,984</u>	<u>\$2,133,577</u>
Business-type activities:					
Sewer Revenue Bonds, Series 2004	2004	2026	3.43% - 3.95%	\$ 8,565,000	\$ 395,000
Other liabilities -					
Accrued compensated absences				<u>146,307</u>	<u>8,562</u>
Total business-type activity debt				<u>\$ 8,711,307</u>	<u>\$ 403,562</u>

The annual debt service requirements to maturity of all bonds and certificates outstanding at October 31, 2010 follows:

	<u>General Obligation Bonds</u>			<u>Public Improvement Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 822,000	\$ 631,913	\$ 1,453,913	\$ 560,000	\$ 139,230	\$ 699,230
2012	863,000	595,212	1,458,212	575,000	120,964	695,964
2013	795,000	561,409	1,356,409	590,000	102,205	692,205
2014	831,000	527,964	1,358,964	610,000	82,880	692,880
2015	869,000	492,377	1,361,377	635,000	62,816	697,816
2016 - 2020	5,016,000	1,846,359	6,862,359	1,450,000	106,670	1,556,670
2021 - 2025	5,587,000	608,277	6,195,277	-	-	-
2026 - 2030	130,745	2,582	133,327	-	-	-
2031 - 2035	-	-	-	-	-	-
	<u>\$14,913,745</u>	<u>\$ 5,266,093</u>	<u>\$20,179,838</u>	<u>\$ 4,420,000</u>	<u>\$ 614,765</u>	<u>\$ 5,034,765</u>

NOTES TO FINANCIAL STATEMENTS

	Certificates of Indebtedness			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 246,600	\$ 113,275	\$ 359,875	\$ 245,491	\$ 31,150	\$ 276,641
2012	256,600	102,980	359,580	96,386	13,966	110,352
2013	266,600	92,274	358,874	103,130	7,222	110,352
2014	276,600	81,158	357,758	-	-	-
2015	286,600	69,632	356,232	-	-	-
2016 - 2020	1,398,200	169,467	1,567,667	-	-	-
2021 - 2025	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-
	<u>\$ 2,731,200</u>	<u>\$ 628,786</u>	<u>\$ 3,359,986</u>	<u>\$ 445,007</u>	<u>\$ 52,338</u>	<u>\$ 497,345</u>

	Revenue Bonds			Loan Payable		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 395,000	\$ 330,516	\$ 725,516	\$ 200,000	\$ 311,135	\$ 511,135
2012	410,000	314,617	724,617	210,000	307,035	517,035
2013	425,000	298,126	723,126	215,000	302,785	517,785
2014	445,000	280,944	725,944	220,000	297,335	517,335
2015	460,000	263,070	723,070	230,000	290,585	520,585
2016 - 2020	2,585,000	1,022,556	3,607,556	1,255,000	1,331,050	2,586,050
2021 - 2025	3,140,000	458,990	3,598,990	1,520,000	1,053,450	2,573,450
2026 - 2030	705,000	13,924	718,924	1,860,000	710,048	2,570,048
2031 - 2035	-	-	-	2,290,000	266,850	2,556,850
	<u>\$ 8,565,000</u>	<u>\$ 2,982,743</u>	<u>\$11,547,743</u>	<u>\$ 8,000,000</u>	<u>\$ 4,870,273</u>	<u>\$12,870,273</u>

	Total		
	Principal	Interest	Total
2011	\$ 2,469,091	\$ 1,557,219	\$ 4,026,310
2012	2,410,986	1,454,774	3,865,760
2013	2,394,730	1,364,021	3,758,751
2014	2,382,600	1,270,281	3,652,881
2015	2,480,600	1,178,480	3,659,080
2016 - 2020	11,704,200	4,476,102	16,180,302
2021 - 2025	10,247,000	2,120,717	12,367,717
2026 - 2030	2,695,745	726,554	3,422,299
2031 - 2035	2,290,000	266,850	2,556,850
	<u>\$39,074,952</u>	<u>\$14,414,998</u>	<u>\$53,489,950</u>

NOTES TO FINANCIAL STATEMENTS

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended October 31, 2010:

	Balance, 11/01/09	<u>Additions</u>	<u>Reductions</u>	Balance, 10/31/10
Governmental activities:				
General obligation				
bonds	\$15,699,745	\$ -	\$ 786,000	\$14,913,745
Public improvement				
bonds	4,960,000	-	540,000	4,420,000
Certificates of				
indebtedness	2,967,800	-	236,600	2,731,200
Notes payable	674,436	-	229,429	445,007
Loans payable	8,000,000	-	-	8,000,000
Accrued compensated				
absences	607,046	-	1,929	605,117
Other post-employment				
benefits	1,058,210	1,278,705	-	2,336,915
	<u>\$33,967,237</u>	<u>\$ 1,278,705</u>	<u>\$ 1,793,958</u>	<u>\$33,451,984</u>
 Business-type activities:				
Accrued compensated				
absences	\$ 144,505	\$ 1,802	\$ -	\$ 146,307
Revenue bonds	8,945,000	-	380,000	8,565,000
	<u>\$ 9,089,505</u>	<u>\$ 1,802</u>	<u>\$ 380,000</u>	<u>\$ 8,711,307</u>

Total interest costs incurred and charged to expenditures/expense during the year ended October 31, 2010 was \$1,484,400. Of this amount, \$1,163,530 was recognized in the governmental fund financial statements while \$320,870 was recognized in the proprietary fund financial statements.

Compensated absences and claims liabilities typically have been liquidated by the General Fund and a few other governmental funds.

Note 6. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover any claims related to these risks.

NOTES TO FINANCIAL STATEMENTS

However, the City is self-insured for worker's compensation claims that were incurred prior to November 1, 1999.

The City accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting.

Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claims paid are recorded as expenditures/expenses against the General Fund insurance appropriation. No claims were paid during the fiscal year. Long-term obligations that are not expected to be liquidated with expendable available resources are not reported in the fund financial statements. Such amounts, if any, are reported in the government-wide statements in accordance with the accrual basis of accounting.

During the 2009 fiscal year, the City settled its only two open claims and the unpaid claims liability was reduced to zero. No additional claims were made during the current fiscal year; thus, no unpaid claims liability is recorded.

Unpaid claims liabilities, when recorded, are the City's best estimate based on available information.

