

City of Lake Charles, Louisiana

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For The

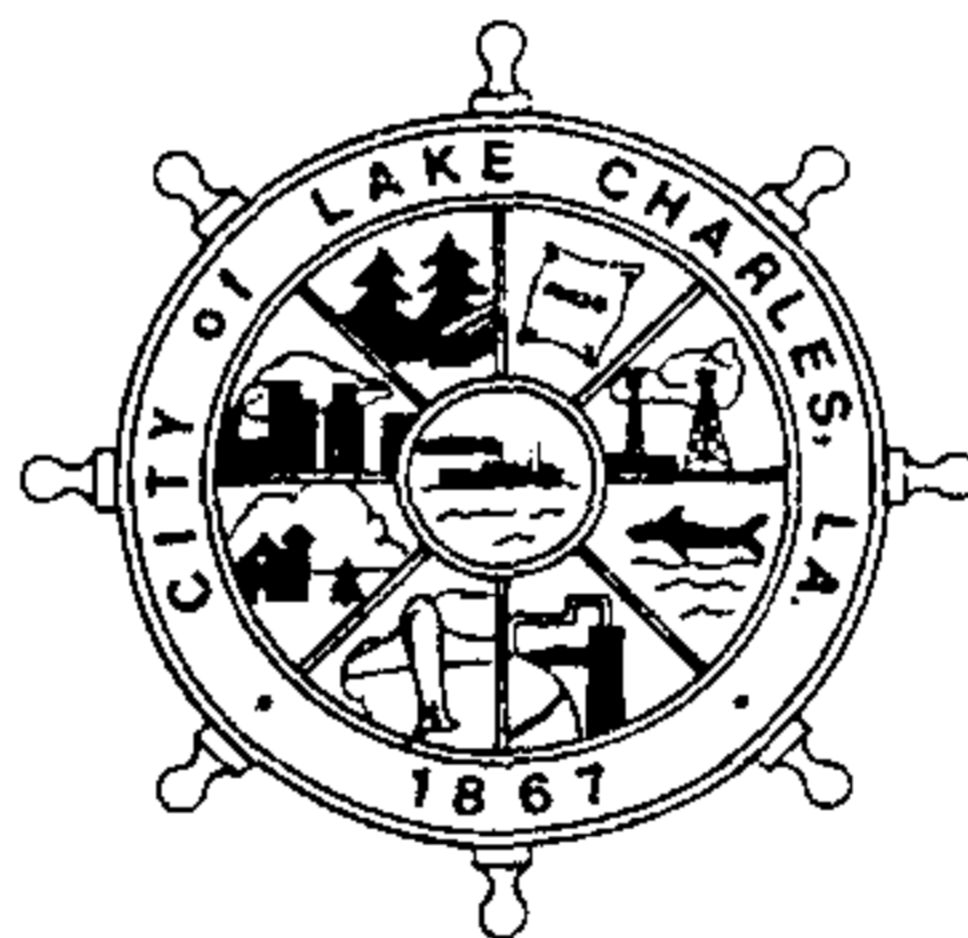
Fiscal Year Ended

September 30, 1998

CITY OF LAKE CHARLES, LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the
Fiscal Year Ended
September 30, 1998



Prepared By
Division of Accounting
for
Ronald P. Kemerly
Director of Finance

CITY OF LAKE CHARLES
Lake Charles, Louisiana

MAYOR

Honorable Willie L. Mount

CITY COUNCIL

Mike Clark

Mike Huber

A.B. Franklin

David Perry

Rodney Geyen

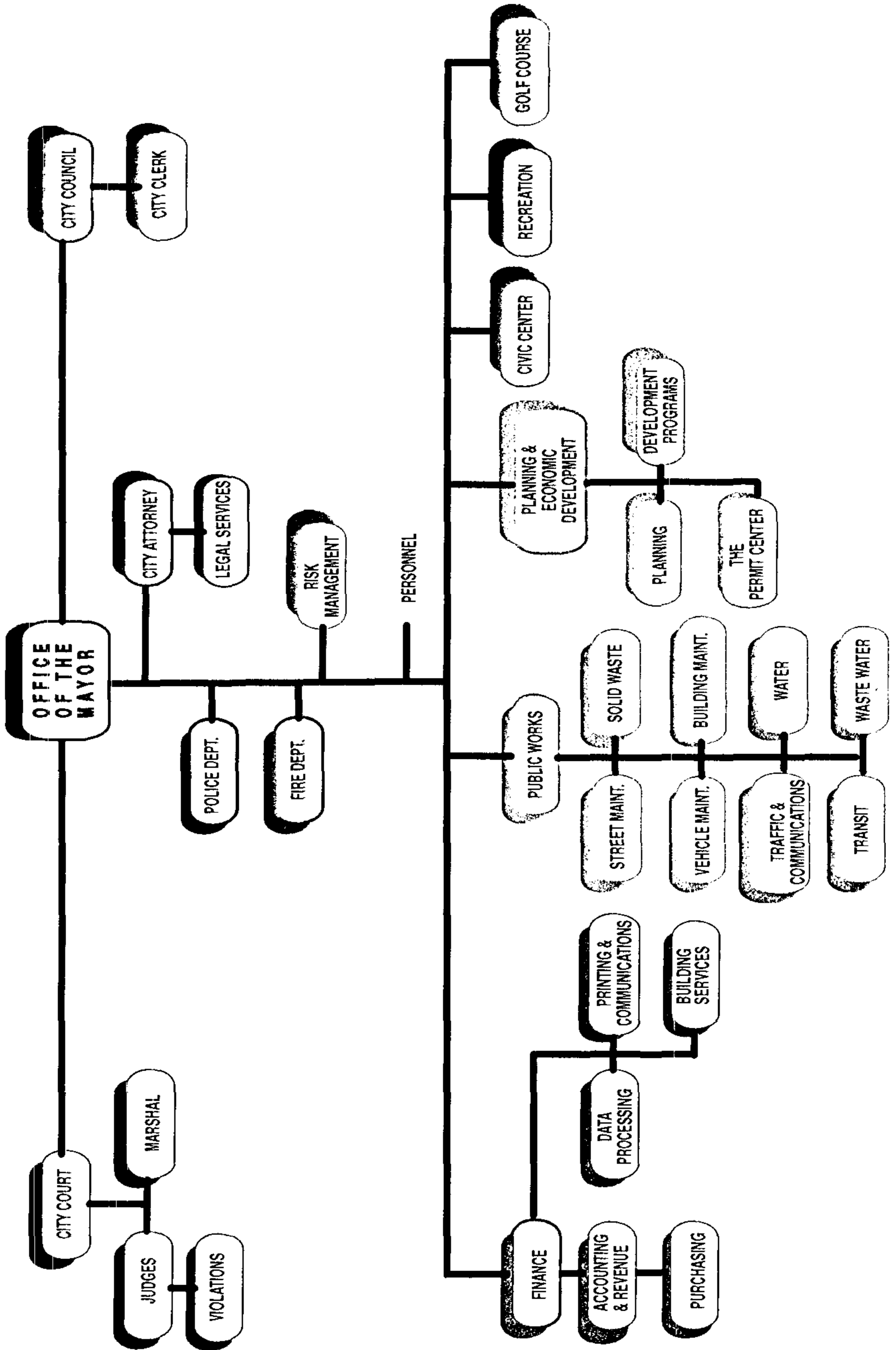
W.H. "Buddy" Prejean

Rev. Samuel C. Tolbert



LAKE CHARLES...
Moving Forward Together

CITY OF LAKE CHARLES ORGANIZATIONAL CHART



CITY OF LAKE CHARLES, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
September 30, 1998

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CITY OF LAKE CHARLES

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WILLIE L. MOUNT
MAYOR

DEPARTMENT OF FINANCE
Ronald P. Kemerly, Director

March 30, 1999

Honorable Willie L. Mount, Mayor
Members of the City Council

Dear Mayor and City Council Members:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Lake Charles for the year ended September 30, 1998. This report has been prepared by the City's Finance Department in accordance with generally accepted accounting principles, and the general purpose financial statements contained herein have been independently audited in accordance with applicable law and governmental auditing standards. However, the Finance Department is responsible for the accuracy of the financial statements and the completeness and fairness of the presentation, including all note disclosures. We believe that this report fairly and accurately presents the financial position of the City and the results of operation of the various funds for the period covered, and that all disclosures necessary for such presentation have been included.

The contents of this report are presented in three parts as follows: (1) an introductory section which includes this letter of transmittal, providing an overview of the City's activities and financial operations; (2) a financial section consisting of the City's financial statements, note disclosures and accompanying auditor's opinion; and (3) a statistical section providing additional unaudited data focusing on financial and economic characteristics and trends.

City Organization and Financial Reporting Scope

The City of Lake Charles was incorporated in 1867 and operates under a 1961 City Charter providing for a Mayor-Council form of government. The City provides the full range of traditional municipal services, as well as several specialized facilities such as the Civic Center coliseum and theater complex, Mallard Cove Golf Course, and the Central School Arts and Humanities Center, all of which have regional service areas. The City has a population of approximately 76,000 within its corporate limits. The metropolitan area, which covers Calcasieu Parish, has a current estimated population of 180,000.

