

CITY OF OPELOUSAS, LOUISIANA

Financial Report

Year Ended August 31, 2014

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balances- governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	12
Statement of net position - proprietary funds	13
Statement of revenues, expenses, and changes in fund net position - proprietary funds	14
Statement of cash flows - proprietary funds	15-16
 Notes to basic financial statements	 17-50
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	52
Sales Tax Special Revenue Fund	53
 OTHER SUPPLEMENTARY INFORMATION	
 OTHER FINANCIAL INFORMATION	
Balance sheet - General and Sales Tax funds (with prior year comparable amounts)	56
Major Governmental Funds (with prior year comparable amounts) -	
General Fund - budgetary comparison schedule	57
General Fund - budgetary comparison schedule - revenues	58-59
General Fund - budgetary comparison schedule- expenditures	60-63
Sales Tax Fund - budgetary comparison schedule	64
Nonmajor Governmental Funds (with prior year comparable amounts) -	
Combining balance sheet	66
Combining statement of revenues, expenditures, and changes in fund balances	67

(continued)

TABLE OF CONTENTS (Continued)

	Page
Nonmajor Enterprise Fund (with prior year comparable amounts) -	
Statement of net position	69
Statement of revenues, expenses, and changes in fund net position	70
Statement of cash flows	71
Internal Service Funds (with prior year comparable amounts) -	
Combining statement of net position	73
Combining statement of revenues, expenses, and changes in fund net position	74
Combining statement of cash flows	75
Schedule of insurance in force	76
Schedule of number of utility customers	77
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	79-80
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	81-82
Schedule of expenditures of federal awards	83
Notes to schedule of expenditures of federal awards	84-85
Schedule of findings and questioned costs	86-87
Schedule of prior audit findings and questioned costs	88
Summary schedule of current and prior year audit findings and corrective action plan	89-91

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INDEPENDENT AUDITOR'S REPORT

The Honorable Reginald Tatum, Mayor
and Members of the Board of Aldermen
City of Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of August 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 22 to the financial statements, the City of Opelousas, Louisiana adopted new accounting guidance, *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 52 and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Opelousas, Louisiana's basic financial statements. The other supplementary information on pages 56 through 77 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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 basic financial statements.

The General and Sales Tax funds comparative balance sheet, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules, schedule of the number of utility customers and the schedule of insurance in force on pages 57 – 64 and 76 – 77 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2015, on our consideration of the City of Opelousas, Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Opelousas, Louisiana’s internal control over financial reporting and compliance.

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

Ville Platte, Louisiana
February 19, 2015

BASIC FINANCIAL STATEMENTS

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Net Position
August 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 3,743,517	\$ 1,877,794	\$ 5,621,311
Receivables, net	176,451	1,572,710	1,749,161
Internal balances	209,796	(209,796)	-
Due from other governmental units	298,378	-	298,378
Inventory	43,361	32,194	75,555
Restricted assets:			
Cash and interest-bearing deposits	68,924	4,157,015	4,225,939
Capital assets:			
Land and construction in progress	1,835,029	77,698	1,912,727
Capital assets, net	<u>16,671,729</u>	<u>23,129,256</u>	<u>39,800,985</u>
Total assets	<u>23,047,185</u>	<u>30,636,871</u>	<u>53,684,056</u>
LIABILITIES			
Cash overdraft	185,884	-	185,884
Accounts payable and accrued expenses	1,545,402	195,290	1,740,692
Due to other government units	394,471	-	394,471
Claims payable	402,033	-	402,033
Customers' meter deposits	-	619,582	619,582
Taxes paid under protest	3,066	-	3,066
Long-term liabilities:			
Due within one year	490,395	1,110,000	1,600,395
Due in more than one year	<u>5,282,476</u>	<u>13,347,032</u>	<u>18,629,508</u>
Total liabilities	<u>8,303,727</u>	<u>15,271,904</u>	<u>23,575,631</u>
NET POSITION			
Net investment in capital assets	13,802,088	8,821,069	22,623,157
Restricted for:			
Debt service	38,033	1,652,470	1,690,503
Construction	-	1,017,267	1,017,267
Grant provisions	-	274,195	274,195
Unrestricted	<u>903,337</u>	<u>3,599,966</u>	<u>4,503,303</u>
Total net position	<u>\$ 14,743,458</u>	<u>\$ 15,364,967</u>	<u>\$ 30,108,425</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Activities
For the Year Ended August 31, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 3,005,572	\$ -	\$ 20,114	\$ 243,801	\$ (2,741,657)	\$ -	\$ (2,741,657)
Public safety	8,881,505	269,018	89,751	118,043	(8,404,693)	-	(8,404,693)
Public works	2,083,228	14,890	-	-	(2,068,338)	-	(2,068,338)
Health & welfare	620,491	64,958	131,758	-	(423,775)	-	(423,775)
Culture and recreation	1,574,778	298,308	501	119,800	(1,156,169)	-	(1,156,169)
Economic development	36,686	-	8,900	-	(27,786)	-	(27,786)
Insurance claims and costs	730,437	-	-	-	(730,437)	-	(730,437)
Interest and fees on debt	169,098	-	-	-	(169,098)	-	(169,098)
Total governmental activities	<u>17,101,795</u>	<u>647,174</u>	<u>251,024</u>	<u>481,644</u>	<u>(15,721,953)</u>	<u>-</u>	<u>(15,721,953)</u>
Business-type activities:							
Electric Light and Waterworks	3,291,722	5,768,166	-	10,000	-	2,486,444	2,486,444
Sewer	1,658,615	1,941,687	-	-	-	283,072	283,072
ORECD	(2,736)	-	-	-	-	2,736	2,736
Total business-type activities	<u>4,947,601</u>	<u>7,709,853</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>2,772,252</u>	<u>2,772,252</u>
Total	<u>\$ 22,049,396</u>	<u>\$ 8,357,027</u>	<u>\$ 251,024</u>	<u>\$ 491,644</u>	<u>\$ (15,721,953)</u>	<u>\$ 2,772,252</u>	<u>\$ (12,949,701)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					977,935	-	977,935
Sales and use taxes, levied for general purposes					9,139,539	-	9,139,539
Franchise taxes					1,181,162	-	1,181,162
Hotel / motel taxes					126,634	-	126,634
Interest and investment earnings					13,441	26,435	39,876
Occupational licenses and other permits					850,282	-	850,282
Racino income					325,284	-	325,284
Video poker revenue					79,958	-	79,958
State beer tax					44,267	-	44,267
Insurance rebate					72,852	-	72,852
Miscellaneous					383,240	13,191	396,431
Transfers					2,744,903	(2,744,903)	-
Total general revenues and transfers					<u>15,939,497</u>	<u>(2,705,277)</u>	<u>13,234,220</u>
Change in net position					217,544	66,975	284,519
Net position, as restated - September 1, 2013					<u>14,525,914</u>	<u>15,297,992</u>	<u>29,823,906</u>
Net position - August 31, 2014					<u>\$ 14,743,458</u>	<u>\$ 15,364,967</u>	<u>\$ 30,108,425</u>

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

FUND FINANCIAL STATEMENTS (FFS)

CITY OF OPELOUSAS, LOUISIANA

Balance Sheet
Governmental Funds
August 31, 2014

	General	Sales Tax Special Revenue	Other Governmental	Total
ASSETS				
Cash and cash equivalents	\$2,065,500	\$1,337,814	\$ 78,135	\$3,481,449
Receivables	175,018	-	-	175,018
Due from other funds	1,515,037	633,500	-	2,148,537
Due from other governmental units	216,438	-	81,935	298,373
Inventory	43,361	-	-	43,361
Restricted assets:				
Interest-bearing deposits	68,924	-	-	68,924
Total assets	<u>\$4,084,278</u>	<u>\$1,971,314</u>	<u>\$ 160,070</u>	<u>\$6,215,662</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 860,600	\$ 1,105	\$ 80,258	\$ 941,963
Accrued compensated absences	9,632	-	-	9,632
Taxes paid under protest	3,066	-	-	3,066
Due to other funds	394,796	-	36	394,832
Due to other governmental units	394,471	-	-	394,471
Total liabilities	<u>1,662,565</u>	<u>1,105</u>	<u>80,294</u>	<u>1,743,964</u>
Fund balances:				
Nonspendable - inventory	43,361	-	-	43,361
Restricted - debt service	-	-	38,033	38,033
Restricted - sales tax dedications	-	1,970,209	-	1,970,209
Assigned - capital expenditures	208	-	17,417	17,625
Assigned - health and welfare	-	-	11,229	11,229
Assigned - public safety	-	-	13,097	13,097
Unassigned	2,378,144	-	-	2,378,144
Total fund balances	<u>2,421,713</u>	<u>1,970,209</u>	<u>79,776</u>	<u>4,471,698</u>
Total liabilities and fund balances	<u>\$4,084,278</u>	<u>\$1,971,314</u>	<u>\$ 160,070</u>	<u>\$6,215,662</u>

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

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
August 31, 2014

Total fund balances for governmental funds at August 31, 2014		\$ 4,471,698
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 1,835,029	
Buildings, net of \$3,657,845 accumulated depreciation	5,027,090	
Improvements other than buildings, net of \$8,139,953 accumulated depreciation	9,269,183	
Equipment and machinery, net of \$4,050,870 accumulated depreciation	<u>2,375,456</u>	18,506,758
Long-term liabilities at August 31, 2014:		
Capital lease payable	(374,878)	
Bonds payable	(4,330,000)	
Compensated absences	<u>(1,058,361)</u>	(5,763,239)
Net position of the group self-insurance internal service fund of \$(2,628,290) less net capital assets included above of \$1,136		<u>(2,471,759)</u>
Total net position of governmental activities at August 31, 2014		<u>\$14,743,458</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended August 31, 2014

	General	Sales Tax Special Revenue	Other Governmental	Total
Revenues:				
Taxes	\$ 2,286,331	\$ 9,139,539	\$ -	\$ 11,425,870
Licenses and permits	850,282	-	-	850,282
Intergovernmental	1,145,865	-	375,559	1,521,424
Public Safety	-	-	7,901	7,901
Charges for services	199,528	-	-	199,528
Fines and forfeits	83,804	-	-	83,804
Investment earnings	-	-	276	276
Other	<u>486,394</u>	<u>3,019</u>	<u>150</u>	<u>489,563</u>
Total revenues	<u>5,052,204</u>	<u>9,142,558</u>	<u>383,886</u>	<u>14,578,648</u>
Expenditures:				
Current -				
General government	2,264,050	361,982	(1,047)	2,624,985
Public safety	8,460,702	-	7,525	8,468,227
Public works	1,594,609	-	-	1,594,609
Health and welfare	450,635	-	132,757	583,392
Culture and recreation	1,402,888	-	-	1,402,888
Economic development	36,549	-	-	36,549
Capital outlay	914,958	7,499	243,801	1,166,258
Debt service -				
Principal retirement	235,003	-	-	235,003
Interest and fiscal charges	<u>169,520</u>	<u>-</u>	<u>-</u>	<u>169,520</u>
Total expenditures	<u>15,528,914</u>	<u>369,481</u>	<u>383,036</u>	<u>16,281,431</u>
Excess (deficiency) of revenues over expenditures	<u>(10,476,710)</u>	<u>8,773,077</u>	<u>850</u>	<u>(1,702,783)</u>
Other financing sources (uses):				
Proceeds from capital lease	300,000	-	-	300,000
Transfers in	11,483,357	-	-	11,483,357
Transfers out	<u>(263,454)</u>	<u>(8,475,000)</u>	<u>-</u>	<u>(8,738,454)</u>
Total other financing sources (uses)	<u>11,519,903</u>	<u>(8,475,000)</u>	<u>-</u>	<u>3,044,903</u>
Net changes in fund balances	1,043,193	298,077	850	1,342,120
Fund balances, beginning	<u>1,378,520</u>	<u>1,672,132</u>	<u>78,926</u>	<u>3,129,578</u>
Fund balances, ending	<u>\$ 2,421,713</u>	<u>\$ 1,970,209</u>	<u>\$ 79,776</u>	<u>\$ 4,471,698</u>