Note 7. Designations of Fund Balance

Individual designations of the fund balances at October 31, 2010 in the fund financial statements are as follows:

	Sales Tax	Other Governmental Funds	Total
Designated for:			
DEQ loan payments	\$1,500,000	\$ -	\$1,500,000
Capital improve- ments	<u>-</u>	<u>2,424,220</u>	<u>2,424,220</u>
	<u>\$1,500,000</u>	<u>\$ 2,424,220</u>	<u>\$3,924,220</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Ad Valorem Taxes

Government-wide financial statements -

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

Fund financial statements -

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. During the current fiscal year, taxes were levied by the City in August and were billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Taxes are budgeted and the revenue recognized in the year billed.

The taxes are based on assessed values determined by the Tax Assessor of Iberia Parish and are collected by the City.

For the year ended October 31, 2010, taxes were levied on property with assessed valuations totaling \$186,105,634 and were dedicated as follows:

General corporate purposes	5.77 mills
Parks and recreation	2.48 mills
Streets and bridges	2.89 mills
Debt service	10.43 mills

Total taxes levied during 2010, exclusive of homestead exemptions, were \$3,989,326. Taxes receivable at October 31, 2010 totaled \$2,196, all of which is considered uncollectible.

NOTES TO FINANCIAL STATEMENTS

Note 9. Sales and Use Taxes

The City is authorized by voters of the City to levy and collect two percent (2.00%) sales and use tax within the City. The City has an intergovernmental agreement with the Iberia Parish School Board for the collection of sales taxes. The sales tax ordinances dedicate the proceeds for the following purposes:

<u>Rate</u>	<u>Dedication</u>
1.00%	Support and maintenance of the police and fire departments, the construction and improvement of streets, bridges or sewerage and for any work of permanent public improvement, including the cost of construction and improving sewers and sewage disposal works, in the City.
0.25%	Operating, maintaining and improving the City's garbage and waste collection and disposal facilities and purchasing and acquiring the land and equipment necessary in connection with the operation of said facilities. This tax is in lieu of a monthly charge for residential garbage and waste collection and disposal.
0.25%	Supplement the cost of salaries of City employees, including employee benefits.
0.25%	Supplement other sales tax revenues of the City to pay the cost of solid waste collection and disposal, including the cost of the City's recycling program. The remaining proceeds of the tax to be expended for the purpose of paying the cost of the salaries of City employees, including the payment of employee benefits.
0.25%	Supplement the cost of salary and benefit increases for firemen.

NOTES TO FINANCIAL STATEMENTS

Note 10. Interfund Transfers

Interfund transfers for the year ended October 31, 2010 consist of the following:

	Transfers In:				Total
	General	Other Governmental Funds	Sewerage	Pension Trust Funds	
Transfers out:					
General	\$ -	\$ 5,874,709	\$ 158,330	\$ -	\$ 6,033,039
Sales Tax	9,915,669	2,160,115	70,530	194,584	12,340,898
Other Governmental Funds	-	798,963	-	-	798,963
Sewerage	-	726,929	-	-	726,929
Pension Trust Funds	-	276,541	-	-	276,541
	<u>\$9,915,669</u>	<u>\$ 9,837,357</u>	<u>\$ 228,860</u>	<u>\$194,584</u>	<u>\$20,176,470</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund required, and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

Note 11. Employee Retirement Systems

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

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

Substantially all employees are covered under the Municipal Employees' Retirement System of Louisiana except for firemen and policemen which are covered under the Firefighters' Retirement System and Municipal Police Employees' Retirement System, respectively. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System of Louisiana:

Plan description:

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

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

The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

NOTES TO FINANCIAL STATEMENTS

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate was 13.50% until July 1, 2010, at which time it increased to 14.25%. The contribution requirements of plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ended October 31, 2010, 2009 and 2008 were \$563,169, \$476,185 and \$438,204, respectively, which equal the required contributions for each year.

State of Louisiana - Municipal Police Employees' Retirement System:

Plan description:

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

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria. Employees who retire at or after age 50 with at least 20 years of credited service or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produces the highest average. The System also provides disability and survivor benefits. Benefits are established by state statute.

The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana 70809-7017.

Funding policy:

Plan members are required to contribute 7.50% of their annual covered salary and the City is required to contribute at a rate established by state statute. The rate was 11% until July 1, 2010, at which time it increased to 25%. The City's contributions to the System for the years ending October 31, 2010, 2009 and 2008 were \$8,087, \$5,188 and \$5,336, respectively, which equal the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

State of Louisiana - Firefighters' Retirement System:

Plan description:

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

Membership is mandatory as a condition of employment beginning on date employed if the employee is on a permanent basis as a firefighter, not participating in another public funded retirement system and under age 50 at date of employment. Employees who retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produces the highest average. The System also provides disability and survivor benefits. Benefits are established by state statute.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Firefighters' Retirement System, P.O. Box 94095 Capitol Station, Baton Rouge, Louisiana 70804-9095.

Funding policy:

Plan members are required to contribute 8.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate was 14% until July 1, 2010 at which time it increased to 21.50%. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ending October 31, 2010, 2009 and 2008 were \$415,583, \$295,257 and \$286,755, respectively, which equal the required contributions for each year.

Note 12. Contingent Liabilities

The City owns and operates treatment works known as the Admiral Doyle Wastewater Treatment Plant located in the City that treats and discharges domestic and commercial sewage from the City and adjacent unincorporated areas and the Tete Bayou Wastewater Treatment Plant that serves citizens of the City and Iberia Parish under NPDES permits. The United States of America on behalf of the EPA has filed a complaint seeking injunctive relief and civil penalties pursuant to Section 309 of the Clean Water Act, 33 U.S.C. subsection 1319(e), naming as defendant the City of New Iberia

NOTES TO FINANCIAL STATEMENTS

pursuant to Section 309(e) of the Clean Water Act, 33 U.S.C. subsection 1319(e). The State of Louisiana on behalf of the LDEQ has joined the complaint against the City for its alleged violations of the Clean Water Act, and the Louisiana Environmental Quality Act, LSA-R.S. 30:2001, et seq. The complaint alleges that the City has violated Section 301 of the Clean Water Act, 33 U.S.C. subsection 1311 and conditions established in its NPEDS permits. The parties to the complaint have negotiated and have reached settlement of the issues raised in the complaint and entered into a consent decree to resolve the claims alleged in the complaint. The City has undertaken and continues to undertake remedial measures as specified in the consent decree and has paid civil penalties in previous years. While the City is making efforts to resolve violations and comply with the consent decree, civil penalties can be assessed if the City does not comply. The City has not accrued additional penalties as of October 31, 2010.