The financial statements presented in this report include all funds, accounts, and organizational units under the control of the City during the year ended September 30, 1998. The separately controlled accounts of the Lake Charles City Court and the Ward Three Marshal are also incorporated in this

report's financial statements as "component units," which are financially interdependent with the City but not under the City's legal control. All other activity which is presented in the financial statements represents funds under the control or custody of the City, through its elected Mayor and City Council. This report does not include the Housing Authority of Lake Charles, which is both legally and financially independent of the City.

Areawide Economic Environment

Lake Charles is the principal city and trade center of Southwest Louisiana, and is serviced by a deep water port located 30 miles from the Gulf of Mexico. The major component of the area's economic base is the concentration of petrochemical and related manufacturing industries which has developed along the deep water ship channel over the past sixty years. This industrial complex has expanded significantly during the 1990's, both through plant additions and development of major new facilities. This manufacturing sector currently employs over 10,000 persons directly, and typically generates several thousand additional jobs in the form of contract construction and maintenance.

The area's economic base has become somewhat more diversified in recent years with the additions of a major aircraft modification facility at Chennault Industrial Airpark, which is a converted air base site adjoining the City, and with the development of two casino riverboat complexes which rely primarily on proximity to the large southeast Texas market. These operations collectively provide over 4,000 direct jobs, which are highly beneficial to the local economy, but also subject to greater long-term uncertainty than the capital-intensive petrochemical industries.

Other important components of local economic growth during the past few years have included a rapidly expanding retail and service sector, high levels of construction activity, and continued growth of shipping and marine services. In the surrounding region, agriculture, timber and oil and gas production are also significant contributors to the trade and transportation sectors of the Lake Charles area's economy.

One measure of improvement in the health of the area economy over the past decade is the metropolitan area's unemployment rate, which ranged as high as 16 percent during the economic downturn of the mid-1980's. That rate has declined to a level ranging between 5 and 6 percent throughout most of the past five years, which represents the longest period of sustained high employment and job growth in the local labor market since the late 1950's.

City Development Trends

Since most of the area's industrial facilities are located outside the City, the City itself is primarily a center of retail, service, and governmental activity. The retail sector in particular is experiencing rapid expansion in response to regional population and income growth. Recent and pending additions include a major shopping mall expansion project, several national and regional chain restaurants, large-scale specialty retail and discount outlets, both national and local, and many other new or expanded smaller businesses. In the service sector, several hotels and motels are in various stages of development or completion within the City, and other sectors such as health services have experienced steady growth similar to national trends. One of the area's two-boat casino riverboat

complexes is located within the City, constituting a major source of local tax revenue as well as employment. The public sector is another major generator of employment within the City, owing to the presence of facilities such as McNeese State University, the Port of Lake Charles general cargo docks, and regional, state and federal offices as well as local government entities.

The City has experienced steady residential growth during the 1990's as a result of new construction and annexation of developing areas. Another important recent trend has been an increased pace of new development and renovation projects in the City's downtown area and adjoining older residential districts. This activity reflects market forces and growing interest in historic preservation, but has also been stimulated in part by major public projects such as the City's lakefront development program and Central School restoration.

Current forecasts project a continuation of strong economic growth in the local area through at least the next two years, and the trade and services sectors within the City proper are expected to respond accordingly. One area of concern is the ability of the public sector to continue to provide the infrastructure necessary to support this growth. The City and other local governmental entities are heavily dependent on sales taxes as a primary source of revenue, and the rate of growth of that revenue has frequently failed to meet expectations or needs associated with community growth and expansion.

1998 City Activity Highlights

Within the past five years, Lake Charles has experienced an accelerated pace of development and activity in the public sector as well as the private economy. The past year has been particularly eventful with regard to City projects and activities, some of which are highlighted below:

- The Prien Lake Mall expansion and renovation project was completed and fully open for business in October, 1998. The project, which added over 400,000 square feet of new retail space to an existing shopping mall, was facilitated by a sales tax increment financing agreement under which the City and other local taxing authorities will utilize increased sales tax revenues from the expanded facility to reimburse the developer for a portion of project costs.
- Additional major retail expansion is on-going at the Power Center, a specialty retail and service complex located in the southeast section of the City. Recent additions include two major building materials and home improvement retailers, an office supply outlet, several restaurants, and a pending strip mall development. The City has completed a street widening project to facilitate further development within this complex.
- The Civic Center has undergone additional phases of both interior and exterior renovation, and is now home to the Lake Charles Ice Pirates, which began play in the Western Professional Hockey League in October, 1997. The City has invested over \$5.5 million in improvements to this facility within the past three years, and it is currently enjoying the highest level of utilization since its opening in 1972.

- A continuing program of annexation expanded the area within the City's corporate limits by more than six square miles during 1998 and the first quarter of 1999. The largest single annexation includes a proposed planned community site which may ultimately contain up to 1,500 dwelling units, together with supporting commercial and recreational facilities.
- The City's pension merger debts to statewide fire and police retirement systems were refinanced through the issuance of \$12,655,000 in refunding bonds, which reduced the remaining term of the debt from 17 to 15 years and achieved a gross savings of over \$2 million in future debt service costs.
- The City continued an extensive capital improvement program which included commencement of construction on several major arterial street projects, allocation of over \$9 million for the initial stage of a wastewater treatment facility expansion and improvement program, and a wide variety of other on-going improvements to existing infrastructure, recreational, and general government facilities. Construction was also commenced on a multi-year state project to reconstruct Interstate 10 within the City, and other state highway improvement projects which will improve local traffic flow are on-going.
- A March, 1998 agreement with the operator of the riverboat casino complex within the City has substituted a predictable level of contractual payments for the highly variable revenue stream which the City previously received from the per-person admission tax authorized by state enabling legislation. The resulting payments will provide approximately \$6 million annually in available funding for the City's capital improvement program in 1999 and subsequent years, as it is the City's policy to restrict the use of this source of revenue to capital projects and similar non-recurring items.

Current and Future Initiatives

The City is currently undertaking further renovations to the Civic Center, an initial stage of upgrading its existing wastewater treatment facilities, a complete restoration of the City Court building which was originally built as a 1911 city hall, and a continuing program of water system extensions and distribution improvements. However, street and drainage infrastructure improvement remains the largest component of the City's capital program, accounting for nearly \$10 million in 1998 spending and a similar projected level in 1999. The City is also carrying out a variety of other service-oriented improvement efforts which include the expansion of its community policing program, consolidation of emergency dispatching, and organization-wide computer system additions and replacements. A major recent development is the pending approval of a site donation which will support the development of a large scale multi-sport complex previously identified as the recreation system's most critical need

Financial Summary - Governmental Funds

As required by generally accepted accounting principles, the City's accounts are organized into self-contained funds. Activities considered to be governmental in nature are accounted for in the General Fund, Special Revenue Funds, and the Debt Service and Capital Projects Funds. The

financial activity and status of this group of governmental funds is summarized in the following sections.

Revenue Summary:

Total revenues of the City's governmental funds were \$57,525,667 for the 1998 fiscal year, which represents an increase of \$2,050,067 or 3.7 percent from the 1997 total. The following table summarizes the revenue amounts and year-to-year changes for major revenue sources and categories.

Revenue Source	1998 Amount	Percent of Total	Percent Increase (Decrease) from 1997
Property taxes	\$ 4,827,270	8.4	4.6
Sales taxes	27,616,696	48.0	6.1
Occupational taxes	2,196,952	3.8	3.4
Riverboat admissions	5,352,200	9.3	12.5
Special assessments	69,470	0.1	(44.3)
Licenses, permits and franchises	4,450,105	7.7	0.6
Charges for services	3,231,181	5.6	12.1
Fines and forfeitures	388,801	0.7	(8.6)
Intergovernmental	4,912,306	8.6	(8.8)
Interest earnings	2,419,588	4.2	(6.9)
Other revenue	2,061,098	3.6	(12.6)
Total	\$57,525,667	100.0	3.7

The 1998 increases in tax and service charge revenues are a reflection of new construction and economic expansion, while the growth of riverboat admission payments is due to the effect of a new contractual agreement which increased these payments at mid-year. Intergovernmental revenues and interest earnings were decreased as a result of one-time events such as federal and state disaster assistance received in response to a 1997 ice storm, and to change in the basis of reporting interest earnings which results from valuation of investments at market value rather than amortized cost.

The above tabulation illustrates the City's dependency on sales taxes, which account for nearly half of all governmental fund revenues and for more than half of the revenues received from sources other than intergovernmental payments. More significantly, the net gain in sales tax revenue from

1997 to 1998 accounted for more than 77 percent of the total increase in revenue dollars for all governmental funds. Although sales taxes should continue to perform strongly in the short term due to retail expansions, longer term economic shifts toward untaxed services and "on-line" sales may eventually undermine the growth potential of this revenue source.

Expenditure Summary:

Expenditures and additional transfers from governmental funds totaled \$53,789,499 for the 1998 fiscal year, representing a decrease of \$563,645 or 1.0 percent from the 1997 total. The use of these funds for departmental operations and other purposes is summarized in the following table.