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

CITY OF OPELOUSAS, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended August 31, 2014

Total net changes in fund balances for the year ended August 31, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$1,342,120
The change in net position reported for governmental activities in the statement of activities is different because:		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	952,654	
Depreciation expense for the year ended August 31, 2014	<u>(1,220,718)</u>	(268,064)
Difference between proceeds from the sale of assets on the Statement of Revenues, Expenditures and Changes in Fund Balances and the Gain on Disposal of Assets on the Statement of Activities		(5,617)
Bond principal retirement considered an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		100,000
Net loss of the Internal Service Funds not included on Statement of Activities		(729,032)
Decrease in long-term compensated absences		(95,061)
Capital lease proceeds which are considered revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balances		(300,000)
Capital lease retirement considered an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		135,003
Changes in other long-term debt -		
Municipal Police Employees' Retirement payable	37,773	
Interest payable	<u>422</u>	<u>38,195</u>
Total changes in net position for the year ended August 31, 2014 per Statement of Activities		<u>\$ 217,544</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Net Position - Proprietary Funds
August 31, 2014

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
Current assets:					
Cash and interest-bearing deposits	\$ 914,807	\$ 781,210	\$ 181,777	\$ 1,877,794	\$ 262,068
Receivables, net					
Customers	573,281	718,988	-	1,292,269	-
Notes	-	-	58,796	58,796	-
Other	209,807	-	11,838	221,645	1,438
Due from other funds	3,655	48,232	21,784	73,671	-
Inventories	31,764	430	-	32,194	-
Total current assets	<u>1,733,314</u>	<u>1,548,860</u>	<u>274,195</u>	<u>3,556,369</u>	<u>263,506</u>
Noncurrent assets:					
Restricted assets -					
Cash and interest-bearing deposits	4,108,647	48,368	-	4,157,015	-
Capital assets, net of accumulated depreciation	<u>12,423,466</u>	<u>10,783,488</u>	<u>-</u>	<u>23,206,954</u>	<u>1,136,000</u>
Total noncurrent assets	<u>16,532,113</u>	<u>10,831,856</u>	<u>-</u>	<u>27,363,969</u>	<u>1,136</u>
Total assets	<u>\$ 18,265,427</u>	<u>\$ 12,380,716</u>	<u>\$ 274,195</u>	<u>\$ 30,920,338</u>	<u>\$ 264,642</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Cash overdraft	-	-	-	-	185,884
Accounts payable	80,625	40,708	-	121,333	603,439
Claims payable	-	-	-	-	402,033
Due to other funds	266,560	16,907	-	283,467	1,543,909
Bonds payable	-	470,000	-	470,000	-
Total	<u>347,185</u>	<u>527,615</u>	<u>-</u>	<u>874,800</u>	<u>2,735,265</u>
Current liabilities (payable from restricted assets):					
Bonds payable	640,000	-	-	640,000	-
Construction payable	73,957	-	-	73,957	-
Customers' meter deposits	619,582	-	-	619,582	-
Total	<u>1,333,539</u>	<u>-</u>	<u>-</u>	<u>1,333,539</u>	<u>-</u>
Total current liabilities	<u>1,680,724</u>	<u>527,615</u>	<u>-</u>	<u>2,208,339</u>	<u>2,735,265</u>
Noncurrent liabilities:					
Revenue bonds payable	6,640,000	6,635,885	-	13,275,885	-
Compensated absences	52,725	18,422	-	71,147	-
Total noncurrent liabilities	<u>6,692,725</u>	<u>6,654,307</u>	<u>-</u>	<u>13,347,032</u>	<u>-</u>
Total liabilities	<u>8,373,449</u>	<u>7,181,922</u>	<u>-</u>	<u>15,555,371</u>	<u>2,735,265</u>
NET POSITION					
Net investment in capital assets	5,143,466	3,677,603	-	8,821,069	-
Restricted for:					
Insurance claims	-	-	-	-	(2,470,623)
Bond retirement	1,652,470	-	-	1,652,470	-
Construction	1,017,267	48,368	-	1,065,635	-
Grant provisions	-	-	274,195	274,195	-
Unrestricted	<u>2,078,775</u>	<u>1,472,823</u>	<u>-</u>	<u>3,551,598</u>	<u>-</u>
Net position (deficit)	<u>9,891,978</u>	<u>5,198,794</u>	<u>274,195</u>	<u>15,364,967</u>	<u>(2,470,623)</u>
Total liabilities and net position	<u>\$ 18,265,427</u>	<u>\$ 12,380,716</u>	<u>\$ 274,195</u>	<u>\$ 30,920,338</u>	<u>\$ 264,642</u>

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

CITY OF OPELOUSAS, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended August 31, 2014

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services					
Utilities	\$ 5,317,033	\$ 1,910,246	\$ -	\$ 7,227,279	\$ -
Interest	-	-	951	951	-
Premiums	-	-	-	-	2,671,223
Other	70,015	31,441	-	101,456	13,759
Total operating revenues	<u>5,387,048</u>	<u>1,941,687</u>	<u>951</u>	<u>7,329,686</u>	<u>2,684,982</u>
Operating expenses:					
Personal services	934,227	277,411	-	1,211,638	-
Supplies and materials	330,673	42,521	33	373,227	-
Other services and charges	825,519	477,170	-	1,302,689	3,414,180
Repairs and maintenance	142,192	68,442	-	210,634	-
Bad debt (recovery)	-	-	(2,769)	(2,769)	-
Depreciation	725,958	530,124	-	1,256,082	1,239
Total operating expenses	<u>2,958,569</u>	<u>1,395,668</u>	<u>(2,736)</u>	<u>4,351,501</u>	<u>3,415,419</u>
Operating income (loss)	<u>2,428,479</u>	<u>546,019</u>	<u>3,687</u>	<u>2,978,185</u>	<u>(730,437)</u>
Nonoperating revenues (expenses):					
Investment income	19,046	6,438	-	25,484	1,405
Cleco surcharge	383,507	-	-	383,507	-
Miscellaneous	10,802	-	-	10,802	-
Interest and fiscal charges	(333,153)	(262,947)	-	(596,100)	-
Total nonoperating revenues (expenses)	<u>80,202</u>	<u>(256,509)</u>	<u>-</u>	<u>(176,307)</u>	<u>1,405</u>
Income (loss) before contributions and transfers	2,508,681	289,510	3,687	2,801,878	(729,032)
Capital contributions	10,000	-	-	10,000	-
Income (loss) before transfers	<u>2,518,681</u>	<u>289,510</u>	<u>3,687</u>	<u>2,811,878</u>	<u>(729,032)</u>
Operating transfers in (out)					
Transfers in	1,142,923	275,000	-	1,417,923	-
Transfers out	(3,592,991)	(569,835)	-	(4,162,826)	-
Total operating transfers in (out)	<u>(2,450,068)</u>	<u>(294,835)</u>	<u>-</u>	<u>(2,744,903)</u>	<u>-</u>
Change in net position	68,613	(5,325)	3,687	66,975	(729,032)
Net position (deficit), beginning, as restated	9,823,365	5,204,119	270,508	15,297,992	(1,741,591)
Net position (deficit), ending	<u>\$ 9,891,978</u>	<u>\$ 5,198,794</u>	<u>\$ 274,195</u>	<u>\$ 15,364,967</u>	<u>\$ (2,470,623)</u>

The accompanying notes are an integral part of this statement.

CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended August 31, 2014

	Business -Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds		
Cash flows from operating activities:					
Cash received from customers	\$ 5,449,039	\$ 1,881,641	\$ 1,015	\$ 7,331,695	\$ 2,704,257
Other receipts	-	-	-	-	13,759
General and administrative expenses paid	-	-	-	-	(19,000)
Cash payments to suppliers for goods and services	(1,455,144)	(573,045)	(36)	(2,028,225)	(2,625,157)
Insurance paid	-	-	-	-	(739,264)
Cash payments to employees for services	(932,874)	(274,125)	-	(1,206,999)	-
Net cash provided (used) by operating activities	<u>3,061,021</u>	<u>1,034,471</u>	<u>979</u>	<u>4,096,471</u>	<u>(665,405)</u>
Cash flows from noncapital financial activities:					
Increase in cash overdraft	-	-	-	-	185,884
Cash received from other funds	1,139,268	226,768	-	1,366,036	369,126
Cash paid to other funds	(3,589,119)	(569,568)	-	(4,158,687)	-
Surcharge and other	<u>406,933</u>	<u>-</u>	<u>-</u>	<u>406,933</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(2,042,918)</u>	<u>(342,800)</u>	<u>-</u>	<u>(2,385,718)</u>	<u>555,010</u>
Cash flows from capital and related financing activities:					
Net purchase of fixed assets	(324,571)	(53,853)	-	(378,424)	-
Net principal on revenue bonds paid	(615,000)	(460,000)	-	(1,075,000)	-
Interest on revenue bonds paid	<u>(333,153)</u>	<u>(262,947)</u>	<u>-</u>	<u>(596,100)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(1,272,724)</u>	<u>(776,800)</u>	<u>-</u>	<u>(2,049,524)</u>	<u>-</u>
Cash flows from investing activities					
Interest on investments	<u>19,046</u>	<u>6,438</u>	<u>-</u>	<u>25,484</u>	<u>1,405</u>
Net increase (decrease) in cash and cash equivalents	(235,575)	(78,691)	979	(313,287)	(108,990)
Cash and cash equivalents, beginning of period	<u>5,259,029</u>	<u>908,269</u>	<u>180,798</u>	<u>6,348,096</u>	<u>371,058</u>
Cash and cash equivalents, end of period	<u>\$ 5,023,454</u>	<u>\$ 829,578</u>	<u>\$ 181,777</u>	<u>\$ 6,034,809</u>	<u>\$ 262,068</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended August 31, 2014

	Business -Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Light and Waterworks	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 2,428,479	\$ 546,019	\$ 3,687	\$ 2,978,185	\$ (730,437)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	725,958	530,124	-	1,256,082	1,239
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	46,726	(60,046)	(2,705)	(16,025)	33,034
Increase in inventory	(2,608)	(279)	(3)	(2,890)	-
Increase (decrease) in accounts payable	(12,481)	15,367	-	2,886	266,737
Decrease in construction payable	(141,671)	-	-	(141,671)	-
Decrease in claims payable	-	-	-	-	(235,978)
Increase in customers' meter deposits	15,265	-	-	15,265	-
Increase in accrued compensated absences	1,353	3,286	-	4,639	-
Net cash provided (used) by operating activities	<u>\$ 3,061,021</u>	<u>\$ 1,034,471</u>	<u>\$ 979</u>	<u>\$ 4,096,471</u>	<u>\$ (665,405)</u>

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Opelousas (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

Blended Component Units

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Discretely Presented Component Units

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

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds -

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

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

Proprietary Funds –

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

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

Additionally, the City reports the following fund types:

Governmental Funds –

Special Revenue Funds –

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

Debt Service Funds –

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds –

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

Proprietary Funds –

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

Enterprise funds

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

Internal service funds

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this policy is grants collected on a reimbursement basis. Reimbursable grants are recognized as revenue when reimbursable expenditures are made. The City considers reimbursement amounts received within six months as available. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues.