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representative. The City's management believes that any liability for reimbursement which may arise as the result of these audits would not be material to the financial statements.

The City is a defendant in various lawsuits. According to legal counsel for the City, there is adequate insurance on all cases where monetary damages are sought, and in those cases where there is an excess liability question or no coverage, the City would be adequately protected by the sovereign immunity clause of the Louisiana Constitution.

Note 13. Sewerage Fund

Public Improvement and General Obligation Bonds were issued to construct and/or improve the sewer system. These bonds are payable from sales and ad valorem taxes. The total outstanding at October 31, 2010 of \$19,138,745 is reflected as a liability of the governmental activities because they are general obligation bonds as opposed to sewer revenue bonds. If these were sewer revenue bonds, the liability would be reflected as a liability of the business-type activities. In addition, the assets constructed with these bond proceeds are properly reflected in the Sewerage Fund with an equal amount recorded as capital contributions.

The debt payments for the year ended October 31, 2010 related to these bonds were \$2,057,118. This amount consists of principal payments of \$1,241,000 and interest payments of \$816,118. These payments are reflected in the Debt Service Fund.

All operating revenues and expenses related to the Sewerage Fund are properly reflected in that fund.

NOTES TO FINANCIAL STATEMENTS

Note 14. Postemployment Benefits Other Than Pensions

Plan description:

The City sponsors a Retiree Healthcare Plan (single-employer defined benefit Other Postemployment Benefit (OPEB) plan) through which it extends medical benefits to qualifying employees upon actual retirement.

A covered employee becomes eligible for participation on his date of hire. A covered employee is an employee of the City, an employee of a New Iberia City Court, or an elected official of the City.

A covered employee may retire upon attainment of the earliest retirement age provided by the respective retirement plan under which the employee participates, as follows:

Louisiana Municipal Employees Retirement System: The earliest of (i) 25 years of service, or (ii) age 60 and 10 years of service.

Louisiana Firefighters Retirement System: The earliest of (i) 25 years of service, (ii) age 50 and 20 years of service, or (iii) age 55 and 12 years of service.

Louisiana Municipal Police Retirement System: The earliest of (i) 25 years of service, (ii) age 50 and 20 years of service, or (iii) age 55 and 12 years of service.

Louisiana State Employees Retirement System: If hired before July 1, 2006, the earliest of (i) 30 years of service, (ii) age 55 and 25 years of service, or (iii) age 60 and 10 years of service. If hired on or after July 1, 2006, attainment of age 60 and 10 years of service.

In addition to the above, an employee must have been in continuous covered employment for the immediate 10 years prior to retirement and participated in the healthcare plan for the immediate two years prior to retirement. There are other provisions for approved disability retirement and elected officials. Complete plan provisions are included in the official plan documents.

Contribution rates:

Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund policy:

Until fiscal year 2009, the City recognized the cost of providing postemployment medical benefits (City's portion or retiree medical

NOTES TO FINANCIAL STATEMENTS

benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis.

Effective with the fiscal year beginning November 1, 2008, the City implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (GASB 45). The requirements of GASB 45 are being implemented prospectively. Accordingly, for financial reporting purposes, no liability is reported for the postemployment benefits liability at the date of transition. The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs. In fiscal year 2010, the City's portion of health care funding cost for retired employees totaled \$289,340. This amount was applied toward the net OPEB Benefit Obligation as shown in the table on the next page.

Annual required contribution:

The City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the amortization of the unfunded actuarial accrued liability. An open, level dollar method amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning November 1, 2009 is \$1,586,914 as set forth below:

Normal cost	\$ 610,080
30-year UAL amortization amount	<u>976,834</u>
Annual required contribution	<u>\$1,586,914</u>

Net postemployment benefit obligation:

The table below shows the City's net OPEB obligation for the fiscal year ending October 31, 2010:

a. Beginning net OPEB obligation at November 1, 2009	<u>\$1,058,210</u>
b. Annual required contribution (ARC)	\$1,586,914
c. Interest on net OPEB obligation (a. X 4%)	42,328
d. ARC amortization adjustment	<u>61,197</u>
e. OPEB cost (b. + c. - d.)	\$1,568,045
f. Employer contribution (current year retiree premium)	<u>289,340</u>
g. Change in net OPEB obligation (e. - f.)	<u>\$1,278,705</u>
Ending net OPEB obligation at October 31, 2010 (a. + g.)	<u>\$2,336,915</u>

NOTES TO FINANCIAL STATEMENTS

The City's annual OPEB cost is \$1,568,045 and \$1,337,356 for the years ended October 31, 2010 and 2009, respectively. The percentage of annual cost contributed and the net unfunded OPEB obligation is 18.45% and \$1,278,705 for the year ended October 31, 2010 and 20.87% and \$1,058,210 for the year ended October 31, 2009.

Funding status and funding progress:

The City made no contributions to its postemployment benefits plan during the year ending October 31, 2010. The plan was not funded, has no assets, and hence has a funded ratio of zero. As of November 1, 2009, the Actuarial Accrued Liability (AAL) was \$15,833,233, which is defined as that portion, as determined by a particular actuarial cost method, (the City uses the Projected Unit Credit Actuarial Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal years 2009 and 2010, the entire AAL of \$15,833,233 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,920,730 and the ratio of the unfunded AAL to the covered payroll was 228.78%.

Actuarial methods and assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for the postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) healthcare cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for the financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial cost method:

The ARC is determined using the Projected Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels

NOTES TO FINANCIAL STATEMENTS

using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions including the investment rate of return assumption (discount rate), mortality, and turnover.

Actuarial value of plan assets:

There are no plan assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover rate:

The following annual rates of withdrawal were used:

<u>Age</u>	<u>Rate</u>
25	5.27%
30	4.83%
35	4.47%
40	3.84%
45	3.21%
50	1.52%
55	0.33%
60	none

Investment return assumption (discount rate):

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan that is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. The rate is derived from the anticipated long-term return on liquid assets used to finance the plan on a pay-as-you-go basis.

Health care cost trend rate:

The expected rate of increase in medical cost assumes an initial rate of 8% and an annual decline of .50% and an ultimate rate of 4.50% which is consistent with projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services.

Mortality rate:

The Combined Annuity and Nonannuity mortality tables applicable for the year of the measurement date based on RP2000 Annuity and Nonannuity Mortality Tables for males and females which have been projected by using the Society of Actuaries Table AA, and methods pursuant to IRS Regulation 1.430(h)(3)-1 were used.