Use of Funds	1998 Amount	Percent of Total	Percent Increase (Decrease) from 1997
Current operating expenditures:			
General government	\$ 1,808,571	3.4	1.7
Finance	1,034,447	1.9	6.1
Personnel	227,847	0.4	11.6
Public safety	15,515,080	28.8	1.4
Public works	12,047,984	22.4	(12.2)
Planning and development	1,664,167	3.1	30.2
Community services	2,781,780	5.2	(2.7)
General services	2,006,759	3.7	10.5
Other expenditures and uses:			
Capital projects	13,862,739	25.8	1.1
Debt service	606,520	1.1	242.6
Net transfers to other funds	2,233,605	4.2	(11.7)
Total	\$53,789,499	100.0	(1.0)

Significant changes in expenditures include decreases which reflect non-recurring 1997 ice storm clean-up costs in the Public Works and Community Services departments, and increases which reflect expanded activity or expenditure allocation changes from 1997 to 1998 in other departments such as Human Resources, Planning and Development, and General Services. Changes in debt service and net transfer totals are primarily attributable to the issuance of refunding bonds for the retirement of pension merger debt during 1998. The net transfer amount and overall total include

both operating transfers and residual equity or capital transfers which were made to enterprise funds. The use of bond proceeds for debt refunding is excluded from the above tabulation.

Fund Balances:

As a result of the 1998 financial activity described above, the total fund balances of all governmental funds increased by \$4,111,431. A comparison of 1997 and 1998 ending fund balances for the respective fund types is shown below.

Fund Type	Total Fund Balances		Net Change 1997 to 1998
	1998	1997	
General Fund	\$17,228,912	\$16,085,163	\$1,143,739
Special Revenue	5,000,262	4,657,221	343,041
Debt Service	2,279,932	908,993	1,370,939
Capital Projects	24,547,958	23,294,256	1,253,702
Total	\$49,057,064	\$44,945,633	\$4,111,431

Portions of the ending 1998 balances are reserved as required for items such as inventories, debt service, and capital project contract encumbrances. Additional portions are designated for use during 1999, primarily with respect to capital projects. The City seeks to maintain a substantial overall balance at all times in the General Fund, in order to compensate for exposure to revenue fluctuations and cost contingencies such as disaster events.

Financial Summary - Proprietary Functions

The City maintains a total of seven proprietary funds, in which financial activity is reported on a basis similar to that of private business. This category includes four enterprise funds, in which services are provided to the general public, and three internal service funds, in which services are provided primarily to the City's own departments or employees. The financial activity of those funds and their relationship to general governmental operations is summarized below.

Enterprise Funds:

This fund type is used to account for Civic Center, Public Transit, Golf Course, and Water Utility operations. The Civic Center and Transit System have historically experienced significant operating deficits, with expenses substantially exceeding the revenue generated by their operations. The Golf Course generally operates at or above a "break even" level, while the Water Utility typically generates significant net income. The following table shows revenues and other financing sources of these funds for the 1998 fiscal year.

1998 Revenues and Other Sources (thousands)	Civic Center	Golf Course	Public Transit	Water Utility
Operating revenues	\$1,618	\$1,202	\$ 80	\$6,584
Intergovernmental revenue	251	0	586	0
Other non-operating revenue (expense)	25	20	4	243
Operating transfers	620	36	444	193
Total	\$2,514	\$1,258	\$1,114	\$7,020

In addition to revenues and operating transfers as shown above, enterprise funds received a total of \$2,543,272 as contributed capital from governmental funds during 1998, all of which was allocated for continuing renovations of the Civic Center. The total capital expenditures made through enterprise funds during the year were \$4,433,627, consisting primarily of water system improvements and Civic Center renovations.

Internal Service Funds:

The Risk Management Fund was established in mid-1986 to account for the City's self-insurance program, which covers workers' compensation and most forms of liability risks. Operating revenues of this fund are provided by internal service charges which are distributed among the City's departments and activities in proportion to estimated risk. This fund received \$2,523,736 in operating revenue and an additional \$959,453 from interest earnings and other revenue during 1998, while incurring expenses and loss accruals totaling \$2,316,921.

The Vehicle Replacement Fund is a revolving fund which finances the acquisition of general purpose vehicles from revenues generated by internal service charges for vehicle use. The fund received \$255,305 from such charges during 1998, while providing a total of \$95,737 for new vehicle purchases.

The Employee Group Insurance Fund was established in 1993 to account for self-funding of employee group health benefits by the City. This fund received \$2,667,980 in City and employee payroll contributions and paid \$2,285,947 in claims and expenses during the 1998 fiscal year.

Other Financial Activity

Pension Administration:

The City participates in three cost-sharing state-sponsored retirement systems, which together cover virtually all of the City's full-time employees. Employees other than fire and police civil service personnel also participate in the federal social security system. The City has also previously maintained two local pension trust funds which accounted for police and fire retirement benefits prior to their mergers with state-sponsored systems, and for a portion of the on-going costs resulting from those mergers. In connection with the 1998 bond refunding of the City's pension merger debt, those funds have been closed and their assets transferred to debt service funds.

Debt Administration:

The major component of the City's long-term debt relates to the previous mergers of local fire and police pension funds, which required the amortization of the accumulated unfunded pension liabilities transferred from those funds to the respective state-sponsored retirement systems. The original merger amortization agreements, which extended for thirty years at 7 percent interest, were paid off during 1998 through the \$12,655,000 refunding bond issue previously mentioned. As with the previous merger payments, this debt is payable from annual revenues of the General Fund, but reaches final maturity two years earlier and provides an average interest cost reduction of nearly 20 percent.

The other major change in long-term debt during 1998 is the addition of a \$4,000,000 reimbursement liability under the terms of the sales tax increment financing agreement which was entered into for the Prien Lake Mall project. This liability was contingent upon completion of the project, which occurred in October, 1998, and is also contingent upon the project site's generation of incremental sales tax revenues, 50 percent of which are payable to the developer up to the limit of liability during a maximum term of ten years. Early indications are that the sales volume will enable this limit to be reached in considerably less than ten years.

The City currently has no outstanding general obligation bonds, but does have other limited obligation debt in the form of special assessment bonds, of which \$128,459 remained outstanding as of September 30, 1998. An additional issue of up to \$600,000 in special assessment bonds is anticipated during 1999 for the recently completed Derek Drive widening project in the Power Center retail complex.

Risk Management:

During 1998, the City entered into agreements which drastically reduced its retained risk for most liability exposures, provided for third-party administration of subsequent claims, and consolidated its property and hazard insurance coverages. As a result, the Risk Management Fund now accounts for property insurance premiums as well as liability risks, and the reduction of self-insured retentions is expected to reduce the overall cost of the program in subsequent years.

Cash Management and Investment:

Funds under the control of the City are held in an interest bearing cash pool, from which investments are made in accordance with statutory restrictions and locally adopted investment policy. Interest and investment earnings for all funds totaled \$3,875,650 for the 1998 fiscal year, representing a decrease of 4.2 percent from the preceding year. This decrease is attributable to market trends and to the implementation of an accounting standards change requiring the reporting of 1998 earnings and restatement of 1997 earnings to include changes in market valuation of investments. City policy restricts investments to short-term and intermediate-term obligations of the U. S. Government and its agencies and instrumentalities, and to participation in a local government investment pool which is similarly restricted. The City requires similar forms of collateral or repurchased securities to fully secure its bank deposits.

Accounting System and Budgetary Control

The City maintains internal accounting controls designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by management. The current system of controls is believed to provide such assurance, but is subject to periodic evaluation by City management in response to changing conditions.

Budgetary control is maintained administratively at the expenditure object level, and expenditures are legally controlled at the department and fund level with respect to the General Fund and Special Revenue Funds, in which annual budgetary appropriations are legally required. With the exception of capital projects which are authorized on a project length basis, budgetary appropriations are annual, and any outstanding encumbrances at year end are subject to re-appropriation for the subsequent year.

Independent Audit

The City Charter requires that an annual independent audit of the City's financial statements be made by a certified public accountant selected by the City Council. This requirement has been met, and a copy of the auditor's opinion is included in the financial section of this report. However, the City's Finance Department remains responsible for the accuracy and fair representation of the financial statements and disclosures contained in this report.

The independent audit also includes the examinations of internal controls and federal financial assistance programs required by the Single Audit Act and implementing regulations. The results of this examination for the fiscal year ended September 30, 1998, are incorporated in a supplementary compliance report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Charles for its comprehensive annual financial report for the fiscal year ended September 30, 1997. The City also received the Certificate of Achievement for its reports of the preceding thirteen years.

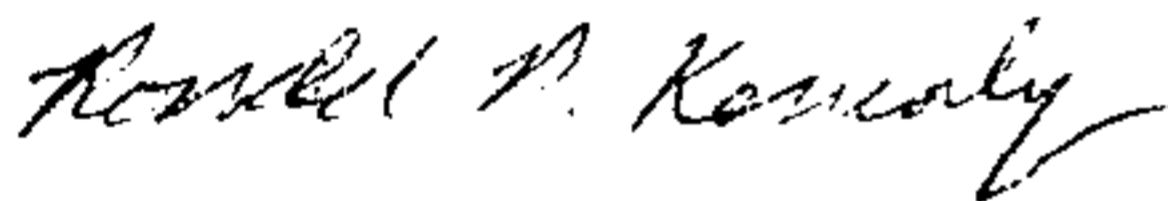
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the Finance Department staff, particularly that of the Accounting Division. We also wish to acknowledge the continued interest and support of the City's elected officials in maintaining an effective financial management and reporting program.