Allocation of indirect expenses

The City reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable within a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Insurance claims and interest on long-term debt are considered indirect expenses and are reported separately on the statement of activities.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

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

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The City may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem, sales and use taxes, franchise taxes, grants, and police fines. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The amount of taxes receivable at year end is not material. The allowance for uncollectible customers' utility receivables was \$450,957 at August 31, 2014. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

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

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond August 31, 2014, are recorded as prepaid items.

Restricted Assets

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

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

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

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

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

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

Long-term debt

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Compensated Absences

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

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred outflows or inflows of resources at August 31, 2014.

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws of regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications based on the constraints imposed on the use of these resources. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the board members.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

G. Budget and Budgetary Accounting

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

H. Capitalization of Interest Expense

It is the policy of the City of Opelousas to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At August 31, 2014, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

J. Other Post-Employment Benefits (OPEB)

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the parish. Assessed values are established by the St. Landry Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. For the calendar year ended December 31, 2013, the City levied taxes at 7.13 mills per dollar of assessed valuation on the property within the City for the purpose of providing governmental services other than the payment of principal and interest on long-term debt. The amount of uncollected taxes at year end is not material and has not been booked.

(3) Deficit Net Assets

The following individual funds had deficits in unrestricted net assets at August 31, 2014:

	<u>Deficit Amount</u>
Internal Service Fund A	\$ (153,786)
Internal Service Fund G	(583,242)
Workmen's Compensation Fund	(169,090)
Health Self Insurance Fund	(1,564,505)

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

(4) Sales and Use Tax

A. Proceeds of the 1% sales and use tax levied by authority of a special election held on November 26, 1966 (2014 collections \$4,154,416) are dedicated to the following purposes:

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

- B. Proceeds of the 1% sales and use tax was initially levied by authority of a special election held on April 5, 1975, and was extended through May 31, 2025 (2014 collections \$4,154,265) are dedicated to the following purposes:

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

- C. Proceeds of the 2% sales and use tax levied by authority of a special election held on October 3, 1993 (2014 collections \$830,858) are dedicated for construction, acquiring, and improving fire, police and street facilities.

(5) Cash, Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At August 31, 2014, the City had cash and interest-bearing deposits (book balances) totaling \$9,847,250.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at August 31, 2014, and the related federal insurance and pledged securities:

Institution	Bank Balance	Amount Insured by FDIC	Pledged Securities	Amount Uncollateralized
American Bank	\$ 2,837,941	\$ 250,005	\$2,587,936	\$ -
Hancock Bank	3,856,034	250,000	3,606,034	-
Liberty Bank	<u>3,306,072</u>	<u>250,000</u>	<u>3,056,072</u>	<u>-</u>
	<u>\$10,000,047</u>	<u>\$ 750,005</u>	<u>\$9,250,042</u>	<u>\$ -</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposits in the amount of 9,250,042 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

(6) Receivables

Receivables at August 31, 2014 of \$1,749,161 consist of the following:

	General	Internal Service Funds	ELWW	Sewer	OREC	Total
Accounts	\$ 14,129	\$ -	\$ 573,281	\$ 718,988	\$ -	\$ 1,306,398
CLECO	-	-	209,807	-	-	209,807
Loans	-	-	-	-	58,796	58,796
Franchise taxes	131,769	-	-	-	-	131,769
Interest	-	-	-	-	11,838	11,838
Insurance	-	1,438	-	-	-	1,438
Rent	20,805	-	-	-	-	20,805
Fines and fees	8,311	-	-	-	-	8,311
	<u>\$ 175,013</u>	<u>\$ 1,438</u>	<u>\$ 783,088</u>	<u>\$ 718,988</u>	<u>\$ 70,634</u>	<u>\$ 1,749,161</u>

(7) Restricted Assets

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum accounts to be maintained in various sinking funds, and minimum revenue bond coverage. A summary of restricted assets by fund as of August 31, 2014 consist of the following:

	General Fund	Electric Light and Waterworks Fund	Sewer Fund	Total
Construction	\$ 208	\$ 1,091,224	\$ 1,825	\$ 1,093,257
Bond sinking accounts	-	40,758	46,543	87,301
Bond reserve accounts	65,650	2,251,712	-	2,317,362
Customers' deposits	-	724,953	-	724,953
Ad valorem taxes paid in protest	3,066	-	-	3,066
	<u>\$ 68,924</u>	<u>\$ 4,108,647</u>	<u>\$ 48,368</u>	<u>\$ 4,225,939</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended August 31, 2014 was as follows:

	Balance 09/01/13	Additions	Deletions	Balance 08/31/14
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,835,029	\$ -	\$ -	\$ 1,835,029
Construction in progress	530,099	40,921	571,020	-
Other capital assets:				
Buildings	8,684,935	-	-	8,684,935
Improvements other than buildings	16,398,377	1,010,759	-	17,409,136
Equipment and machinery	5,973,055	471,994	18,723	6,426,326
Totals	<u>33,421,495</u>	<u>1,523,674</u>	<u>589,743</u>	<u>34,355,426</u>
Less accumulated depreciation				
Buildings	3,487,733	170,112	-	3,657,845
Improvements other than buildings	7,534,612	605,341	-	8,139,953
Equipment and machinery	3,617,472	446,504	13,106	4,050,870
Total accumulated depreciation	<u>14,639,817</u>	<u>1,221,957</u>	<u>13,106</u>	<u>15,848,668</u>
Governmental activities, capital assets, net	<u>\$18,781,678</u>	<u>\$ 301,717</u>	<u>\$ 576,637</u>	<u>\$18,506,758</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 77,698	\$ -	\$ -	\$ 77,698
Construction in progress	1,481,421	164,252	1,645,673	-
Other capital assets:				
Buildings	64,451	-	-	64,451
Utility system and improvements	55,731,303	1,729,444	-	57,460,747
Machinery and equipment	1,334,953	130,401	-	1,465,354
Totals	<u>58,689,826</u>	<u>2,024,097</u>	<u>1,645,673</u>	<u>59,068,250</u>
Less accumulated depreciation				
Buildings	49,442	1,119	-	50,561
Utility system & improvements	33,306,701	1,226,708	-	34,533,409
Machinery and equipment	1,249,071	28,255	-	1,277,326
Total accumulated depreciation	<u>34,605,214</u>	<u>1,256,082</u>	<u>-</u>	<u>35,861,296</u>
Business-type activities, capital assets, net	<u>\$24,084,612</u>	<u>\$ 768,015</u>	<u>\$1,645,673</u>	<u>\$23,206,954</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 141,746
Public safety	345,872
Public works	527,322
Culture and recreation	170,317
Health and welfare	35,324
Economic development	137
Internal service	<u>1,239</u>
 Total depreciation expense	 <u>\$ 1,221,957</u>

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

Electric Light and Waterworks	\$ 725,958
Sewer	<u>530,124</u>
 Total depreciation expense	 <u>\$ 1,256,082</u>

(9) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at August 31, 2014:

	General	Sales Tax	Other Govt	ELWW	Sewer	Total
Accounts payable	\$1,123,533	\$ 1,105	\$ 80,258	\$ 76,601	\$39,693	\$1,321,190
Salaries payable	232,849	-	-	-	-	232,849
Retirement payable	105,951	-	-	4,024	1,015	110,990
Permit deposits payable	1,706	-	-	-	-	1,706
Construction payable	-	-	-	7,500	-	7,500
Retainage payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,457</u>	<u>-</u>	<u>66,457</u>
 Totals	 <u>\$1,464,039</u>	 <u>\$ 1,105</u>	 <u>\$ 80,258</u>	 <u>\$154,582</u>	 <u>\$40,708</u>	 <u>\$1,740,692</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Long-Term Debt

Long-term debt payable at August 31, 2014 is comprised of the following individual issues:

Governmental activities:

General obligation bonds –

\$4,430,000 Public Improvement Refunding Bonds, Series 2012, due in annual installments of \$100,000 to \$460,000 through September 1, 2025; interest at 3.25% - 3.72%; payable from Sales Tax revenues \$ 4,330,000

Capital leases –

\$377,347 lease-purchase agreement dated July 9, 2014 due in monthly installments of \$11,191, including interest at 3.51%, through July 12, 2017, secured by General Fund revenues \$ 367,479

\$81,596 equipment lease dated March 8, 2010, due in monthly installments of \$1,494, including interest at 3.90%, through February 8, 2015, secured by General Fund revenues 7,399

\$ 374,878

Compensated absences –

Portion of accumulated sick leave of the governmental funds that are not expected to require current resources \$ 1,058,361

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Business-type activities:

Revenue bonds –

\$1,000,000 Utility Revenue Bonds, Series 1998, due in annual installments of \$59,750 to \$69,959 through September 1, 2018; interest at 2.45%; payable from sewer fund revenues	\$ 250,000
\$2,200,000 Utility Revenue Bonds, Series 2003, due in annual installments of \$58,755 to \$166,513 through September 1, 2024; interest at 3.45%; payable from sewer fund revenues	1,280,885
\$5,865,000 Utility Revenue Refunding Bonds, Series 2012, due in annual installments of \$290,000 to \$945,000 through September 1, 2025; interest at 2.5% - 3.49%; payable from sewer fund revenues	5,575,000
\$2,315,000 Utility Revenue Bonds, Series 2004, due in annual installments of \$15,000 to \$275,000 through September 1, 2015; interest at 3.65%; payable from electric light and waterworks revenues	275,000
\$7,800,000 Utility Revenue Bonds, Series 2006, due in annual installments of \$195,000 to \$635,000 through September 1, 2025; interest at 4% to 5%; payable from electric light and waterworks revenues	5,505,000
\$1,500,000 Utility Revenue Bonds, Series 2007, due in annual installments of \$215,000 to \$285,000 beginning September 1, 2016 through September 1, 2021; payable from electric light and waterworks revenues	<u>1,500,000</u>
	<u>\$ 14,385,885</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The following is a summary of long-term debt transactions of the City for the year ended August 31, 2014:

	Balances 9/1/13	Additions	Reductions	Balances 8/31/14	Due Within One Year
Governmental Activities					
Bonds Payable					
Public Improvement Refunding					
Bonds, Series 2012	\$ 4,430,000	\$ -	\$ 100,000	\$ 4,330,000	\$ 350,000
Capital leases	209,880	300,000	135,002	374,878	130,763
Municipal Police Employees'					
Retirement System payable	74,912	-	74,912	-	-
Compensated absences payable	<u>1,025,995</u>	<u>41,998</u>	<u>-</u>	<u>1,067,993</u>	<u>9,632</u>
Total governmental activities	<u>\$ 5,740,787</u>	<u>\$ 341,998</u>	<u>\$ 309,914</u>	<u>\$ 5,772,871</u>	<u>\$ 490,395</u>
Business-type Activities					
Accrued compensated absences					
Electric Light and Waterworks	\$ 51,372	\$ 1,353	\$ -	\$ 52,725	\$ -
Sewer	15,136	3,286	-	18,422	-
Utility Revenue Bonds					
Refunding Bonds,					
Series 1998 - Sewer	305,000	-	55,000	250,000	60,000
Series 2003 - Sewer	1,395,885	-	115,000	1,280,885	120,000
Series 2012 - Sewer	5,865,000	-	290,000	5,575,000	290,000
Series 2004 - Water	540,000	-	265,000	275,000	275,000
Series 2006 - Water	5,855,000	-	350,000	5,505,000	365,000
Series 2007 - Water	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Total business-type activities	<u>15,527,393</u>	<u>4,639</u>	<u>1,075,000</u>	<u>14,457,032</u>	<u>1,110,000</u>
Total long-term obligations	<u>\$21,268,180</u>	<u>\$ 346,637</u>	<u>\$ 1,384,914</u>	<u>\$20,229,903</u>	<u>\$1,600,395</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

The annual debt service requirements including interest to amortize all long-term obligations outstanding at August 31, 2014 are as follows:

Governmental Activities

Year Ending August 31,	Public Improvement Bonds	Capital Leases
2015	\$ 509,196	\$141,758
2016	501,176	134,286
2017	492,970	123,205
2018	489,578	-
2019	480,814	-
2020 - 2024	2,376,718	-
2025 - 2027	477,112	-
	<u>5,327,564</u>	<u>399,249</u>
Less interest	<u>(997,564)</u>	<u>(24,371)</u>
Net	<u>\$ 4,330,000</u>	<u>\$374,878</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Business-type Activities

Year Ending August 31,	Utility Revenue Bonds					
	Series 1998	Series 2003	Series 2012	Series 2004	Series 2006	Series 2007
2015	\$ 67,375	\$ 170,595	\$ 479,038	\$ 285,037	\$ 594,453	\$ 67,950
2016	65,605	170,855	505,338	-	618,910	282,950
2017	68,835	170,918	483,996	-	627,740	288,210
2018	66,618	170,782	473,002	-	630,540	292,791
2019	-	170,450	562,008	-	637,540	291,694
2020 - 2024	-	695,939	3,482,506	-	3,243,139	593,052
2025 - 2028	-	-	977,981	-	662,781	-
Total	268,433	1,549,539	6,963,869	285,037	7,015,103	1,816,647
Less interest	(14,958)	(234,660)	(1,388,869)	(10,037)	(1,510,103)	(316,647)
DEQ fee	(3,475)	(33,994)	-	-	-	-
Net	<u>\$ 250,000</u>	<u>\$1,280,885</u>	<u>\$5,575,000</u>	<u>\$ 275,000</u>	<u>\$5,505,000</u>	<u>\$1,500,000</u>

Leased equipment and machinery under capital lease in capital assets at August 31, 2014 include the following:

Equipment and machinery	\$ 864,257
Less: Accumulated depreciation	<u>(219,374)</u>
Total	<u>\$ 644,883</u>

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Employee Retirement

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

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

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

Funding Policy – Plan members are required to contribute 9.50 percent of their annual salary and the City is required to contribute at an actuarially determined rate. The City was required to contribute 18.75% of the annual covered payroll until June 30, 2014. As of July 1, 2014, the current rate was changed to 19.75% of annual covered payroll. The contribution requirements of the plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ended August 31, 2014, 2013, and 2012 were \$667,168, \$626,477, \$640,146, respectively, equal to the required contributions for each year.

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Funding Policy - Plan members are required by state statute to contribute 10% of their annual covered salary. The City is required to contribute at an actuarially determined rate. The rate was 31% of annual covered payroll until June 30, 2014. As of July 1, 2014, the current rate was changed to 31.5% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending August 31, 2014, 2013, and 2012 were \$853,682, \$913,430, and \$855,773, respectively, equal to the required contributions for each year.

C. State of Louisiana – Firefighters’ Retirement System (System)

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

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

Funding Policy – Plan members are required to contribute 10% of their annual covered. The City is required to contribute at an actuarially determined rate. This rate was 28.25% of annual covered payroll until June 30, 2014. As of July 1, 2014, the rate changed to 29.25% of annual covered payroll. The contribution requirements of Plan members are established and may be amended by the System’s Board of Trustees. The City’s contributions to the System for the years ended August 31, 2014, 2013, and 2012 were \$574,836, \$500,865, and \$508,658, respectively, equal to the required contributions for each year.

D. Louisiana State Employees’ Retirement System (LASERS)

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

employment if service was interrupted. Averages for part-time service are based on pay that would have been received if employment had been full-time. The System also provides death and disability benefits.

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

Funding Policy – Plan members are required to contribute 11.5% of their annual covered salary. The City was required to contribute 36.3% of annual covered payroll as established by the State of Louisiana until June 30, 2014. As of July 1, 2014, the rate was changed to 41.5% of annual covered payroll. The City's contributions to the System for the years ended August 31, 2014, 2013, and 2012 were \$12,547, \$11,848, and \$10,911, respectively, equal to the required contributions each year.

(12) Litigation and Claims

At August 31, 2014, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage. The City also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the City would be administrative fees with no liability in excess of insurance coverage. See Note 13.

(13) Risk Management

A. Self-Insurance

The City maintains various self-insurance accounts for general and auto liability, workmen's compensation benefits and health insurance (accounted for in Internal Service Fund G, Workmen's Compensation Fund and Health Self Insurance Fund, respectively) as of August 31, 2014. Most funds of the City participate in the self-insurance funds by making payments based on premiums necessary to cover claims, administrative costs, and commercial insurance premiums, if applicable.

For the fiscal year ending August 31, 2014, the City was self-insured for the first \$300,000 of each claim relating to workmen's compensation insurance. The City is covered under an insurance contract for the excess liability.

For the fiscal year ending August 31, 2014, the City had two plans relating to the health insurance. If the individual is covered under the first plan, the City is self-insured for the first \$60,000 per person and the insurance company would cover the difference. If the individual is covered under the second plan, the City is self-insured for the first \$40,000 per person and insurance stops paying claims.

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Total
Beginning balance	\$ 317,000	\$ -	\$ 321,011	\$ 638,011
Claims incurred	201,137	603,726	1,889,764	2,694,627
Claims paid	<u>(175,137)</u>	<u>(603,726)</u>	<u>(1,994,075)</u>	<u>(2,772,938)</u>
Ending balance	<u>\$ 343,000</u>	<u>\$ -</u>	<u>\$ 216,700</u>	<u>\$ 559,700</u>

B. Commercial Insurance Coverage

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. The City is self insured for a portion of these loss as discussed above. The risk of any excess liability is handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(14) Commitments and Contingencies

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

(15) Accounts Receivable – Utility Funds

As of August 31, 2014, the customer receivables recorded in the Electric Light and Waterworks Fund and Sewer Fund are net of allowances for uncollectible accounts. These allowances are \$333,708 and \$117,249, respectively.

As of August 31, 2014, customer receivables include unbilled revenue for the Electric Light and Waterworks Fund and Sewer Fund of \$383,518 and \$340,101, respectively. These amounts represent revenue earned which is not billed until the next billing cycle.

	ELWW	Sewer	Total
Billed accounts receivable	\$ 523,471	\$ 496,136	\$ 1,019,607
Unbilled accounts receivable	383,518	340,101	723,619
Allowance for uncollectibles	<u>(333,708)</u>	<u>(117,249)</u>	<u>(450,957)</u>
Net accounts receivable	<u>\$ 573,281</u>	<u>\$ 718,988</u>	<u>\$ 1,292,269</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Segment Information for the Enterprise Fund

The City of Opelousas maintains two enterprise funds, each with one department, which provide water and sewerage services. Segment information for the year ended August 31, 2014, was as follows:

	<u>Electric Lights and Waterworks</u>	<u>Sewer Department</u>	<u>Total Enterprise Funds</u>
Operating revenues	<u>\$ 5,387,048</u>	<u>\$ 1,941,687</u>	<u>\$ 7,328,735</u>
Operating expenses:			
Depreciation and amortization	725,958	530,124	1,256,082
Other	<u>2,232,611</u>	<u>865,544</u>	<u>3,098,155</u>
Total operating expenses	<u>2,958,569</u>	<u>1,395,668</u>	<u>4,354,237</u>
Operating income	<u>\$ 2,428,479</u>	<u>\$ 546,019</u>	<u>\$ 2,974,498</u>

(17) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at August 31, 2014 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 1,515,037	\$ 394,796
Sales Tax Fund	633,500	-
Non-major Special Revenue Funds	-	36
Proprietary funds:		
Electric Light and Waterworks Fund	3,655	266,560
Sewer Fund	48,232	16,907
Non-major proprietary fund	21,784	-
Internal Service Fund A	-	190,175
Internal Service Fund G	-	334,912
Workmen's Compensation Fund	-	90,799
Health Self Insurance Fund	-	<u>928,023</u>
Total	<u>\$ 2,222,208</u>	<u>\$ 2,222,208</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at August 31, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 11,483,357	\$ 263,454
Sales Tax Special Revenue Fund	-	8,475,000
Proprietary funds:		
Electric Light and Waterworks Fund	1,142,923	3,592,991
Sewer Fund	<u>275,000</u>	<u>569,835</u>
Total	<u>\$ 12,901,280</u>	<u>\$ 12,901,280</u>

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

(18) Compensation, Benefits, and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Donald Cravins, Sr. for the year ended August 31, 2014 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 71,739
Car allowance	7,980
Benefits - life insurance	70
Benefits - retirement	<u>13,561</u>
	<u>\$ 93,350</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended August 31, 2014 follows:

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

(20) Enterprise Fund Contracts

A. Franchise Agreement with CLECO

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

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

B. Franchise Agreement with SLEMCO

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

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

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

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

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

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(21) Excess of Expenditures over Appropriations

The Sales Tax Special Revenue Fund incurred expenditures in excess of appropriations of \$16,506 for the year ended August 31, 2014.