NOTES TO FINANCIAL STATEMENTS

Method of determining value of benefits:

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the medical insurance for elected officials and covered employees that retired with at least 20 years of service, 50% for covered employees with at least 10 years of service but less than 20 years, and 25% for covered employees approved for disability retirement with at least five years of service but less than 10 years. GASB 45 mandates that "unblended" rates be used. "Age-related" "unblended" rates were used in the actuarial valuation.

Note 15. Prior Period Adjustment

In the current year, a prior period adjustment was recorded to properly reflect the amount of revenues that were due from FEMA for hurricane related expenditures. The net effect of this error was to overstate ending net assets and fund balances at October 31, 2009 of the Governmental Activities and Governmental Funds by \$156,300. In addition, the change in net assets and fund balances for the year ended October 31, 2009 was overstated by the same amount.

Note 16. Subsequent Event

Subsequent to year end, the City issued: General Obligation Refunding Bonds Series 2010 in the amount of \$9,925,000 (interest rates 2% - 4.5% due March 1, 2026) to refund its series 2002 and 2005 general obligation bonds; LCDA Revenue Refunding Bonds Series 2010A in the amount of \$3,310,000 (interest rates of 2% - 4% due March 1, 2020) to refund its series 1995, 1997 and 1999 public improvement bonds; LCDA Revenue Refunding Bonds Series 2010B in the amount of \$7,085,000 (interest rates 2% - 5% due May 1, 2026) to refund its series 2004 sewer revenue bonds; and LCDA Revenue Bonds Series 2010C in the amount of \$4,000,000 (interest rates 2% - 4%) due November 1, 2035.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended October 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes -				
Ad valorem	\$ 1,147,000	\$ 1,147,000	\$ 1,114,311	\$ (32,689)
Sales and use	1,750,330	1,645,330	1,601,150	(44,180)
Franchise	1,927,000	1,927,000	1,799,129	(127,871)
Licenses and permits -				
Occupational and liquor licenses	1,394,000	1,394,000	1,370,370	(23,630)
Fees and permits	234,300	211,384	240,911	29,527
Intergovernmental -				
Federal grants	224,000	43,000	155,780	112,780
State grants	247,679	95,847	85,369	(10,478)
State shared revenues:				
Beer taxes	32,500	32,500	53,631	21,131
Horse race track fees	120,000	120,000	81,085	(38,915)
Charges for services	46,380	46,380	60,354	13,974
Fines and forfeitures	117,610	117,610	94,940	(22,670)
Investment income	226,500	226,500	126,814	(99,686)
Miscellaneous	51,670	56,670	85,312	28,642
Total revenues	<u>\$ 7,518,969</u>	<u>\$ 7,063,221</u>	<u>\$ 6,869,156</u>	<u>\$ (194,065)</u>
Expenditures:				
Current -				
General government:				
Personnel costs	\$ 1,467,707	\$ 1,434,012	\$ 1,402,617	\$ 31,395
Auto allowance	36,600	36,600	36,600	-
Computer programming	80,000	79,000	66,080	12,920
Coroner's fees	26,000	36,000	35,540	460
Professional fees	143,300	305,199	255,817	49,382
Equipment rental	19,400	19,400	11,203	8,197
Materials and supplies	11,700	12,950	10,313	2,637
Repairs and maintenance	97,550	102,947	94,265	8,682
Telephone and utilities	131,400	131,400	113,182	18,218
Election costs	15,000	15,000	-	15,000
Janitorial services	46,000	46,000	46,000	-
Insurance	342,097	344,097	313,213	30,884
Office supplies	53,935	53,352	38,316	15,036
Travel and training	42,250	33,250	16,378	16,872
Court witness fees	18,000	18,000	15,535	2,465
Clerk of Court fees	14,400	16,048	15,589	459

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
For the Year Ended October 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures (continued):				
Current -				
General government:				
Contract services	374,000	358,729	302,061	56,668
Nonprofit allocations -				
Veteran allotment	1,800	1,800	2,163	(363)
Council on Aging	10,000	10,000	10,000	-
SNAP	6,000	6,000	6,000	-
SMILE	5,000	5,000	5,000	-
Iberia Industrial				
Development	5,000	5,000	5,000	-
St. Francis Diner	5,000	5,000	5,000	-
Boys and Girls Club	5,000	5,000	5,000	-
PEPPIE	1,200	1,200	1,200	-
Iberia Humane Society	1,500	1,500	1,500	-
Social Service Center	2,228	2,228	2,228	-
Youth Planning Board	-	5,000	5,000	-
Miscellaneous	<u>85,095</u>	<u>94,700</u>	<u>101,623</u>	<u>(6,923)</u>
Total general government	<u>\$ 3,047,162</u>	<u>\$ 3,184,412</u>	<u>\$ 2,922,423</u>	<u>\$ 261,989</u>
Public safety:				
Personnel costs	\$ 4,689,324	\$ 4,939,108	\$ 4,423,459	\$ 515,649
Computer programming	1,000	1,000	845	155
Professional fees	23,500	25,715	16,671	9,044
Materials and supplies	54,600	49,106	44,350	4,756
Repairs and maintenance	137,235	148,168	69,511	78,657
Telephone and utilities	67,900	66,900	57,694	9,206
Insurance	63,900	69,360	44,943	24,417
Office supplies	10,650	11,138	9,662	1,476
Travel and training	61,300	60,285	54,893	5,392
Jail costs	325,000	325,000	225,360	99,640
Security services	5,000	5,000	-	5,000
External appropriations	24,000	24,000	23,092	908
Contract services	4,933,000	4,933,000	5,213,753	(280,753)
Miscellaneous	<u>69,033</u>	<u>72,207</u>	<u>66,252</u>	<u>5,955</u>
Total public safety	<u>\$ 10,465,442</u>	<u>\$ 10,729,987</u>	<u>\$ 10,250,485</u>	<u>\$ 479,502</u>