Respectfully submitted,



Ronald P. Kemerly
Director of Finance

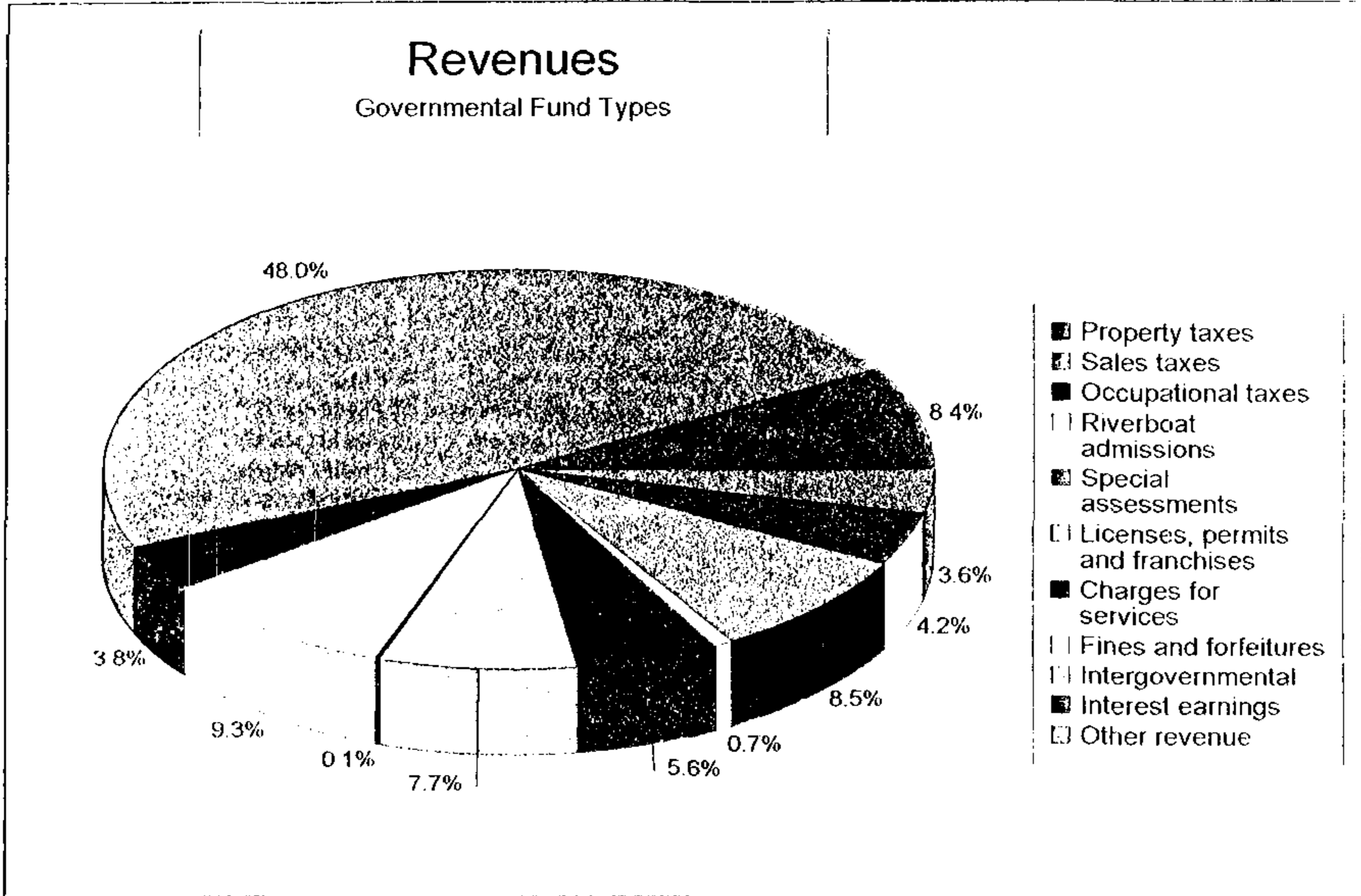
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CITY OF LAKE CHARLES, LOUISIANA

Chart of Revenues

All Governmental Fund Types

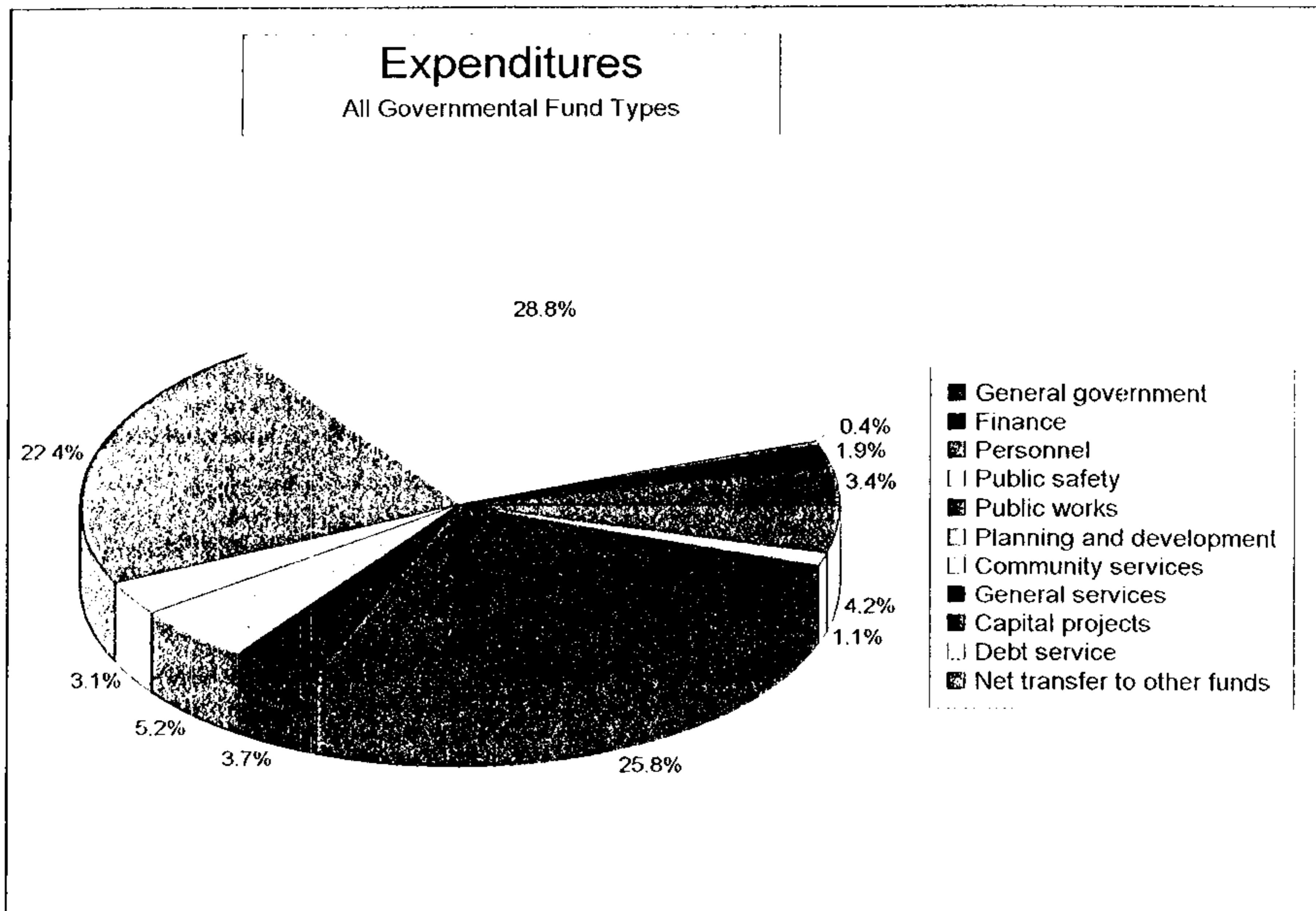
For Fiscal Year Ended September 30, 1998



Revenues	1998 Amount	Percent of Total
Property taxes	\$4,827,270	8.4 %
Sales taxes	27,616,696	48.0
Occupational taxes	2,196,952	3.8
Riverboat admissions	5,352,200	9.3
Special assessments	69,470	0.1
Licenses, permits and franchises	4,450,105	7.7
Charges for services	3,231,181	5.6
Fines and forfeitures	388,801	0.7
Intergovernmental	4,912,306	8.6
Interest earnings	2,419,588	4.2
Other revenue	2,061,098	3.6
Total revenues	\$57,525,667	

CITY OF LAKE CHARLES, LOUISIANA

**Chart of Expenditures
All Governmental Fund Types
For Fiscal Year Ended September 30, 1998**



Expenditures	1998 Amount	Percent of Total
General government	\$1,808,571	3.4 %
Finance	1,034,447	1.9
Personnel	227,847	0.4
Public safety	15,515,080	28.8
Public works	12,047,984	22.4
Planning and development	1,664,167	3.1
Community services	2,781,780	5.2
General services	2,006,759	3.7
Capital projects	13,862,739	25.8
Debt service	606,520	1.1
Net transfer to other funds	2,233,605	4.2
Total expenditures	\$53,789,499	

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A. (APC)
RAYMOND GUILLORY, JR., C.P.A.