(22) Beginning Net Position Adjustment

The following schedule reconciles the August 31, 2013, net position as previously report, to beginning net position as restated, as a result of a reclassification of previously reported liabilities by the adoption of GASB Statement 65 and the correction of an error from a prior year. Debt issuance costs and loss on refunding reported as liabilities prior to GASB Statement 65 have been reclassified into net position. Also an error resulting in an overstatement of previously reported accrued expenses was discovered in the current year. Accordingly, adjustments were made at August 31, 2014 to correct this error.

Major governmental funds:

General Fund -

Fund balance, previously reported	\$ 1,353,338
Prior period adjustment - correction of error	<u>25,182</u>
Fund balance, as restated	<u>\$ 1,378,520</u>

Governmental activities:

Net position, previously reported	\$14,589,878
Prior period adjustment:	
Correction of error	62,321
Change in accounting principle:	
Reclassification of liabilities	<u>(126,284)</u>
Net position, as restated	<u>\$14,525,915</u>

	<u>Business-Type Activities</u>	<u>Electric Light and Waterworks</u>	<u>Sewer</u>
Net position, as previously reported	\$15,721,002	\$10,102,356	\$5,348,138
Prior period adjustment:			
Change in accounting principle:			
Reclassification of liabilities	<u>(423,010)</u>	<u>(278,991)</u>	<u>(144,019)</u>
Net position, as restated	<u>\$15,297,992</u>	<u>\$ 9,823,365</u>	<u>\$5,204,119</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(23) New Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, *Accounting and Financial Reporting for Pension*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangement that meet the criteria established by this standards. The provisions of GASB Statement No. 68 must be implemented by the City for the year ending August 31, 2015. The effect of implementation of the City's financial statements has not yet been determined.

(24) Subsequent Event Review

The City has evaluated subsequent events through February 19, 2015 the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 2,225,500	\$ 2,153,000	\$ 2,286,331	\$ 133,331
Licenses and permits	857,450	886,000	850,282	(35,718)
Intergovernmental	782,000	1,132,258	1,145,865	13,607
Charges for services	191,300	224,272	199,528	(24,744)
Fines and forfeitures	91,000	81,000	83,804	2,804
Other	301,414	440,042	486,394	46,352
Total revenues	<u>4,448,664</u>	<u>4,916,572</u>	<u>5,052,204</u>	<u>135,632</u>
Expenditures:				
Current -				
General government	2,210,963	2,255,038	2,264,050	(9,012)
Public safety	8,689,566	8,822,384	8,460,702	361,682
Public works	1,686,425	1,675,865	1,594,609	81,256
Health and welfare	535,824	539,588	450,635	88,953
Culture and recreation	1,486,758	1,491,994	1,402,888	89,106
Economic development	46,440	46,440	36,549	9,891
Capital outlay	424,605	727,676	914,958	(187,282)
Debt service -				
Principal retirement	382,799	350,000	235,003	114,997
Interest and fiscal charges	188,313	170,000	169,520	480
Total expenditures	<u>15,651,693</u>	<u>16,078,985</u>	<u>15,528,914</u>	<u>550,071</u>
Deficiency of revenues over expenditures	<u>(11,203,029)</u>	<u>(11,162,413)</u>	<u>(10,476,710)</u>	<u>685,703</u>
Other financing sources (uses):				
Proceeds from capital lease	-	-	300,000	300,000
Transfers in	11,220,000	11,220,000	11,483,357	263,357
Transfers out	-	-	(263,454)	(263,454)
Total other financing sources (uses)	<u>11,220,000</u>	<u>11,220,000</u>	<u>11,519,903</u>	<u>299,903</u>
Excess of revenues and other sources and other sources over expenditures and other uses	16,971	57,587	1,043,193	985,606
Fund balances, beginning, as restated	<u>1,378,520</u>	<u>1,378,520</u>	<u>1,378,520</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,395,491</u>	<u>\$ 1,436,107</u>	<u>\$ 2,421,713</u>	<u>\$ 985,606</u>

CITY OF OPELOUSAS, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 8,750,000	\$ 8,900,000	\$ 9,139,539	\$ 239,539
Other	<u>85,000</u>	<u>70,000</u>	<u>3,019</u>	<u>(66,981)</u>
Total revenues	<u>8,835,000</u>	<u>8,970,000</u>	<u>9,142,558</u>	<u>172,558</u>
Expenditures:				
Current -				
General government	352,975	352,975	361,982	(9,007)
Capital outlay	<u>-</u>	<u>-</u>	<u>7,499</u>	<u>(7,499)</u>
Total expenditures	<u>352,975</u>	<u>352,975</u>	<u>369,481</u>	<u>(16,506)</u>
Excess of revenues over expenditures	8,482,025	8,617,025	8,773,077	156,052
Other financing uses:				
Transfers out	<u>(8,475,000)</u>	<u>(8,475,000)</u>	<u>(8,475,000)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	7,025	142,025	298,077	156,052
Fund balances, beginning	<u>1,672,132</u>	<u>1,672,132</u>	<u>1,672,132</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,679,157</u>	<u>\$ 1,814,157</u>	<u>\$ 1,970,209</u>	<u>\$ 156,052</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

CITY OF OPELOUSAS, LOUISIANA
General and Sales Tax Funds

Balance Sheet
August 31, 2014
With Comparative Actual Amounts for August 31, 2013

	General		Sales Tax	
	2014	2013	2014	2013
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,065,500	\$ 1,154,850	\$ 1,337,814	\$ 1,041,210
Receivables	175,018	251,502	-	-
Due from other funds	1,515,037	1,226,517	633,500	633,500
Due from other governmental units	216,438	165,365	-	-
Inventory	43,361	42,326	-	-
Total current assets	4,015,354	2,840,560	1,971,314	1,674,710
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	68,924	67,236	-	-
Total assets	\$ 4,084,278	\$ 2,907,796	\$ 1,971,314	\$ 1,674,710
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 860,600	\$ 663,188	\$ 1,105	\$ 2,578
Accrued compensated absences	9,632	62,695	-	-
Taxes paid under protest	3,066	3,055	-	-
Due to other funds	394,796	405,867	-	-
Due to other governmental units	394,471	394,471	-	-
Total liabilities	1,662,565	1,529,276	1,105	2,578
Fund balances -				
Nonspendable - inventory	43,361	42,326	-	-
Restricted - sales tax dedications	-	-	1,970,209	1,672,132
Assigned - capital expenditures	208	207	-	-
Unassigned	2,378,144	1,335,987	-	-
Total fund balances	2,421,713	1,378,520	1,970,209	1,672,132
Total liabilities and fund balances	\$ 4,084,278	\$ 2,907,796	\$ 1,971,314	\$ 1,674,710

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2014
With Comparative Actual Amounts for August 31, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 2,153,000	\$ 2,286,331	\$ 133,331	\$ 2,202,535
Licenses and permits	886,000	850,282	(35,718)	880,080
Intergovernmental	1,132,258	1,145,865	13,607	2,476,641
Charges for services	224,272	199,528	(24,744)	178,686
Fines and forfeits	81,000	83,804	2,804	81,791
Miscellaneous	440,042	486,394	46,352	391,229
Total revenues	<u>4,916,572</u>	<u>5,052,204</u>	<u>135,632</u>	<u>6,210,962</u>
Expenditures:				
Current -				
General government	2,255,038	2,264,050	(9,012)	2,134,554
Public safety	8,822,384	8,460,702	361,682	8,799,348
Public works	1,675,865	1,594,609	81,256	1,772,778
Health and welfare	539,588	450,635	88,953	479,999
Culture and recreation	1,491,994	1,402,888	89,106	1,395,602
Economic development	46,440	36,549	9,891	83,507
Capital outlay	727,676	914,958	(187,282)	1,575,155
Debt service -				
Principal retirement	350,000	235,003	114,997	137,814
Interest and fiscal charges	170,000	169,520	480	176,135
Total expenditures	<u>16,078,985</u>	<u>15,528,914</u>	<u>550,071</u>	<u>16,554,892</u>
Deficiency of revenues over expenditures	<u>(11,162,413)</u>	<u>(10,476,710)</u>	<u>685,703</u>	<u>(10,343,930)</u>
Other financing sources (uses):				
Proceeds from capital lease	-	300,000	300,000	-
Transfers in	11,220,000	11,483,357	263,357	11,212,392
Transfers out	-	(263,454)	(263,454)	(299,681)
Total other financing sources (uses)	<u>11,220,000</u>	<u>11,519,903</u>	<u>299,903</u>	<u>10,912,711</u>
Net changes in fund balances	57,587	1,043,193	985,606	568,781
Fund balances, beginning, as restated	<u>1,378,520</u>	<u>1,378,520</u>	<u>-</u>	<u>809,739</u>
Fund balances, ending	<u>\$ 1,436,107</u>	<u>\$ 2,421,713</u>	<u>\$ 985,606</u>	<u>\$ 1,378,520</u>