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
For the Year Ended October 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Culture and recreation:				
Professional fees	\$ 74,000	\$ 70,347	\$ 79,137	\$ (8,790)
Repairs and maintenance	15,740	39,965	32,881	7,084
Telephone and utilities	13,900	13,900	17,003	(3,103)
Insurance	6,500	6,500	-	6,500
Programs	21,531	24,554	20,570	3,984
Materials and supplies	3,500	3,500	2,962	538
Miscellaneous	7,270	4,872	1,907	2,965
Total culture and recreation	<u>\$ 142,441</u>	<u>\$ 163,638</u>	<u>\$ 154,460</u>	<u>\$ 9,178</u>
Capital outlay	<u>\$ 696,021</u>	<u>\$ 1,474,425</u>	<u>\$ 901,016</u>	<u>\$ 573,409</u>
Total expenditures	<u>\$ 14,351,066</u>	<u>\$ 15,552,462</u>	<u>\$ 14,228,384</u>	<u>\$ 1,324,078</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (6,832,097)</u>	<u>\$ (8,489,241)</u>	<u>\$ (7,359,228)</u>	<u>\$ 1,130,013</u>
Other financing sources (uses):				
Transfers in	\$ 9,796,153	\$ 10,506,955	\$ 9,915,669	\$ (591,286)
Transfers out	<u>(3,541,572)</u>	<u>(3,572,910)</u>	<u>(6,033,039)</u>	<u>(2,460,129)</u>
Total other financing sources (uses)	<u>\$ 6,254,581</u>	<u>\$ 6,934,045</u>	<u>\$ 3,882,630</u>	<u>\$ (3,051,415)</u>
Net change in fund balance	\$ (577,516)	\$ (1,555,196)	\$ (3,476,598)	\$ (1,921,402)
Fund balance, beginning	<u>6,741,140</u>	<u>6,741,140</u>	<u>11,139,545</u>	<u>4,398,405</u>
Fund balance, ending	<u>\$ 6,163,624</u>	<u>\$ 5,185,944</u>	<u>\$ 7,662,947</u>	<u>\$ 2,477,003</u>

See Note to Budgetary Comparison Schedules.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
For the Year Ended October 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes -				
Sales and use	\$ 8,751,650	\$ 8,226,650	\$ 8,005,751	\$ (220,899)
Investment income	<u>151,000</u>	<u>151,000</u>	<u>82,081</u>	<u>(68,919)</u>
Total revenues	\$ 8,902,650	\$ 8,377,650	\$ 8,087,832	\$ (289,818)
Expenditures:				
Current -				
General government	<u>95,000</u>	<u>95,000</u>	<u>84,570</u>	<u>10,430</u>
Excess (deficiency) of revenues over expenditures	\$ 8,807,650	\$ 8,282,650	\$ 8,003,262	\$ (279,388)
Other financing uses:				
Transfers out	<u>(12,671,853)</u>	<u>(13,017,475)</u>	<u>(12,340,898)</u>	<u>676,577</u>
Net change in fund balance	\$ (3,864,203)	\$ (4,734,825)	\$ (4,337,636)	\$ 397,189
Fund balance, beginning	<u>5,994,363</u>	<u>5,994,363</u>	<u>8,444,584</u>	<u>2,450,221</u>
Fund balance, ending	<u>\$ 2,130,160</u>	<u>\$ 1,259,538</u>	<u>\$ 4,106,948</u>	<u>\$2,847,410</u>

See Note to Budgetary Comparison Schedules.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GARBAGE FUND
For the Year Ended October 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes -				
Sales and use	\$ 3,500,660	\$ 3,290,660	\$ 3,202,300	\$ (88,360)
Intergovernmental -				
Federal grants	355,478	-	-	-
Investment income	39,000	39,000	17,667	(21,333)
Miscellaneous	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total revenues	<u>\$ 3,940,138</u>	<u>\$ 3,374,660</u>	<u>\$ 3,264,967</u>	<u>\$ (109,693)</u>
Expenditures:				
Current -				
General government	\$ 37,000	\$ 37,000	\$ 33,828	\$ 3,172
Public works	<u>4,122,697</u>	<u>4,122,697</u>	<u>3,963,228</u>	<u>159,469</u>
Total expenditures	<u>\$ 4,159,697</u>	<u>\$ 4,159,697</u>	<u>\$ 3,997,056</u>	<u>\$ 162,641</u>
Net change in fund balance	<u>\$ (219,559)</u>	<u>\$ (785,037)</u>	<u>\$ (732,089)</u>	<u>\$ 52,948</u>
Fund balance, beginning, as previously reported	\$ 809,702	\$ 809,702	\$ 973,083	\$ 163,381
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(106,669)</u>	<u>(106,669)</u>
Fund balance, beginning, as restated	<u>\$ 809,702</u>	<u>\$ 809,702</u>	<u>\$ 866,414</u>	<u>\$ 56,712</u>
Fund balance, ending	<u>\$ 590,143</u>	<u>\$ 24,665</u>	<u>\$ 134,325</u>	<u>\$ 109,660</u>

See Note to Budgetary Comparison Schedules.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

NOTE TO BUDGETARY COMPARISON SCHEDULES

Note 1. Budgets and Budgetary Accounting

City of New Iberia follows the procedures detailed below in adopting its budget.

1. At least 45 days prior to the beginning of each fiscal year, the Mayor is required to submit to the Board of Trustees a proposed budget in the form required by the Charter.
2. A public hearing is required to be conducted to obtain taxpayer comments and notice thereof is published in the official journal at least 10 days prior to such hearing. The notification is to include the time and place of the public hearing in addition to a general summary of the proposed budget.
3. Final adoption of the budget is required to be not later than October 31 of the fiscal year for the ensuing fiscal year.
4. Formal budgetary integration is employed as a management control device during the year for all funds. No payment can be made or obligated against any appropriation unless the Mayor or her designee first certifies that sufficient unencumbered funds are or will be available to meet the obligation when it becomes due and payable. In practice, this has generally been interpreted (due to the flexibility for intra departmental transfer of line item appropriations) to mean control at the departmental/fund level.
5. Those budgets which the City adopts are on a basis consistent with generally accepted accounting principles as applied to governmental units.
6. All appropriations, except for capital outlays, lapse at the close of the fiscal year to the extent that they have not been expended or encumbered. Appropriations for capital outlays lapse after completion of the project.

All budgeted amounts presented reflect the original budget and the final budget (which have been adjusted for legally authorized revisions during the year).