JULIA W. PORTUS, C.P.A.
CAMUS CASTILLE, C.P.A.
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INDEPENDENT AUDITORS' REPORT

January 29, 1999

Honorable Willie L. Mount, Mayor
and the Members of the City Council
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the City of Lake Charles, Louisiana as of September 30, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Lake Charles, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The financial statements of the City of Lake Charles, Louisiana as of September 30, 1997, were audited by other auditors whose report dated February 13, 1998, expressed an unqualified opinion on those statements. We did not audit the financial statements of the discretely presented component unit, City Court of Lake Charles, as described in Note 1, which represent 82 percent and 54 percent, respectively, of the assets and revenues of the discretely presented component unit column reported herein at September 30, 1998 and for the year then ended. The financial statements of the City Court of Lake Charles were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for such discretely presented component unit presented as a separate fund type, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lake Charles, Louisiana as of September 30, 1998, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles.

Honorable Willie L. Mount, Mayor
and the Members of the City Council
Page Two

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 1999, on our consideration of the City of Lake Charles' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Lake Charles, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical section listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Lake Charles, Louisiana. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements, and accordingly, we do not express an opinion on it.

A handwritten signature in cursive script that reads "Drayton, Candace Chubbey". The signature is written in black ink and is positioned in the lower right quadrant of the page.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

January 29, 1999

Honorable Willie L. Mount, Mayor
and Members of the City Council
Lake Charles, Louisiana

We have audited the general purpose financial statements of the City of Lake Charles, Louisiana as of and for the year ended September 30, 1998, and have issued our report thereon dated January 29, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Lake Charles, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lake Charles, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Willie L. Mount, Mayor
and Members of the City Council
Page Two

This report is intended for the information of the Mayor, members of the City Council, management, the Legislative Auditor of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Sharon, Cassidy & Dillony

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF LAKE CHARLES, LOUISIANA

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units
September 30, 1998

ASSETS AND OTHER DEBITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Cash (Note 1-G)	\$1,979,813	\$629,265	\$179,175	\$662,470
Investments (Note 1-G)	15,396,208	4,163,531	699,993	23,941,256
Receivable (net of allowance for uncollectible)				
Accounts (Note 1-I)	174,512	733,041	0	646,116
Special Assessments	0	0	774,465	0
Accrued interest	200,549	42,829	8,045	217,392
Intergovernmental (Note 8-C)	576,143	393,881	0	5,291
Due from other funds (Note 8-B)	120,743	88,317	1,361,695	647,489
Inventory (Note 1-J)	257,276	0	0	0
General Fixed assets (Note 5)	0	0	0	0
Fixed assets, net of accumulated depreciation(Note5)	0	0	0	0
Prepaid items	90,001	738	0	0
Restricted cash (Note 1-G)	0	0	0	0
Restricted customer deposits	0	0	0	0
Deferred note receivable-rehabilitation loans	0	39,593	0	0
Amount available in Debt Service Funds	0	0	0	0
Amount to be provided for retirement of general-long-term debt	0	0	0	0
Total assets and other debits	\$18,795,245	\$6,091,195	\$3,023,373	\$26,120,014
 LIABILITIES				
Accounts payable	\$1,042,590	\$495,647	\$99,030	\$606,344
Contracts payable	0	55,839	0	332,410
Escrow	61,116	1,425	29,234	0
Due to primary government	0	0	0	0
Due to other funds	336,097	487,319	40	0
Pension refunding bonds payable (Note 6)	0	0	0	0
Special assessment bonds payable (Note 6)	0	0	0	0
Accrued wages and benefits payable (Note 1-I)	28,122	11,110	0	0
Accrued police benefit liability (Note 10)	0	0	0	0
Sales Tax Increment Financing Agreement	0	0	0	0
Liabilities payable from restricted assets	0	0	0	0
Accrued insurance claims-current (Notes 9)	0	0	0	0
Accrued insurance claims - noncurrent (Notes 9)	0	0	0	0
Deferred revenues	0	0	615,137	633,302
Deferred revenues-rehabilitation loans	0	39,593	0	0
Deferred compensation benefits payable	0	0	0	0
Other liabilities	98,408	0	0	0
Total liabilities	1,566,333	1,090,933	743,441	1,572,056

Proprietary Fund Types		Fiduciary Fund	Account Groups		Totals		Component
Internal Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government (Memorandum Only)		Units
					1998	1997	1998
\$769,649	\$772,054	\$64,373	\$0	\$0	\$5,056,799	\$7,308,721	\$288,447
15,828,662	4,941,802	3,771,907	0	0	68,743,359	62,172,502	0
2,570	468,725	0	0	0	2,024,964	968,011	7,540
0	0	0	0	0	774,465	815,885	0
160,777	35,409	14,165	0	0	679,166	1,005,108	0
0	35,763	0	0	0	1,011,078	1,530,307	0
0	63,825	50	0	0	2,282,119	669,827	0
0	221,350	0	0	0	478,626	454,009	0
0	0	0	58,155,324	0	58,155,324	51,242,827	286,119
486,315	46,221,682	0	0	0	46,707,997	43,251,185	0
393,333	5,557	0	0	0	489,629	262,293	0
0	0	0	0	0	0	0	243,178
0	260,860	0	0	0	260,860	273,560	0
0	0	0	0	0	39,593	48,941	0
0	0	0	0	2,279,932	2,279,932	907,276	0
0	0	0	0	17,402,501	17,402,501	14,294,954	14,820
\$17,641,306	\$53,027,027	\$3,850,495	\$58,155,324	\$19,682,433	\$206,386,412	\$185,205,406	\$840,104
\$83,046	\$479,441	\$0	\$0	\$0	\$2,806,098	\$3,463,442	\$18,045
0	135,045	0	0	0	523,294	1,156,743	0
0	24,632	2,913	0	0	119,320	180,790	0
0	0	0	0	0	0	0	7,380
61	96,903	1,361,699	0	0	2,282,119	669,827	0
0	0	0	0	12,655,000	12,655,000	0	0
0	0	0	0	128,459	128,459	203,736	0
39,200	417,806	0	0	1,686,455	2,182,693	2,087,634	0
0	0	0	0	1,212,519	1,212,519	13,374,972	0
0	0	0	0	4,000,000	4,000,000	0	0
0	260,860	0	0	0	260,860	273,520	243,178
6,664,613	0	0	0	0	6,664,613	4,049,091	0
978,933	0	0	0	0	978,933	992,707	0
0	0	0	0	0	1,248,439	650,693	0
0	0	0	0	0	39,593	48,941	0
0	0	2,399,306	0	0	2,399,306	1,982,058	0
0	0	0	0	0	98,408	34,898	14,820
7,765,853	1,414,687	3,763,918	0	19,682,433	37,599,654	29,169,052	283,423

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units
September 30, 1998

EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Contributed capital	\$0	\$0	\$0	\$0
Investment in general fixed assets	0	0	0	0
Retained earnings (deficit):				
Reserved for insurance claims (Note 9)	0	0	0	0
Unreserved	0	0	0	0
Fund balances:				
Reserved for inventory	257,276	0	0	0
Reserved for prepaid items (Note 1-K)	90,001	738	0	0
Reserved for encumbrances (Note 1-F)	0	134,921	0	6,899,328
Reserved for employees' retirement system	0	0	0	0
Reserved for debt service	0	0	2,279,932	0
Unreserved:				
Designated for subsequent year's expenditures	2,700,291	717,114	0	0
Designated for capital projects	0	0	0	17,575,074
Undesignated	14,181,344	4,147,489	0	73,556
Total retained earnings / fund balances	17,228,912	5,000,262	2,279,932	24,547,958
Total equity and other credits	17,228,912	5,000,262	2,279,932	24,547,958
Total liabilities, equity and other credits	\$18,795,245	\$6,091,195	\$3,023,373	\$26,120,014

See accompanying notes to financial statements

Proprietary Fund Types		Fiduciary Fund	Account Groups		Totals		Component
Internal Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government (Memorandum Only)		Units
					1998	1997	1998
\$375,710	\$31,045,732	\$0	\$0	\$0	\$31,421,442	\$28,138,900	\$0
0	0	0	58,155,324	0	58,155,324	51,242,827	286,119
3,205,449	0	0	0	0	3,205,449	5,424,779	0
6,294,294	20,566,608	0	0	0	26,860,902	24,771,056	0
0	0	0	0	0	257,276	266,527	0
0	0	0	0	0	90,739	197,766	0
0	0	0	0	0	7,034,249	5,109,252	0
0	0	0	0	0	0	1,476,227	0
0	0	0	0	0	2,279,932	907,276	0
0	0	0	0	0	3,417,405	1,737,869	0
0	0	0	0	0	17,575,074	18,042,040	0
0	0	86,577	0	0	18,488,966	18,721,835	270,562
9,499,743	20,566,608	86,577	0	0	79,209,992	76,654,627	270,562
9,875,453	51,612,340	86,577	58,155,324	0	168,786,758	156,036,354	556,681
\$17,641,306	\$53,027,027	\$3,850,495	\$58,155,324	\$19,682,433	\$206,386,412	\$185,205,406	\$840,104