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 957,000	\$ 998,000	\$ 1,023,296	\$ 25,296	\$ 983,987
Franchise	1,178,500	1,025,000	1,136,401	111,401	1,088,876
Hotel/Motel	90,000	130,000	126,634	(3,366)	129,672
Total taxes	<u>2,225,500</u>	<u>2,153,000</u>	<u>2,286,331</u>	<u>133,331</u>	<u>2,202,535</u>
Licenses and permits:					
Occupational licenses	790,000	817,550	786,193	(31,357)	817,864
Beer and liquor permits	42,000	42,000	37,178	(4,822)	40,318
Building permits	6,550	6,550	7,385	835	6,431
Other	18,900	19,900	19,526	(374)	15,467
Total licenses and permits	<u>857,450</u>	<u>886,000</u>	<u>850,282</u>	<u>(35,718)</u>	<u>880,080</u>
Intergovernmental:					
Federal sources -					
FEMA Firefighter Training Grant	-	118,043	118,043	-	-
ACT 562 Training Grant	-	-	650	650	-
LA Hwy Safety Commission Grant	20,000	17,000	31,679	14,679	24,104
DARE Reimbursement Grant	40,000	45,000	43,218	(1,782)	57,412
Historic Preservation Fund Grant	4,000	501	501	-	-
Cherry Street Park project	-	119,800	119,800	-	-
State of Louisiana sources -					
Beer taxes	32,000	32,000	44,267	12,267	46,732
Highway maintenance	15,000	15,000	14,890	(110)	14,890
Video poker	106,000	85,000	79,958	(5,042)	82,520
Insurance rebate	70,000	73,000	72,852	(148)	73,788
AmeriCorps Vista Grant	10,000	5,000	6,000	1,000	4,000
Bayou drainage project	-	62,000	-	(62,000)	61,716
Miscellaneous admin grants	-	37,814	20,114	(17,700)	36,650
Miscellaneous tourism grants	27,000	11,100	8,900	(2,200)	30,956
Miscellaneous police grants	-	-	6,303	6,303	37,640
Other sources -					
Housing authority	-	-	76,080	76,080	72,176
Racino revenue	340,000	340,000	325,284	(14,716)	336,707
LACE program	100,000	160,000	176,150	16,150	168,155
DEA reimbursements	10,000	10,000	-	(10,000)	10,245
Appropriation from Parish Government	-	-	-	-	1,417,700
Parish Government reimbursement -					
Prisoner housing	5,000	-	-	-	-
Tourist salaries	3,000	1,000	1,176	176	1,250
Total intergovernmental	<u>782,000</u>	<u>1,132,258</u>	<u>1,145,865</u>	<u>13,607</u>	<u>2,476,641</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Charges for Services:					
Inspection fees	83,000	75,000	52,834	(22,166)	50,633
Park fees	81,850	125,247	122,660	(2,587)	99,138
Sports sponsorships	7,300	4,800	5,710	910	7,495
Grass cutting	10,000	10,000	8,949	(1,051)	9,602
Police security	-	-	99	99	0
Other	9,150	9,225	9,276	51	9,818
Total charges for services	<u>191,300</u>	<u>224,272</u>	<u>199,528</u>	<u>(24,744)</u>	<u>176,686</u>
Fines and court costs	<u>91,000</u>	<u>81,000</u>	<u>83,804</u>	<u>2,804</u>	<u>81,791</u>
Miscellaneous:					
Interest	20,000	5,500	8,738	3,238	5,336
Tourism	20,650	13,861	20,138	6,277	18,515
Donations	300	4,850	4,974	124	600
Rent	168,464	261,864	268,003	6,139	188,678
Cable - pole rental	29,000	29,000	28,890	(110)	28,890
Spice and Music festival	30,000	16,000	16,006	6	6,263
Workers compensation	-	27,000	30,416	3,416	44,359
Other sources	33,000	81,967	109,229	27,262	100,588
Total miscellaneous	<u>301,414</u>	<u>440,042</u>	<u>486,394</u>	<u>46,352</u>	<u>393,229</u>
Total revenues	<u>\$ 4,448,664</u>	<u>\$ 4,916,572</u>	<u>\$ 5,052,204</u>	<u>\$ 135,632</u>	<u>\$ 6,210,962</u>

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Executive:					
Personal services	\$ 1,041,896	\$ 1,016,896	\$ 1,001,930	\$ 14,966	\$ 968,525
Supplies and materials	41,000	41,000	36,017	4,983	39,792
Other services and charges	162,466	186,966	168,189	18,777	326,266
Repairs and maintenance	15,000	15,500	13,205	2,295	15,513
Allocated expenditures - services performed for for other departments	(315,300)	(315,300)	(308,500)	(6,800)	(308,500)
Judicial:					
City Court -					
Personal services	405,600	395,944	416,159	(20,215)	391,556
Supplies and materials	-	-	(110)	110	-
Other services and charges	57,939	67,295	68,441	(1,146)	44,508
Repairs and maintenance	1,970	2,270	2,241	29	1,853
Marshall's office -					
Personal services	248,000	248,000	246,333	1,667	210,626
Supplies and materials	-	-	301	(301)	248
Other services and charges	-	-	1,020	(1,020)	1,084
Repairs and maintenance	9,270	11,770	12,836	(1,066)	12,400
Administration:					
Purchasing -					
Personal services	106,750	106,750	103,735	3,015	101,448
Supplies and materials	1,650	1,650	1,264	386	807
Other services and charges	8,600	8,950	8,415	535	7,289
Repairs and maintenance	3,000	2,650	29	2,621	1,854
Civil Service -					
Personal services	122,775	122,775	119,867	2,908	115,412
Supplies and materials	1,408	1,408	1,281	127	1,135
Other services and charges	8,955	15,030	19,918	(4,888)	22,692
Repairs and maintenance	150	150	648	(498)	-
General -					
Supplies and materials	12,000	12,000	8,380	3,620	6,731
Other services and charges	258,834	278,834	316,911	(38,077)	143,940
Repairs and maintenance	19,000	34,500	25,540	8,960	29,375
Total general government	<u>2,210,963</u>	<u>2,255,038</u>	<u>2,264,050</u>	<u>(9,012)</u>	<u>2,134,554</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Public Safety -					
Police:					
Personal services	4,438,688	4,505,393	4,362,075	143,318	4,667,308
Supplies and materials	64,500	75,100	73,822	1,278	75,159
Other services and charges	497,050	497,550	573,199	(75,649)	538,570
Repairs and maintenance	305,041	347,691	374,374	(26,683)	338,443
Fire department:					
Personal services	3,178,557	3,178,557	2,909,666	268,891	2,987,722
Supplies and materials	39,000	26,126	18,424	7,702	26,012
Other services and charges	104,730	116,767	97,874	18,893	105,942
Repairs and maintenance	62,000	75,200	51,268	23,932	60,192
Total public safety	<u>8,689,566</u>	<u>8,822,384</u>	<u>8,460,702</u>	<u>361,682</u>	<u>8,799,348</u>
Public Works -					
Streets and drainage:					
Personal services	983,125	983,125	927,184	55,941	950,940
Supplies and materials	46,200	46,200	30,051	16,149	47,737
Other services and charges	348,840	376,340	383,292	(6,952)	460,347
Repairs and maintenance	152,900	152,900	145,296	7,604	169,403
Municipal garage:					
Personal services	139,650	100,000	88,770	11,230	128,204
Supplies and materials	5,100	5,100	4,025	1,075	3,541
Other services and charges	6,410	8,000	8,516	(516)	7,412
Repairs and maintenance	4,200	4,200	7,475	(3,275)	5,194
Total public works	<u>1,686,425</u>	<u>1,675,865</u>	<u>1,594,609</u>	<u>81,256</u>	<u>1,772,778</u>
Health and Welfare -					
Code enforcement:					
Personal services	413,724	401,224	327,100	74,124	367,110
Supplies and materials	10,550	10,550	6,406	4,144	5,637
Other services and charges	92,350	102,232	94,803	7,429	83,750
Repairs and maintenance	19,200	25,582	22,326	3,256	23,502
Total health and welfare	<u>535,824</u>	<u>539,588</u>	<u>450,635</u>	<u>88,953</u>	<u>479,999</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Culture and recreation -					
Recreation Division:					
Personal services	96,800	96,800	64,682	32,118	66,003
Supplies and materials	17,100	17,100	11,835	5,265	9,080
Other services and charges	49,200	49,200	40,343	8,857	42,277
Parks administration:					
Personal services	639,463	639,463	644,915	(5,452)	601,846
Supplies and materials	32,600	32,600	31,427	1,173	31,959
Other services and charges	131,720	126,720	122,515	4,205	133,678
Repairs and maintenance	69,672	74,672	63,573	11,099	58,954
Tourism:					
Personal services	177,700	177,700	173,508	4,192	178,047
Supplies and materials	13,900	16,327	10,298	6,029	13,299
Other services and charges	120,650	142,514	138,393	4,121	114,661
Repairs and maintenance	24,300	23,300	22,520	780	28,069
Museum:					
Personal services	75,555	57,500	47,422	10,078	82,444
Supplies and materials	4,750	4,750	2,930	1,820	4,317
Other services and charges	26,148	26,148	22,663	3,485	23,174
Repairs and maintenance	7,200	7,200	5,864	1,336	7,794
Total culture and recreation	<u>1,486,758</u>	<u>1,491,994</u>	<u>1,402,888</u>	<u>89,106</u>	<u>1,395,602</u>
Economic development -					
Community Development:					
Personal services	7,340	7,340	11,167	(3,827)	65,945
Supplies and materials	-	-	72	(72)	28
Other services and charges	<u>39,100</u>	<u>39,100</u>	<u>25,310</u>	<u>13,790</u>	<u>17,534</u>
Total economic development	<u>46,440</u>	<u>46,440</u>	<u>36,549</u>	<u>9,891</u>	<u>83,507</u>

(continued)

CITY OF OPELOUSAS, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Capital outlay -					
General government:					
Executive	8,500	8,500	7,800	700	-
Judicial	2,500	17,000	17,000	-	22,000
Administration	10,000	12,000	24,510	(12,510)	502,350
Public safety:					
Police department	132,286	140,588	304,955	(164,367)	32,427
Fire department	-	148,000	133,104	14,896	27,571
Public works:					
Streets and drainage	196,225	196,225	220,560	(24,335)	967,141
Health and welfare:					
Code enforcement	-	2,000	1,197	803	8,957
Culture and recreation:					
Parks administration	75,094	194,894	197,363	(2,469)	14,709
Total capital outlay	<u>424,605</u>	<u>727,676</u>	<u>914,958</u>	<u>(187,282)</u>	<u>1,575,155</u>
Debt service -					
Retirement of principal	382,799	350,000	235,003	114,997	137,814
Interest	188,013	169,700	168,983	717	174,623
Commissions	300	300	537	(237)	1,512
Total debt service	<u>571,112</u>	<u>520,000</u>	<u>404,523</u>	<u>115,477</u>	<u>313,949</u>
Total expenditures	<u>\$15,651,693</u>	<u>\$16,078,985</u>	<u>\$15,528,914</u>	<u>\$ 550,071</u>	<u>\$16,554,892</u>

CITY OF OPELOUSAS, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2014
With Comparative Actual Amounts for the Year Ended August 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 8,750,000	\$ 8,900,000	\$ 9,139,539	\$239,539	\$ 8,923,652
Other	85,000	70,000	3,019	(66,981)	57,263
Total revenues	<u>8,835,000</u>	<u>8,970,000</u>	<u>9,142,558</u>	<u>172,558</u>	<u>8,980,915</u>
Expenditures:					
Current -					
General government:					
Other services and charges	86,975	86,975	93,187	(6,212)	91,381
Repairs and maintenance	13,000	13,000	15,795	(2,795)	15,602
Allocated expenditures for services performed by other departments:					
Executive -					
Other services and charges	253,000	253,000	253,000	-	253,000
Total general government	352,975	352,975	361,982	(9,007)	359,983
Capital Outlay	-	-	7,499	(7,499)	7,413
Total expenditures	<u>352,975</u>	<u>352,975</u>	<u>369,481</u>	<u>(16,506)</u>	<u>367,396</u>
Excess of revenues over expenditures	<u>8,482,025</u>	<u>8,617,025</u>	<u>8,773,077</u>	<u>156,052</u>	<u>8,613,519</u>
Other financing uses:					
Transfers from (to) -					
General Fund	(7,400,000)	(7,400,000)	(7,400,000)	-	(7,398,415)
Sewer Fund	(275,000)	(275,000)	(275,000)	-	(275,000)
Electric Light and Waterworks Fund	(800,000)	(800,000)	(800,000)	-	(800,000)
Total other financing uses	<u>(8,475,000)</u>	<u>(8,475,000)</u>	<u>(8,475,000)</u>	<u>-</u>	<u>(8,473,415)</u>
Excess of revenues and other sources over expenditures and other uses	8,827,975	142,025	298,077	156,052	140,104
Fund balance, beginning	<u>1,672,132</u>	<u>1,672,132</u>	<u>1,672,132</u>	<u>-</u>	<u>1,532,028</u>
Fund balance, ending	<u>\$10,500,107</u>	<u>\$ 1,814,157</u>	<u>\$ 1,970,209</u>	<u>\$156,052</u>	<u>\$ 1,672,132</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Louisiana Community Development Block Grant (LCDBG) Fund