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OTHER SUPPLEMENTARY INFORMATION

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
October 31, 2010

ASSETS	Special Revenue			Section 8 Housing Voucher Program
	Parks and Recreation	Public Works	Disaster Relief	
Cash	\$ 94,213	\$ 267,648	\$ 165,629	\$ 209,634
Certificates of deposit	-	-	1,342,471	-
Accrued interest receivable	-	-	1,871	-
Special assessments receivable	-	-	-	-
Other receivables	-	-	-	2,055
Due from other funds	24,959	45,830	-	-
Due from other governmental agencies	-	2,326	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 119,172</u>	<u>\$ 315,804</u>	<u>\$1,509,971</u>	<u>\$ 211,689</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	48,689	113,012	-	428
Retainage payable	40,082	612	-	-
Accrued expenses	30,401	23,495	-	2,490
Deferred revenue	-	145,500	-	-
Due to other funds	-	33,185	2,200	-
Due to other governmental agencies	-	-	12,900	-
Total liabilities	<u>\$ 119,172</u>	<u>\$ 315,804</u>	<u>\$ 15,100</u>	<u>\$ 2,918</u>
Fund balances:				
Reserved for -				
Debt service	\$ -	\$ -	\$ -	\$ -
Construction	-	-	-	-
Unreserved -				
Designated for capital projects	-	-	-	-
Undesignated	-	-	1,494,871	208,771
Total fund balances	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,494,871</u>	<u>\$ 208,771</u>
Total liabilities and fund balances	<u>\$ 119,172</u>	<u>\$ 315,804</u>	<u>\$1,509,971</u>	<u>\$ 211,689</u>

<u>Debt Service</u>					
<u>Debt Service</u>	<u>Spanish Town Paving Assessments</u>	<u>Spanish Town Sewer Assessments</u>	<u>2009 Street Bonds Sinking</u>	<u>Construction</u>	<u>2006 Street Programs</u>
\$ 1,201,410	\$ 30,040	\$ 5,873	\$ 356,717	\$ 1,771,137	\$ 267,148
-	-	-	-	-	-
-	-	-	-	-	-
-	507,780	70,308	-	-	-
-	-	-	-	-	-
788,015	-	-	-	-	-
-	-	-	-	-	-
166,287	-	-	-	-	-
<u>\$ 2,155,712</u>	<u>\$ 537,820</u>	<u>\$ 76,181</u>	<u>\$ 356,717</u>	<u>\$ 1,771,137</u>	<u>\$ 267,148</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	235,294
-	507,780	70,308	-	-	-
1,090	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,090</u>	<u>\$ 507,780</u>	<u>\$ 70,308</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 235,294</u>
\$ 2,154,622	\$ 30,040	\$ 5,873	\$ 356,717	\$ -	\$ -
-	-	-	-	1,771,137	31,854
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,154,622</u>	<u>\$ 30,040</u>	<u>\$ 5,873</u>	<u>\$ 356,717</u>	<u>\$ 1,771,137</u>	<u>\$ 31,854</u>
<u>\$ 2,155,712</u>	<u>\$ 537,820</u>	<u>\$ 76,181</u>	<u>\$ 356,717</u>	<u>\$ 1,771,137</u>	<u>\$ 267,148</u>

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
October 31, 2010

ASSETS	Capital Projects		
	Drainage	CDBG	Total
Cash	\$2,532,195	\$ 48,754	\$ 6,950,398
Certificates of deposit	-	-	1,342,471
Accrued interest receivable	-	-	1,871
Special assessments receivable	-	-	578,088
Other receivables	-	-	2,055
Due from other funds	-	27,500	886,304
Due from other governmental agencies	-	167,428	169,754
Prepaid expenses	-	-	166,287
Total assets	<u>\$2,532,195</u>	<u>\$243,682</u>	<u>\$10,097,228</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Overdraft	\$ -	\$ 2,071	\$ 2,071
Accounts payable	37,767	80,037	279,933
Retainage payable	24,378	86,165	386,531
Accrued expenses	-	-	56,386
Deferred revenue	-	-	723,588
Due to other funds	45,830	75,409	157,714
Due to other governmental agencies	-	-	12,900
Total liabilities	<u>\$ 107,975</u>	<u>\$243,682</u>	<u>\$ 1,619,123</u>
Fund balances:			
Reserved for -			
Debt service	\$ -	\$ -	\$ 2,547,252
Construction	-	-	1,802,991
Unreserved -			
Designated for capital projects	2,424,220	-	2,424,220
Undesignated	-	-	1,703,642
Total fund balances	<u>\$2,424,220</u>	<u>\$ -0-</u>	<u>\$ 8,478,105</u>
Total liabilities and fund balances	<u>\$2,532,195</u>	<u>\$243,682</u>	<u>\$10,097,228</u>

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended October 31, 2010

	Special Revenue			Section 8 Housing Voucher Program
	Parks and Recreation	Public Works	Disaster Relief	
Revenues:				
Taxes -				
Ad valorem	\$ 461,285	\$ 537,550	\$ -	\$ -
Intergovernmental -				
Federal grants	1,726	35,493	-	1,283,023
Other	-	-	-	-
Charges for services	371,995	32,350	-	-
Investment income	-	132	20,796	2,326
Miscellaneous	28,065	2,876	-	5,976
Total revenues	<u>\$ 863,071</u>	<u>\$ 608,401</u>	<u>\$ 20,796</u>	<u>\$1,291,325</u>
Expenditures:				
Current -				
General government	\$ -	\$ -	\$ -	\$ -
Public works	-	2,884,397	2,600	-
Culture and recreation	2,580,893	-	-	-
Urban redevelopment and housing	-	-	-	1,283,736
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	522,649	311,109	-	-
Total expenditures	<u>\$ 3,103,542</u>	<u>\$ 3,195,506</u>	<u>\$ 2,600</u>	<u>\$1,283,736</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,240,471)</u>	<u>\$ (2,587,105)</u>	<u>\$ 18,196</u>	<u>\$ 7,589</u>
Other financing sources (uses):				
Transfers in	\$ 2,239,596	\$ 2,550,625	\$ -	\$ -
Transfers out	-	-	-	-
Proceeds from sale of capital assets	875	36,480	-	-
Total other financing sources (uses)	<u>\$ 2,240,471</u>	<u>\$ 2,587,105</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net change in fund balances	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 18,196</u>	<u>\$ 7,589</u>
Fund balances (deficit), beginning, as previously reported	\$ -	\$ -	\$1,526,306	\$ 201,182
Prior period adjustment	-	-	(49,631)	-
Fund balances (deficit), beginning, as restated	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,476,675</u>	<u>\$ 201,182</u>
Fund balances, ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,494,871</u>	<u>\$ 208,771</u>