CITY OF LAKE CHARLES, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund and Discretely Presented Component Units
For Fiscal Year Ended September 30, 1998

	Governmental Fund		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$18,744,427	\$21,248,433	\$258
Special assessments	0	0	69,470
Licenses and permits	4,450,105	0	0
Intergovernmental	1,238,127	3,113,948	0
Charges for services	1,171,514	2,059,667	0
Fines and forfeitures	388,801	0	0
Miscellaneous	1,571,461	682,871	40,351
Total revenues	27,564,435	27,104,919	110,079
Expenditures:			
Current operating:			
General government	1,808,571	0	0
Finance	1,034,447	0	0
Public safety	14,629,067	886,013	0
Personnel	227,847	0	0
Public works	8,916,532	3,131,452	0
Planning and development	1,149,779	514,388	0
Community services	0	2,756,989	0
General services	2,006,759	0	0
Capital projects	0	2,111,418	0
Debt service:			
Principal retirement	0	0	75,277
Interest and fiscal charges	0	0	180,771
Refunding bonds issuance costs	0	0	350,472
Total expenditures	29,773,002	9,400,260	606,520
Excess (deficiency) of revenues over expenditures	(2,208,567)	17,704,659	(496,441)
Other financing sources (uses):			
Operating transfers in	8,553,260	4,669,101	1,523,049
Operating transfers out	(4,907,672)	(20,630,719)	(6,141)
Proceeds of refunding bonds	0	0	12,655,000
Payment to refund pension obligation	0	0	(12,304,528)
Total other financing sources (uses)	3,645,588	(15,961,618)	1,867,380
Excess (deficiency) of rev and other over exp and other uses	1,437,021	1,743,041	1,370,939
Fund balance at beginning of year	16,085,163	4,657,221	908,993
Residual equity transfer out	(293,272)	(1,400,000)	0
Fund balance at end of year	\$17,228,912	\$5,000,262	\$2,279,932

See accompanying notes to financial statements

Types	Fiduciary Fund		Totals		Component Units 1998
	Veteran's Memorial Park		Primary Government (Memorandum Only)		
Capital Projects			1998	1997	
\$0	\$0		\$39,993,118	\$37,526,792	\$0
0	0		69,470	124,653	0
0	0		4,450,105	4,425,108	0
560,231	0		4,912,306	5,384,140	0
0	0		3,231,181	2,881,616	0
0	0		388,801	425,329	299,239
2,186,003	14,096		4,494,782	4,740,327	21,450
2,746,234	14,096		57,539,763	55,507,965	320,689
0	0		1,808,571	1,778,283	0
0	0		1,034,447	974,520	0
0	0		15,515,080	15,299,178	0
0	0		227,847	204,197	0
0	0		12,047,984	13,728,203	0
0	0		1,664,167	1,277,844	0
0	24,791		2,781,780	2,878,671	0
0	0		2,006,759	1,815,771	355,733
11,751,321	0		13,862,739	13,710,144	28,374
0	0		75,277	144,442	14,834
0	0		180,771	32,584	2,064
0	0		350,472	0	0
11,751,321	24,791		51,555,894	51,843,837	401,005
(9,005,087)	(10,695)		5,983,869	3,664,128	(80,316)
11,108,789	0		25,854,199	25,680,351	141,285
0	0		(25,544,532)	(26,967,266)	0
0	0		12,655,000	0	0
0	0		(12,304,528)	0	0
11,108,789	0		660,139	(1,286,915)	141,285
2,103,702	(10,695)		6,644,008	2,377,213	60,969
23,294,256	97,272		45,042,905	43,908,168	209,593
(850,000)	0		(2,543,272)	(1,242,476)	0
\$24,547,958	\$86,577		\$49,143,641	\$45,042,905	\$270,562

CITY OF LAKE CHARLES, LOUISIANA
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General and Special Revenue Fund Types
For Fiscal Year Ended September 30, 1998

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$17,996,880	\$18,744,427	\$747,547
Licenses and permits	4,138,700	4,450,105	311,405
Intergovernmental	1,033,992	1,238,127	204,135
Charges for services	965,650	1,171,514	205,864
Fines and forfeitures	396,620	388,801	(7,819)
Miscellaneous	856,550	1,571,461	714,911
Total revenues	<u>25,388,392</u>	<u>27,564,435</u>	<u>2,176,043</u>
Expenditures:			
Current:			
General government	1,877,030	1,808,571	68,459
Finance	1,042,404	1,034,447	7,957
Public safety	15,360,702	14,629,067	731,635
Personnel	228,581	227,847	734
Public works	9,842,809	8,916,532	926,277
Planning	1,222,598	1,149,779	72,819
Community services	0	0	0
General services	2,198,304	2,006,759	191,545
Capital outlay	0	0	0
Total expenditures	<u>31,772,428</u>	<u>29,773,002</u>	<u>1,999,426</u>
Excess (deficiency) of rev over exp	<u>(6,384,036)</u>	<u>(2,208,567)</u>	<u>4,175,469</u>
Other financing sources (uses):			
Operating transfers in	8,243,072	8,553,260	310,188
Operating transfers out	(5,085,524)	(4,907,672)	177,852
Total other financing sources (uses)	<u>3,157,548</u>	<u>3,645,588</u>	<u>488,040</u>
Excess (deficiency) of rev and other sources over exp	<u>(3,226,488)</u>	<u>1,437,021</u>	<u>4,663,509</u>
Fund balance at beginning of year	16,085,163	16,085,163	0
Residual equity transfer out	<u>(293,272)</u>	<u>(293,272)</u>	<u>0</u>
Fund balance at end of year	<u><u>\$12,565,403</u></u>	<u><u>\$17,228,912</u></u>	<u><u>\$4,663,509</u></u>

See accompanying notes to financial statements

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$20,594,640	\$21,248,433	\$653,793
0	0	0
3,850,876	3,113,948	(736,928)
1,964,000	2,059,667	95,667
0	0	0
504,559	682,871	178,312
<u>26,914,075</u>	<u>27,104,919</u>	<u>190,844</u>
0	0	0
0	0	0
1,249,651	886,013	363,638
0	0	0
3,397,565	3,131,452	266,113
1,718,459	514,388	1,204,071
2,976,738	2,756,989	219,749
0	0	0
3,517,083	2,111,418	1,405,665
<u>12,859,496</u>	<u>9,400,260</u>	<u>3,459,236</u>
<u>14,054,579</u>	<u>17,704,659</u>	<u>3,650,080</u>
4,859,578	4,669,101	(190,477)
(19,980,000)	(20,630,719)	(650,719)
<u>(15,120,422)</u>	<u>(15,961,618)</u>	<u>(841,196)</u>
(1,065,843)	1,743,041	2,808,884
4,743,452	4,657,221	(86,231)
<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>0</u>
<u>\$2,277,609</u>	<u>\$5,000,262</u>	<u>\$2,722,653</u>

CITY OF LAKE CHARLES, LOUISIANA
**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/
Fund Balance - All Proprietary Fund Types and Similar Trust Funds**
For Fiscal Year Ended September 30, 1998

	Proprietary Fund Types	
	Internal Service	Enterprise
Operating revenues:		
Charges for services	\$5,382,813	\$9,245,028
Interest	0	0
Other	64,208	240,084
Total operating revenues	<u>5,447,021</u>	<u>9,485,112</u>
Operating expenses:		
Personal services	298,612	4,087,560
Materials and supplies	4,304	1,631,692
Maintenance	0	481,104
Heat, light and power	0	1,159,465
Transportation	0	30,391
General and administrative	903,614	2,050,588
Depreciation	201,648	1,778,633
Benefit payments	0	0
Claims and losses paid	5,911,762	0
Total operating expenses	<u>7,319,940</u>	<u>11,219,433</u>
Operating income (loss)	<u>(1,872,919)</u>	<u>(1,734,321)</u>
Nonoperating revenues (expenses):		
Operating grants from government agencies	0	837,680
Interest	1,095,279	291,521
Other	(6,934)	(827)
Total nonoperating revenues	<u>1,088,345</u>	<u>1,128,374</u>
Income (loss) before operating transfers	<u>(784,574)</u>	<u>(605,947)</u>
Operating transfers:		
Operating transfers in	0	1,293,381
Operating transfers out	0	0
Net operating transfers	<u>0</u>	<u>1,293,381</u>
Net income (loss)	<u>(784,574)</u>	<u>687,434</u>
Add depreciation on contributed assets acquired from governmental grants or developers	0	46,904
Retained earnings/fund balance at beginning of year	<u>10,284,317</u>	<u>19,832,270</u>
Retained earnings/fund balance at end of year	<u>\$9,499,743</u>	<u>\$20,566,608</u>