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

Police Department Detective Fund

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

Emergency Shelter Grant Fund

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

Police Witness Fee Fund

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

Police Seized Fund

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

Industrial Park Fund

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

Myrtle Grove Cemetery Fund

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

DEBT SERVICE FUND

Local Assessment Fund

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

CAPITAL PROJECTS FUNDS

Capital Projects Fund

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

1995 Capital Projects Fund

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

CITY OF OPELOUSAS, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
August 31, 2014
With Comparative Totals as of August 31, 2013

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
ASSETS					
Cash and cash equivalents	\$ 22,685	\$ 38,033	\$ 17,417	\$ 78,135	\$ 84,308
Receivables -					
Grants	<u>81,935</u>	<u>-</u>	<u>-</u>	<u>81,935</u>	<u>246,945</u>
TOTAL ASSETS	<u>\$104,620</u>	<u>\$38,033</u>	<u>\$17,417</u>	<u>\$160,070</u>	<u>\$331,253</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$ 80,258	\$ -	\$ -	\$ 80,258	\$ 252,291
Due to other funds	<u>36</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>36</u>
Total liabilities	<u>\$ 80,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,294</u>	<u>\$ 252,327</u>
Fund balances:					
Restricted - debt service	\$ -	\$ 38,033	\$ -	\$ 38,033	\$ 36,854
Assigned - public safety	13,097	-	-	13,097	12,683
Assigned - health and welfare	11,229	-	-	11,229	12,030
Assigned - capital expenditures	<u>-</u>	<u>-</u>	<u>17,417</u>	<u>17,417</u>	<u>17,359</u>
Total fund balances	<u>24,326</u>	<u>38,033</u>	<u>17,417</u>	<u>79,776</u>	<u>78,926</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$104,620</u>	<u>\$38,033</u>	<u>\$17,417</u>	<u>\$160,070</u>	<u>\$331,253</u>

CITY OF OPELOUSAS, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2014
With Comparative Totals for August 31, 2013

	Special Revenue	Debt Service	Capital Projects	Totals	
				2014	2013
Revenues:					
Intergovernmental	\$ 375,559	\$ -	\$ -	\$ 375,559	\$ 901,322
Public Safety	7,901	-	-	7,901	6,953
Interest	86	132	58	276	333
Other	150	-	-	150	-
Total revenues	<u>383,696</u>	<u>132</u>	<u>58</u>	<u>383,886</u>	<u>908,608</u>
Expenditures:					
Current -					
General government:					
Assessment charge-offs (recoveries)	-	(1,047)	-	(1,047)	228,675
Public safety	7,525	-	-	7,525	27,459
Health and welfare	132,757	-	-	132,757	48,192
Capital outlay	243,801	-	-	243,801	854,390
Total expenditures	<u>384,083</u>	<u>(1,047)</u>	<u>-</u>	<u>383,036</u>	<u>1,158,716</u>
Excess (deficiency) of revenues over expenditures	<u>(387)</u>	<u>1,179</u>	<u>58</u>	<u>850</u>	<u>(250,108)</u>
Fund balance, beginning	<u>24,713</u>	<u>36,854</u>	<u>17,359</u>	<u>78,926</u>	<u>329,034</u>
Fund balance, ending	<u>\$ 24,326</u>	<u>\$ 38,033</u>	<u>\$ 17,417</u>	<u>\$ 79,776</u>	<u>\$ 78,926</u>

NONMAJOR ENTERPRISE FUND

Rural Economic and Community Development Grant Fund

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

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

Statement of Net Position
 August 31, 2014
 With Comparative Actual Amounts for August 31, 2013

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 181,777	\$ 180,798
Receivables:		
Notes receivable, net	58,796	76,166
Interest receivable	11,838	13,547
Due from other funds	21,784	-
Total assets	274,195	270,511
LIABILITIES		
Liabilities:		
Due to other funds	-	3
NET POSITION		
Restricted for grant provisions	\$ 274,195	\$ 270,508

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

Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended August 31, 2014
 With Comparative Actual Amounts for August 31, 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services		
Interest	\$ 951	\$ 1,818
Operating expenses:		
Supplies	33	47
Legal fees	-	60
Bad debt (recovery)	<u>(2,769)</u>	<u>6,918</u>
Total operating expenses	<u>(2,736)</u>	<u>7,025</u>
Operating income (loss)	3,687	(5,207)
Net position, beginning	<u>270,508</u>	<u>275,715</u>
Net position, ending	<u>\$ 274,195</u>	<u>\$ 270,508</u>

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

Statement of Cash Flows
 For the Year Ended August 31, 2014
 With Comparative Actual Amounts for August 31, 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 1,015	\$ 12,061
Cash payments for supplies	(36)	(44)
Cash payments for legal fees	-	(60)
Net cash provided by operating activities	979	11,957
Net increase in cash	979	11,957
Cash and cash equivalents, beginning of period	180,798	168,841
Cash and cash equivalents, end of period	\$ 181,777	\$ 180,798
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 3,687	\$ (5,207)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
(Increase) decrease in receivables	(2,705)	17,161
Increase (decrease) in payables	(3)	3
Net cash provided by operating activities	\$ 979	\$ 11,957

INTERNAL SERVICE FUNDS

Internal Service Fund A

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

Internal Service Fund G

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

Workmen's Compensation Fund

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

Health Self-Insurance Fund

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

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Net Position
Internal Service Funds

August 31, 2014

With Comparative Actual Amounts for August 31, 2013

	Internal	Internal	Workmen's	Health Self	Totals	
	Service Fund A	Service Fund G	Compensation Fund	Insurance Fund	2014	2013
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 36,389	\$ -	\$ 66,835	\$ 158,844	\$ 262,068	\$ 371,058
Accounts receivable	-	1,214	196	28	1,438	34,472
Total current assets	<u>36,389</u>	<u>1,214</u>	<u>67,031</u>	<u>158,872</u>	<u>263,506</u>	<u>405,530</u>
NONCURRENT ASSETS						
Capital assets:						
Equipment, net	-	1,136	-	-	1,136	2,375
Total assets	<u>\$ 36,389</u>	<u>\$ 2,350</u>	<u>\$ 67,031</u>	<u>\$ 158,872</u>	<u>\$ 264,642</u>	<u>\$ 407,905</u>
LIABILITIES AND NET POSITION						
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ 185,884	\$ 185,884	\$ -
Accounts payable	-	65,347	145,322	392,770	603,439	336,702
Claims payable	-	185,333	-	216,700	402,033	638,011
Due to other funds	<u>190,175</u>	<u>334,912</u>	<u>90,799</u>	<u>928,023</u>	<u>1,543,909</u>	<u>1,174,783</u>
Total liabilities	<u>190,175</u>	<u>585,592</u>	<u>236,121</u>	<u>1,723,377</u>	<u>2,735,265</u>	<u>2,149,496</u>
NET POSITION						
Restricted for insurance claims	<u>(153,786)</u>	<u>(583,242)</u>	<u>(169,090)</u>	<u>(1,564,505)</u>	<u>(2,470,623)</u>	<u>(1,741,591)</u>
Total net position	<u>(153,786)</u>	<u>(583,242)</u>	<u>(169,090)</u>	<u>(1,564,505)</u>	<u>(2,470,623)</u>	<u>(1,741,591)</u>
Total liabilities and net position	<u>\$ 36,389</u>	<u>\$ 2,350</u>	<u>\$ 67,031</u>	<u>\$ 158,872</u>	<u>\$ 264,642</u>	<u>\$ 407,905</u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended August 31, 2014
 With Comparative Actual Amounts for August 31, 2013

	Internal Service Fund A	Internal Service Fund G	Workmen's Compensation Fund	Health Self Insurance Fund	Totals	
					2014	2013
Operating revenues:						
Premiums	\$ 439,379	\$ 242,821	\$ 219,794	\$ 1,769,229	\$ 2,671,223	\$ 2,579,868
Miscellaneous	-	1	-	13,758	13,759	-
Total operating revenues	<u>439,379</u>	<u>242,822</u>	<u>219,794</u>	<u>1,782,987</u>	<u>2,684,982</u>	<u>2,579,868</u>
Operating expenses:						
Claims	-	17,470	603,726	1,994,075	2,615,271	3,152,011
Depreciation	-	1,239	-	-	1,239	1,239
Insurance	486,880	208,664	84,365	-	779,909	526,681
Administrative and other	3,000	6,000	10,000	-	19,000	19,000
Total operating expenses	<u>489,880</u>	<u>233,373</u>	<u>698,091</u>	<u>1,994,075</u>	<u>3,415,419</u>	<u>3,698,931</u>
Operating income (loss)	<u>(50,501)</u>	<u>9,449</u>	<u>(478,297)</u>	<u>(211,088)</u>	<u>(730,437)</u>	<u>(1,119,063)</u>
Nonoperating revenues (expenses):						
Investment income	<u>389</u>	<u>70</u>	<u>321</u>	<u>625</u>	<u>1,405</u>	<u>3,030</u>
Income (loss) before operating transfers	(50,112)	9,519	(477,976)	(210,463)	(729,032)	(1,116,033)
Other financing sources:						
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
Change in net position	(50,112)	9,519	(477,976)	(210,463)	(729,032)	(991,033)
Net position (deficit), beginning	<u>(103,674)</u>	<u>(592,761)</u>	<u>308,886</u>	<u>(1,354,042)</u>	<u>(1,741,591)</u>	<u>(750,558)</u>
Net position (deficit), ending	<u><u>\$(153,786)</u></u>	<u><u>\$(583,242)</u></u>	<u><u>\$(169,090)</u></u>	<u><u>\$(1,564,505)</u></u>	<u><u>\$(2,470,623)</u></u>	<u><u>\$(1,741,591)</u></u>

CITY OF OPELOUSAS, LOUISIANA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended August 31, 2014
With Comparative Actual Amounts for August 31, 2013