Debt Service					
Debt Service	Spanish Town Paving Assessments	Spanish Town Sewer Assessments	2009 Street Bonds Sinking	Construction	2006 Street Programs
\$ 1,939,999	\$ 57,230	\$ 7,924	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,191	5	1	150	2,269	5,365
-	175	150	-	-	-
<u>\$ 1,942,190</u>	<u>\$ 57,410</u>	<u>\$ 8,075</u>	<u>\$ 150</u>	<u>\$ 2,269</u>	<u>\$ 5,365</u>
\$ -	\$ -	\$ -	\$ 3,000	\$ 23,493	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,725,429	58,500	8,100	-	-	-
975,808	20,475	2,851	164,396	-	-
-	-	-	-	-	2,998,015
<u>\$ 2,701,237</u>	<u>\$ 78,975</u>	<u>\$ 10,951</u>	<u>\$ 167,396</u>	<u>\$ 23,493</u>	<u>\$ 2,998,015</u>
<u>\$ (759,047)</u>	<u>\$ (21,565)</u>	<u>\$ (2,876)</u>	<u>\$ (167,246)</u>	<u>\$ (21,224)</u>	<u>\$ (2,992,650)</u>
\$ 1,243,405	\$ -	\$ -	\$ 523,963	\$ -	\$ 3,156,660
(523,963)	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 719,442</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 523,963</u>	<u>\$ -0-</u>	<u>\$ 3,156,660</u>
<u>\$ (39,605)</u>	<u>\$ (21,565)</u>	<u>\$ (2,876)</u>	<u>\$ 356,717</u>	<u>\$ (21,224)</u>	<u>\$ 164,010</u>
\$ 2,194,227	\$ 51,605	\$ 8,749	\$ -	\$ 1,792,361	\$ (132,156)
-	-	-	-	-	-
<u>\$ 2,194,227</u>	<u>\$ 51,605</u>	<u>\$ 8,749</u>	<u>\$ -0-</u>	<u>\$ 1,792,361</u>	<u>\$ (132,156)</u>
<u>\$ 2,154,622</u>	<u>\$ 30,040</u>	<u>\$ 5,873</u>	<u>\$ 356,717</u>	<u>\$ 1,771,137</u>	<u>\$ 31,854</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended October 31, 2010

	<u>Capital Projects</u>		
	<u>Drainage</u>	<u>CDBG</u>	<u>Total</u>
Revenues:			
Taxes -			
Ad valorem	\$ -	\$ -	\$ 3,003,988
Intergovernmental -			
Federal grants	-	956,036	2,276,278
Other	789,756	-	789,756
Charges for services	-	-	404,345
Investment income	1,702	-	34,937
Miscellaneous	-	-	37,242
Total revenues	<u>\$ 791,458</u>	<u>\$ 956,036</u>	<u>\$ 6,546,546</u>
Expenditures:			
Current -			
General government	\$ -	\$ -	\$ 26,493
Public works	106,763	-	2,993,760
Culture and recreation	-	-	2,580,893
Urban redevelopment and housing	-	220,804	1,504,540
Debt service -			
Principal retirement	-	-	1,792,029
Interest and fiscal charges	-	-	1,163,530
Capital outlay	410,583	858,340	5,100,696
Total expenditures	<u>\$ 517,346</u>	<u>\$1,079,144</u>	<u>\$15,161,941</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 274,112</u>	<u>\$ (123,108)</u>	<u>\$ (8,615,395)</u>
Other financing sources (uses):			
Transfers in	\$ -	\$ 123,108	\$ 9,837,357
Transfers out	(275,000)	-	(798,963)
Proceeds from sale of capital assets	-	-	37,355
Total other financing sources (uses)	<u>\$ (275,000)</u>	<u>\$ 123,108</u>	<u>\$ 9,075,749</u>
Net change in fund balances	<u>\$ (888)</u>	<u>\$ -0-</u>	<u>\$ 460,354</u>
Fund balances (deficit), beginning, as previously reported	\$2,425,108	\$ -	\$ 8,067,382
Prior period adjustment	-	-	(49,631)
Fund balances (deficit), beginning, as restated	<u>\$2,425,108</u>	<u>\$ -0-</u>	<u>\$ 8,017,751</u>
Fund balances, ending	<u>\$2,424,220</u>	<u>\$ -0-</u>	<u>\$ 8,478,105</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANASTATEMENT OF OPERATING EXPENSES
SEWERAGE FUND
For the Year Ended October 31, 2010

Operating expenses:	
Cost of services -	
Salaries	\$ 1,242,399
Employee benefits	456,981
Materials and supplies	206,744
Repairs and maintenance	562,861
Fuel	71,789
Insurance	84,431
Office supplies and postage	8,898
Telephone and utilities	528,872
Professional services	119,055
Contractual services	175,675
Collection fees	95,210
Equipment rental	1,081
Travel and training	3,755
Miscellaneous	32,344
Depreciation	<u>2,081,526</u>
Total operating expenses	<u>\$ 5,671,621</u>

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COMPLIANCE AND OTHER GRANT INFORMATION

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Elizabeth J. Moreau, CPA*
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Lonnie J. Hebert, CPA*

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Herbert Lemoine II, CPA 2008

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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**

To the Board of Trustees
of City of New Iberia
New Iberia, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia as of and for the year ended October 31, 2010, which collectively comprise the City of New Iberia's basic financial statements and have issued our report thereon dated April 12, 2011. 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 New Iberia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of New Iberia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of New Iberia's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs at item #2010-2 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of New Iberia'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items #2010-1 and #2010-2.

The City of New Iberia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of New Iberia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Broussard, Piché, Lewis & Breany, L.L.P.

Lafayette, Louisiana
April 12, 2011



BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees
of City of New Iberia
New Iberia, Louisiana

Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
P. John Blanchet, III, CPA*
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Elizabeth J. Moreau, CPA*
Frank D. Bergeron, CPA*
Lonnie J. Hebert, CPA*

Compliance

We have audited the City of New Iberia's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that would have a direct and material effect on each of the City of New Iberia's major federal programs for the year ended October 31, 2010. The City of New Iberia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of New Iberia's management. Our responsibility is to express an opinion on the City of New Iberia's compliance based on our audit.

Retired:

Sidney L. Broussard, CPA 1925-2005
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA 1992
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George J. Trappey, III, CPA 2007
Terrel P. Dressel, CPA 2007
Herbert Lemoine II, CPA 2008

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

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In our opinion, the City of New Iberia complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2010.