See accompanying notes to financial statements

Fiduciary Pension Trusts	Totals	
	(Memorandum Only)	
	1998	1997
\$0	\$14,627,841	\$13,400,660
69,262	69,262	97,870
126,883	431,175	351,710
<u>196,145</u>	<u>15,128,278</u>	<u>13,850,240</u>
0	4,386,172	4,339,278
0	1,635,996	1,422,763
0	481,104	432,234
0	1,159,465	807,159
0	30,391	38,788
0	2,954,202	2,412,138
0	1,980,281	1,604,133
88,231	88,231	105,467
0	5,911,762	2,980,873
<u>88,231</u>	<u>18,627,604</u>	<u>14,142,833</u>
<u>107,914</u>	<u>(3,499,326)</u>	<u>(292,593)</u>
0	837,680	590,369
0	1,386,800	1,072,183
0	(7,761)	407
<u>0</u>	<u>2,216,719</u>	<u>1,662,959</u>
<u>107,914</u>	<u>(1,282,607)</u>	<u>1,370,366</u>
70,000	1,363,381	1,486,915
(1,673,048)	(1,673,048)	(200,000)
<u>(1,603,048)</u>	<u>(309,667)</u>	<u>1,286,915</u>
(1,495,134)	(1,592,274)	2,657,281
0	46,904	41,358
<u>1,495,134</u>	<u>31,611,721</u>	<u>28,913,082</u>
<u>\$0</u>	<u>\$30,066,351</u>	<u>\$31,611,721</u>

CITY OF LAKE CHARLES, LOUISIANA
Combined Statement of Cash Flows
All Proprietary Fund Types and Similar Trust Funds
For Fiscal Year Ended September 30, 1998

	Proprietary Internal Services
Cash flows from operating activities:	
Operating income (loss)	(\$1,872,919)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	201,648
Interest income	0
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	7,133
(Increase) decrease in prepaid expenses	(393,302)
(Increase) decrease in inventory	0
(Increase) decrease in due from other funds operating transfers reimbursements	0
(Increase) decrease in interfund charge - vehicle use	62,892
Increase (decrease) in due to other funds operating transfers reimbursements	0
Increase (decrease) in accounts payable	47,112
Increase (decrease) in miscellaneous accounts payable	0
Increase (decrease) in accrued insurance claims	2,647,910
Increase (decrease) in customer deposit accounts payable	0
Increase (decrease) in accrued wages and benefits	9,401
Total adjustments	2,582,794
Net cash provided by (used for) operating activities	709,875
Cash flows from capital and related financial activities:	
Capital expenditures	(97,522)
Contract payable	0
Contributed capital	0
Net cash provided by (used for) capital and related financial activities:	(97,522)

Fund Type	Fiduciary Pension Trust	Totals (Memorandum Only)	
		1998	1997
Enterprise	\$107,914	(\$3,500,134)	(\$292,592)
1,778,633	0	1,980,281	1,604,133
0	(69,262)	(69,262)	(97,870)
(30,514)	0	(23,381)	96,882
58,939	0	(334,363)	16,016
(33,868)	0	(33,868)	7,661
(63,825)	0	(63,825)	0
0	0	62,892	(8,472)
(69,331)	0	(69,331)	6,696
(366,899)	0	(319,787)	125,926
(38,797)	0	(38,797)	10,838
0	0	2,647,910	135,608
(12,660)	0	(12,660)	(33,056)
(26,311)	0	(16,910)	18,507
1,195,367	(69,262)	3,708,899	1,882,869
(539,762)	38,652	208,765	1,590,277
(4,684,863)	0	(4,782,385)	(8,088,191)
(337,078)	0	(337,078)	138,180
2,582,163	0	2,582,163	1,242,476
(2,439,778)	0	(2,537,300)	(6,707,535)

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA

Combined Statement of Cash Flows

All Proprietary Fund Types and Similar Trust Funds

For Fiscal Year Ended September 30, 1998

	<u>Proprietary Internal Services</u>
Cash flow from investing activities:	
Purchase of investment securities	(14,600,488)
Proceeds from sale and maturities of investment securities	12,992,286
Interest on investments	973,962
Net cash provided by (used for) investing activities	<u>(634,240)</u>
Cash flow from noncapital financing activities:	
Intergovernmental revenue	0
Operating transfers in	0
Operating transfers out	0
Net cash provided by noncapital financing activities:	<u>0</u>
Net increase (decrease) in cash and cash equivalents	(21,887)
Cash and cash equivalents at beginning of year	<u>791,536</u>
Cash and cash equivalents at end of year	<u><u>\$769,649</u></u>

See accompanying notes to financial statements

Schedule of Noncash Activity:

	<u>Cost</u>	<u>Accum. Depr.</u>	<u>Gain (Loss)</u>
Assets adjusted/transferred	\$ 1,669	\$ 339	\$1,360
Assets retired	64,797	56,484	(8,313)

Donated Developer Customer water system extensions of \$277,259 were recorded as contributed capital. Developer contributions of \$760,000 to purchase miscellaneous equipment and an ice rink were recorded as contributed capital in the Enterprise Fund. The City has repaid the developers \$293,272.

Reconciliation of Cash and Cash Equivalents to Combined Balance Sheet:

Fiduciary fund cash of \$64,373 less funds not reported on cash flow statement for Expendable Trust Fund of \$13,658 and Agency Funds of \$2,913 equals Pension Trust Fund cash of \$47,802.

Fund Type	Fiduciary Pension Trust	Totals (Memorandum Only)	
		1998	1997
(4,980,240)	(1,051,240)	(20,631,968)	(9,973,161)
5,204,431	1,160,081	19,356,798	11,546,497
296,513	81,344	1,351,819	1,161,523
520,704	190,185	76,649	2,734,859
950,483	0	950,483	464,257
1,293,381	70,000	1,363,381	1,486,915
0	(311,353)	(311,353)	(200,000)
2,243,864	(241,353)	2,002,511	1,751,172
(214,972)	(12,516)	(249,375)	(631,227)
1,247,886	60,318	2,099,740	2,730,967
\$1,032,914	\$47,802	\$1,850,365	\$2,099,740

CITY OF LAKE CHARLES, LOUISIANA
Combining Balance Sheet - Component Units
September 30, 1998

	<u>Ward Three Marshal- City Court</u>	<u>City Court of Lake Charles</u>	<u>Totals</u>
ASSETS AND OTHER DEBITS			
Cash (Note 1-G)	\$161	\$288,286	\$288,447
Receivable			
Accounts (Note 1-I)	7,540	0	7,540
General Fixed assets (Note 5)	113,392	172,727	286,119
Restricted cash (Note 1-G)	13,770	229,408	243,178
Amount to be provided for retirement of general- long-term debt	14,820	0	14,820
Total assets and other debits	<u>\$149,683</u>	<u>\$690,421</u>	<u>\$840,104</u>
LIABILITIES			
Accounts payable	\$1,121	\$16,924	\$18,045
Due to primary government	0	7,380	7,380
Liabilities payable from restricted assets	13,770	229,408	243,178
Other liabilities	14,820	0	14,820
Total liabilities	<u>29,711</u>	<u>253,712</u>	<u>283,423</u>
EQUITY AND OTHER CREDITS			
Investment in general fixed assets	113,392	172,727	286,119
Fund balance:			
Undesignated	6,580	263,982	270,562
Total equity and other credits	<u>119,972</u>	<u>436,709</u>	<u>556,681</u>
Total liabilities, equity and other credits	<u>\$149,683</u>	<u>\$690,421</u>	<u>\$840,104</u>

See accompanying notes to financial statements

CITY OF LAKE CHARLES, LOUISIANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Component Units
For Fiscal Year Ended September 30, 1998

	Ward Three Marshal- City Court	City Court of Lake Charles	Totals
Revenues:			
Fines and forfeitures	\$133,780	\$165,459	\$299,239
Miscellaneous	14,369	7,081	21,450
Total revenues	<u>148,149</u>	<u>172,540</u>	<u>320,689</u>
Expenditures:			
Current operating:			
General services	132,585	223,148	355,733
Capital outlay	5,078	23,296	28,374
Debt service:			
Principal retirement	14,834	0	14,834
Interest and fiscal charges	2,064	0	2,064
Total expenditures	<u>154,561</u>	<u>246,444</u>	<u>401,005</u>
Excess (deficiency) of revenues over expenditures	<u>(6,412)</u>	<u>(73,904)</u>	<u>(80,316)</u>
Other financing sources (uses):			
Operating transfers in	0	141,285	141,285
Total other financing sources (uses)	<u>0</u>	<u>141,285</u>	<u>141,285</u>
Excess (deficiency) of rev and other over exp and other uses	<u>(6,412)</u>	<u>67,381</u>	<u>60,969</u>
Fund balance at beginning of year	<u>12,992</u>	<u>196,601</u>	<u>209,593</u>
Fund balance at end of year	<u>\$6,580</u>	<u>\$263,982</u>	<u>\$270,562</u>

See accompanying notes to financial statements

CITY OF LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
September 30, 1998

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lake Charles, Louisiana (the City) was incorporated in 1867, and operates under a home rule charter which became effective in 1961. The City utilizes the Mayor-Council form of government and provides a full range of municipal services under a centralized system of administration.

The accounting and financial reporting policies of the City conform to generally accepted accounting principles as applicable to governments. Such policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units. Following is a summary of the more significant accounting policies.