	Internal	Internal	Workmen's	Health Self	Totals	
	Service Fund A	Service Fund G	Compensation Fund	Insurance Fund	2014	2013
Cash flows from operating activities:						
Premiums received	\$ 444,515	\$ 244,898	\$ 245,643	\$ 1,769,201	\$ 2,704,257	\$ 2,970,682
Other receipts	-	1	-	13,758,000	13,759	-
General and administrative expenses paid	(3,000)	(6,000)	(10,000)	-	(19,000)	(19,000)
Claims paid	-	(149,137)	(476,146)	(1,999,874)	(2,625,157)	(2,970,318)
Insurance paid	<u>(486,880)</u>	<u>(168,019)</u>	<u>(84,365)</u>	<u>-</u>	<u>(739,264)</u>	<u>(511,279)</u>
Net cash used by operating activities	<u>(45,365)</u>	<u>(78,257)</u>	<u>(324,868)</u>	<u>(216,915)</u>	<u>(665,405)</u>	<u>(529,915)</u>
Cash flows from noncapital financing activities:						
(Increase) decrease in cash overdraft	-	-	-	185,884	185,884	(193,594)
Cash received from other funds	<u>79,620</u>	<u>78,187</u>	<u>90,799</u>	<u>120,520</u>	<u>369,126</u>	<u>428,260</u>
Net cash provided by noncapital and related financing activities	<u>79,620</u>	<u>78,187</u>	<u>90,799</u>	<u>306,404</u>	<u>555,010</u>	<u>234,666</u>
Cash flows from investing activities:						
Interest earnings	<u>389</u>	<u>70</u>	<u>321</u>	<u>625</u>	<u>1,405</u>	<u>3,030</u>
Net increase (decrease) in cash and cash equivalents	34,644	-	(233,748)	90,114	(108,990)	(292,219)
Cash and cash equivalents, beginning of the year	<u>1,745</u>	<u>-</u>	<u>300,583</u>	<u>68,730</u>	<u>371,058</u>	<u>663,277</u>
Cash and cash equivalents, end of the year	<u>\$ 36,389</u>	<u>\$ -</u>	<u>\$ 66,835</u>	<u>\$ 158,844</u>	<u>\$ 262,068</u>	<u>\$ 371,058</u>
Reconciliation of operating income (loss) to net cash used by operating activities:						
Operating income (loss)	\$ (50,501)	\$ 9,449	\$(478,297)	\$ (211,088)	\$ (730,437)	\$(1,119,063)
Adjustments to reconcile operating loss to net cash used by operating activities:						
Depreciation	-	1,239	-	-	1,239	1,239
Changes in assets and liabilities:						
Accounts receivable	5,136	2,077	25,849	(28)	33,034	390,814
Accounts payable	-	40,645	127,580	98,512	266,737	65,618
Claims payable	<u>-</u>	<u>(131,667)</u>	<u>-</u>	<u>(104,311)</u>	<u>(235,978)</u>	<u>131,477</u>
Net cash used by operating activities	<u>\$ (45,365)</u>	<u>\$ (78,257)</u>	<u>\$(324,868)</u>	<u>\$ (216,915)</u>	<u>\$ (665,405)</u>	<u>\$(529,915)</u>

CITY OF OPELOUSAS, LOUISIANA

Schedule of Insurance In Force
August 31, 2014

Company Name	Policy Number	Period From	Period To	Coverage Type	Coverage Amount
American Alternative Insurance Corporation	VFIS-CM-1058870-04	2/9/2014	2/9/2015	Fire - Auto	\$ 1,000,000
American Alternative Insurance Corporation	VFIS-TR-2064552-4	2/9/2014	2/9/2015	Fire - General Liability	1,000,000
Continental Casualty	PSR 4029485833	4/17/2014	4/17/2015	Building and business personal property	17,478,250
Darwin Select	0202-4916	4/17/2014	4/17/2015	Law Enforcement Professional Liability	1,000,000
American Alternative Insurance Corporation	4BA2IM2017833-02	5/21/2014	5/21/2015	Contractors Equipment	474,406
Safety National Casualty Corporation	AGC4050802	5/1/2014	5/1/2015	Workers' Compensation	1,000,000
The Travelers Indemnity Company of America	H-810-9157P109-TCT-14	6/18/2014	6/18/2015	Automobiles	1,000,000
Illinois Union	M00609912-001	4/17/2014	4/17/2015	Public officials and employee liability	1,000,000
Fidelity and Deposit Company	CCP 1406545 20	1/15/2014	1/15/2015	Clerks and cashier dishonesty blanket bond	10,000 per occurrence
CNA Surety	69250888	11/15/2013	11/15/2014	Public officer bond - Accountant I	50,000
	70268079	1/1/2014	1/1/2015	Public officer bond - Mayor	50,000
	70236011	1/25/2014	1/25/2015	Public officer bond - City clerk/tax collector	50,000

CITY OF OPELOUSAS, LOUISIANA
Enterprise Funds
Utility Funds

Schedule of Number of Utility Customers
August 31, 2014

Records maintained by the City indicated the following number of customers were being serviced during the month of August 31, 2014 and 2013:

<u>Department</u>	<u>2014</u>	<u>2013</u>
Water	7,427	7,488
Sewerage	6,218	6,310

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Honorable Reginald Tatum, Mayor
and Members of the Board of Aldermen
City of Opelousas, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Opelousas, Louisiana, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Opelousas, Louisiana's basic financial statements and have issued our report thereon dated February 19, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Opelousas, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Opelousas, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Opelousas, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be significant deficiencies as Items 2014-001, 2014-002, and 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Opelousas, Louisiana's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Opelousas, Louisiana's Response to Findings

The City of Opelousas, Louisiana's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The City of Opelousas, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Ville Platte, Louisiana
February 19, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Reginald Tatum, Mayor
and Members of the Board of Aldermen
City of Opelousas, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Opelousas, Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Opelousas, Louisiana's major federal programs for the year ended August 31, 2014. The City of Opelousas, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Opelousas, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Opelousas, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Opelousas's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Opelousas, Louisiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which would be required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

Management of the City of Opelousas, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Opelousas, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Opelousas, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 requirements 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133.

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

Ville Platte, Louisiana
February 19, 2015

CITY OF OPELOUSAS, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended August 31, 2014

Federal Grantor / Pass-Through Grantor / Program Name	Federal CFDA Number	Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Passed-through State of Louisiana Department of Social Services: Emergency Shelter Grants Program	14.231	\$ 131,758
Economic Development Initiative - Special Project, Neighborhood Initiative and Miscellaneous Grant *	14.251	119,800
Passed-through State of Louisiana Division of Administration Community Development Block Grants/State's Program *	14.228	243,801
<u>U.S. Department of Justice</u>		
Passed-through Louisiana Commission on Law Enforcement and Administration on Criminal Justice Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,303
<u>U.S. Department of Homeland Security</u>		
Passed-through State of Louisiana Department of Homeland Security and Emergency Preparedness Disaster Grants - Public Assistance	97.036	8,406
Assistance to Firefighters Grant	97.044	117,761
<u>U.S. Department of Transportation</u>		
Passed-through Louisiana Highway Safety Commission Highway Planning and Construction	20.205	12,375
Alcohol Open Container Requirements	20.607	18,562
State and Community Highway Safety	20.600	<u>742</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 659,508</u>

* Indicates Major Program

CITY OF OPELOUSAS, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended August 31, 2014

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Opelousas, Louisiana (the "City"). The City's reporting entity is defined in Note 1 to the financial statements for the year ended August 31, 2014. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The U.S. Department of Housing and Urban Development Economic Development Initiative Special Projects program and the U.S. Department of Housing and Urban Development: Passed through State of Louisiana Division of Administration – Community Development Block Grants/ State's Program were considered to be major federal programs.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended August 31, 2014.

(3) Sub-recipients

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

<u>Sub-recipient Title</u>	<u>CFDA #</u>	<u>Amount Provided</u>
Opelousas Housing Corporation d/b/a New Life Center	14.231	\$109,253
Faith House	14.231	12,212
Lighthouse Mission	14.231	<u>10,293</u>
		<u>\$131,758</u>

(3) Relationship to Primary Government Financial Statements

Federal financial assistance revenues/expenditures are reported in the City's primary government financial statements as follows:

From federal sources:

Government Fund Types –	
Special Revenue Funds	\$ 375,559
General Fund	<u>283,949</u>
Total federal expenditures reported in the Schedule of Expenditures of Federal Awards	<u>\$ 659,508</u>

CITY OF OPELOUSAS, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards (Continued)
Year Ended August 31, 2014

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related financial reports.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended August 31, 2014

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Opelousas for the year ended August 31, 2014.
2. There were three significant deficiencies in internal control disclosed by the audit of the financial statements.
3. There were no instances of noncompliance disclosed by the audit of the financial statements.
4. There were no significant deficiencies in internal control over major programs disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133 reported in this schedule.
7. The major programs were:
 - U.S. Department of Housing and Urban Development – Economic Development Initiative - Special Project, Neighborhood Initiative and Miscellaneous Grant CFDA No. 14.251
 - U.S. Department of Housing and Urban Development: Passed through State of Louisiana Division of Administration – Community Development Block Grants/State's Programs CFDA No. 14.228.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings that are required to be reported in accordance with generally accepted Governmental Auditing Standards:

See Findings 2014-001, 2014-002, and 2014-003 in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended August 31, 2014

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133.

CITY OF OPELOUSAS, LOUISIANA

Schedule of Prior Audit Findings and Questioned Costs
Year Ended August 31, 2014

Part I. Findings that are required to be reported in accordance with generally accepted Governmental Auditing Standards:

See Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

Part II. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133.

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended August 31, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (8/31/14) --						
<u>Internal Control:</u>						
2014-001	Unknown	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Reginald Tatum, Mayor	N/A
2014-002	2014	In October 2013, the City was alerted by their fuel vendor of unusual activity on their account under the fuel card issued to the City Marshall. After performing an internal investigation, it was learned that the City Marshall's fuel card had been stolen by his stepson and was being used to make unauthorized purchases totaling \$7,931. The matter was then turned over to the Opelousas Police Department for further investigation. The District Attorney was notified, as well as the Louisiana Legislative Auditor and the Louisiana Attorney General. Restitution is being made by the City Marshall's stepson. No employees were terminated in connection with this theft.		The stolen fuel card was cancelled and a new one was issued to the City Marshall. The new card is now stored in a secure location to limit access to only the City Marshall. The City will also continue to closely monitor fuel card activity.	Reginald Tatum, Mayor	Immediately

(continued)

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended August 31, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (8/31/14) --</u>						
<u>Internal Control:</u>						
2014-003	2014	The customer deposit balance per the general ledger is not being reconciled to the customer deposit listing per the utility billing system. Errors or irregularities could be made in the recording of deposits, billings or adjustments without being detected in a timely manner. It is recommended that the customer deposit liability recorded on the general ledger be reconciled to the customer deposit subsidiary listing in the utility billing system at the end of each month. All variances should be accounted for as part of this monthly reconciliation.		Procedures will be implemented to reconcile the subsidiary ledgers to the general ledger on a monthly basis.	Reginald Tatum, Mayor	08/31/15

Compliance:

There were no instances of material noncompliance noted during the audit.

(continued)

CITY OF OPELOUSAS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended August 31, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (8/31/13) --						
<u>Internal Control:</u>						
2013-001	Unknown	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	See current year finding 2014-001		
2013-002	Unknown	The City does not have complete and accurate records for customer deposits for electrical permits and football deposits. A system of controls should be developed to ensure that an accurate listing is maintained for both electrical permit deposits and football deposits.	Yes			

Compliance:

There were no instances of material noncompliance noted during the audit.