Internal Control Over Compliance

Management of the City of New Iberia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of New Iberia's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of New Iberia's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Broussard, Roché, Lewis & Brannan L.L.P.

Lafayette, Louisiana
April 12, 2011

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended October 31, 2010

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified.

Internal control over financial reporting:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Noncompliance or other matters material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Type of auditors' report issued on compliance for major programs: Unqualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers
14.228	Community Development Block Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

Auditee qualified as low-risk auditee? Yes No

Section II. Financial Statement Findings

#2010-1 Income Requirement Related to Bonds

Finding: The Bond Resolution for the Sewer Revenue Bonds requires the City to set and maintain fees to provide revenues in each year after paying all operating expenses, at least equal to 125% of the required deposits into the Sinking Fund. For the year ended October 31, 2010, the City did not meet this requirement. They were under the amount required by \$668,814.

Recommendation: The City should determine the reason they were unable to meet the requirement. This would involve examining both expenses and revenue. Expenses should be examined to determine if any can be reduced or eliminated without affecting operations. Rates being charged should also be examined to determine if a rate increase is necessary to enable the City to meet the requirement.

Management Response: The Sewer Revenue Bonds for which the requirement was not met were refunded subsequent to October 31, 2010 and this is no longer a requirement that needs to be met. Expenses and revenues will be examined and such requirements will be more closely monitored in the future.

#2010-2 Rates Charged by Parks and Recreation

Finding: While testing parks and recreations cash receipts, we noted instances where City employees and nonprofit organizations were given discounts for parks and recreation services. This may be a violation of state law. In addition, we noted no formal list of rates that are to be charged for parks and recreation services.

Recommendation: Rate schedules for all parks and recreations services, including rent schedules for facilities, should be developed by management. Once the rates are adopted, parks and recreation personnel should not grant discounts to anyone.

Management Response: Rate schedules will be developed. Once adopted, the rate schedules will be followed and no discounts will be granted.

Section III. Federal Award Findings and Questioned Costs

None reported.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended October 31, 2010

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

#2009-1 Cash Accounts and Cash Management

Recommendation: The cash activity for funds with their own cash accounts should be recorded in the fund's separate account; their receipts and disbursements should not be recorded in the clearance account. In addition, interest should be properly recorded in the funds based on their portion of the clearance account and/or their cash balance. Furthermore, cash balances in individual funds should be closely monitored. Certificates of deposits should be cashed in and/or transfers made from the appropriate funds to fund the overdrafts.

Current Status: Cash activity for funds with their own cash accounts were recorded properly in the fund's separate accounts and interest was properly recorded. Furthermore, the cash balances in individual funds were monitored and overdrafts were funded by cashing in certificates of deposits. This finding is considered resolved.

#2009-2 Budget Violations

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

Current Status: There were no budget violations in the current year. This finding is considered resolved.

#2009-3 Procedures and Internal Controls Over Scrap Equipment/Material/Metal, Etc.

Recommendation: The City should adopt and implement written procedures and controls over the handling of scrap equipment/material/metal, etc.

Current Status: Written procedures and controls over handling of scrap equipment/material/metal, etc. were adopted and implemented. This finding is considered resolved.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

There was no management letter in the prior year's audit report.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended October 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Pass- Through Grantor's Number</u>
DIRECT PROGRAMS:			
U.S. Environmental Protection Agency - Brownsfield Assessment and Cleanup Cooperative Endeavor Agreements	66.818	BF-96697801-0	N/A
Delta Regional Authority - New Iberia Santa Inez Force Main Replacement	90.200	LA-5097	N/A
U.S. Department of Housing and Urban Development - Section 8 Housing Choice Vouchers	14.871	LA-165VO	N/A
PASS-THROUGH PROGRAMS:			
U.S. Federal Highway Administration - State of Louisiana Department of Transportation and Development: Transportation Enhancement Grants	20.607	HRRR-2307(501)	737-23-0001
	20.608	HRRR-2307(502)	737-23-0002
U.S. Department of Housing and Urban Development - Louisiana Division of Administration Community Development Block Grant Division: Block Grants - States Program	14.228	N/A	685250 685252 685253
State Department of Social Services: Emergency Shelter Grant	14.231	N/A	CFMS-679201

<u>Total Current Year Expenditures</u>	<u>Total Amount Provided to Subrecipients</u>
--	---

\$ <u>132,111</u>	\$ <u>-0-</u>
-------------------	---------------

\$ <u>100,000</u>	\$ <u>-0-</u>
-------------------	---------------

\$ <u>1,283,023</u>	\$ <u>-0-</u>
---------------------	---------------

\$ <u>21,818</u>	\$ <u>-0-</u>
\$ <u>10,590</u>	\$ <u>-0-</u>

\$ 97,696	\$ -
501,917	-
<u>356,423</u>	<u>-</u>
\$ <u>956,036</u>	\$ <u>-0-</u>

\$ <u>23,669</u>	\$ <u>23,669</u>
------------------	------------------

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended October 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Pass- Through Grantor's Number</u>
PASS-THROUGH PROGRAMS (CONTINUED):			
U.S. Department of Labor - Acadiana Works: Local Workforce Investment Act	17.258	N/A	N/A

Schedule Q-1
(continued)

<u>Total Current Year Expenditures</u>	<u>Total Amount Provided to Subrecipients</u>
\$ 8,328	\$ -0-
\$ 2,535,575	\$ 23,669

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As of and For the Year Ended October 31, 2010

Note 1. General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of New Iberia and is presented on the modified accrual basis of accounting, which is described in Note 1 to financial statements of the City's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Note 2. Relationship to Financial Statements

Federal awards revenues are reported in the City's financial statements as follows:

	Federal Sources
Major Governmental Funds:	
General Fund	\$ 155,780
Other Governmental Funds:	
Parks and Recreation	1,726
Public Works	35,493
Section 8 Housing Voucher Program	1,283,023
CDBG	956,036
Major Proprietary Fund:	
Sewerage	103,517
	<u>\$2,535,575</u>

Note 3. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 4. Major Federal Awards

The dollar amount threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO TRUSTEES
Year Ended October 31, 2010

Frederick Decourt	\$ 13,200
Peggy Gerac	11,400
Robert Suire	11,400
Therese Segura	11,400
David Merrill	11,400
Calvin Begnaud	11,400
Raymond Lewis	<u>11,400</u>
	<u>\$ 81,600</u>