Scope of Reporting

This report includes all funds and account groups which are directly controlled by the City, and which constitute the primary government as defined for financial reporting purposes. In accordance with generally accepted accounting principles, this report also includes component units which are legally separate from the City but considered to be fiscally dependent on the primary government. Component units are discretely presented in this report, are reported for periods and balance sheet dates which differ from the City's, and have been separately audited. Further disclosures concerning such units are provided below.

Discretely Presented Component Units

Financial data of component units is displayed in the Component Unit column of the combined statements, and is segmented for the respective units in Exhibit 6 and 7. The reported component units are as follows:

City Court of Lake Charles:

This entity is created by state statutes which provide for its governance by independently elected officials and has a jurisdictional area extending beyond the corporate limits of the City. Although legally separate, this entity is included as a component unit on the basis of financial interdependency which results from the statutory requirements that the City provide and maintain the physical facilities necessary for its operation. Financial data reported for the City Court component unit are from its separately audited financial statements for the fiscal year ended December 31, 1997. The financial report for the period ended December 31, 1998 has not yet been issued.

The December 31, 1997 report for the City Court was audited by other auditors, whose opinion was qualified with respect to the lack of sufficient competent evidential matter to support the deposits held for

disposition of the civil cases, which are recorded in an agency fund in the component unit's separately issued financial statements. The qualification of opinion relates to unclaimed and inadequately identifiable civil case deposits which have been held by the Court for more than fifteen years, and for which no disposition procedure is provided by existing law. The total amount of such deposits is reflected as a liability in the component unit presentation within the accompanying statements.

Ward Three Marshal - City Court:

The office of Ward Three Marshal, which is governed by an independently elected official, is created in the same statutory manner as City Court and has a corresponding area of jurisdiction. Although legally separate, this entity is included as a component unit of the City on the basis of financial interdependency resulting from the statutory requirements that the City provide and maintain the physical facilities necessary for its operation. Financial data reported for this component unit are from its separately audited financial report for the year ended December 31, 1996. The entity was not required to be audited for December 31, 1997 and the financial report for the year ended December 31, 1998 has not yet been issued.

Complete financial statements of the individual component units are available from the City of Lake Charles at 326 Pujoe Street, Lake Charles, Louisiana 70601.

B. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into seven generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Also included is the repayment

of special assessment debt and the support provided through special assessment taxes.

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 and trust funds).

PROPRIETARY FUNDS

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

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise (a) 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 governmental 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.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, pension trust, and agency funds. As described below, pension trust funds are accounted for on the accrual basis of accounting; expendable trust funds and agency funds are accounted for on the modified accrual basis.

C. Fixed Assets and Long-Term Liabilities

The governmental funds and expendable trust funds focus on measurement in terms of "available spendable resources" or net current assets. The fixed assets and long-term liabilities associated with those funds therefore are not accounted for in the governmental funds themselves, but are instead reported in two separate account groups. The two account groups are not "funds." They are concerned only with the measurement of financial position, and are not involved with measurement of results of operation.

The General Fixed Assets Account Group accounts for fixed assets such as buildings and equipment which are used in governmental fund type operations. Public domain or infrastructure general fixed assets such as streets, bridges, drainage systems and sanitary sewer lines are not capitalized and are therefore not included in this account group. Fixed assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated fixed assets are valued at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

The General Long-Term Debt Account Group is used to account for long-term liabilities expected to be financed from governmental funds. Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities, but are instead reported as liabilities in the General Long-Term Debt Account Group.

The above described treatment of non-current assets and liabilities is limited to those associated with governmental type funds. All proprietary and pension trust funds are accounted for on a cost of services or capital maintenance measurement focus which means that all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method, and the estimated useful lives are as follows:

Buildings	20-40 years
Improvements	40-60 years
Equipment	3-20 years

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized as current fund liabilities and expenditures when they become due.

Those revenues susceptible to accrual include property taxes, special assessments, charges for services, interest revenue, and intergovernmental grants. Taxpayer-assessed sales, gross receipts, and license taxes and revenue from most forms of fines and permits are not susceptible to accrual, as they are usually not measurable until actually received.

All proprietary funds and pension trust funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred.

E. Budgets and Budgetary Accounting

The City annually adopts and implements an operating and capital budget in accordance with requirements of the City Charter and applicable state law for the General Fund, Special Revenue Funds, Proprietary Funds and Pension Trust Funds. The Capital Projects Fund's budget is a project based capital budget. Policies and procedures with respect to budget adoption and budgetary control are as follows:

1. The proposed operating budget for the fiscal year commencing October 1 is submitted to the City Council by the Mayor no later than August 15. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget and notices of public hearing are published in accordance with statutory requirements.
3. The proposed budget is subject to one or more public hearings before the City Council prior to adoption by ordinance, which must occur no later than September 15. The City Charter requires a two-thirds vote of the City Council to amend the proposed budget submitted by the Mayor.
4. Expenditures are legally restricted to budgetary appropriations at the department level within the General Fund and at the fund level for Special Revenue Funds, which are not departmentalized. Revisions which alter the total expenditures of any such department or fund must be approved by budget amendment ordinance adopted by the City Council at the request of the Mayor. Transfers of budgeted amounts between expenditure objects or programs within the same department and fund are authorized to be made administratively by the Director of Finance.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Fund, which is budgeted on a project basis. Formal budgetary integration is not employed in the Debt Service Funds because effective budgetary control is alternatively achieved through the respective bond indentures and provisions.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Comparisons of budgeted and actual results of operation are presented for the General Fund and Special Revenue Funds in the accompanying financial statements. The Capital Projects Fund is not included in this budget and actual comparison, as the capital budget which encompasses that fund is presented on the basis of cumulative as opposed to annual budget amounts.
7. All budgetary appropriations except capital project budgets lapse at the end of each fiscal year.

NOTES TO FINANCIAL STATEMENTS

8. Budgeted amounts are as originally adopted, or as amended by the City Council. The originally adopted General Fund budget was \$34,402,312. Amendments in the amount of \$2,748,912 resulted in the final General Fund budget of \$37,151,224 as presented in the accompanying statements. The originally adopted amount of all Special Revenue Funds was \$29,365,770. Amendments in the amount of \$4,873,726 resulted in the final total Special Revenue Fund budget of \$34,239,496. Amendments were initiated in response to revenue increases and additions in the General Fund and various Special Revenue Funds, and resulted primarily in the allocation of additional resources for capital projects and major equipment purchases.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds.

In accordance with generally accepted accounting principles, outstanding encumbrances at year end for which goods or services are received are reclassified to expenditures and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year end and are either canceled or are included as reappropriations of fund balance for the subsequent year. Encumbrances at year end in funds which are budgeted on a project basis, including Enterprise Fund construction projects, are carried forward along with their related appropriations and are not subject to an annual cancellation and reappropriation.

G. Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet within "cash and investments" or "restricted cash and investments" where applicable. In addition, investments are separately held by several of the City's funds. Legal and contractual provisions with respect to deposits and investments are substantially the same for all funds and fund types, with the exception of the Deferred Compensation Agency Fund in which assets of \$2,399,306 are held by third parties on behalf of plan participants and the City, and which is excluded from balances and carrying amounts shown below.

Deposits

The City's deposits are categorized above in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed at year end. Category 1, which represents the lowest level of risk, includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes collateralized securities held by the financial institution's trust department or agent in the City's name. Category 3, which represents the greatest level of risk according to GASB Statement No. 3, includes uncollateralized securities, or bank balances for which securities are not held in the City's

NOTES TO FINANCIAL STATEMENTS

name either by the City, a pledging institution's trust department, or a custodial agent which is independent of the pledging institution.

Demand deposits of the City are maintained under a banking agreement in which account balances are swept into an automatic overnight repurchase agreement utilizing U.S. Treasury and government agency securities. The agreement provides that the entire balance be collateralized without regard to any deduction for federal deposit insurance. The bank balance of such deposits at September 30, 1998 was \$6,300,985 (carrying amount \$5,051,813), which was entirely collateralized by securities held by the City's third party custodial agent in the City's name (Category 1).

The total includes restricted cash in the amount of \$260,860 from customer deposits in the Water Utility Enterprise Fund. The amounts do not include petty cash of \$23,937 or \$88,410 that is on deposit with a third party for the administration of the City's employees health insurance claims. It also does not include a cash overdraft of \$37,421 reported as accounts payable in the Community Development Special Revenue Fund and \$116,078 reported as accounts payable in the Grants and Donation Special Revenue Fund.

The carrying amounts of cash deposits for component units at their respective balance sheet dates were \$511,694 for City Court and \$13,931 for the Ward Three Marshal. These amounts were fully covered by federal deposit insurance. Restricted cash included in those amounts was \$229,408 for City Court and \$13,770 for the Ward Three Marshal.

Investments

The City's investments are categorized above in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with the securities held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which securities are not held in the City's name either by the City, a pledging institution's trust department, or a custodial agent which is independent of the pledging institution.

The City's investment program is limited to purchases of securities issued or guaranteed by the U.S. government and its agencies, and participation in the Louisiana Asset Management Pool, Inc., a local government investment pool which invests in short-term U.S. government securities and repurchase agreements collateralized by such securities. Investments are carried at fair value.

NOTES TO FINANCIAL STATEMENTS

Carrying amounts at September 30, 1998 were as follows:

	Carrying Amount
U.S. Treasury and agency obligations held by the City or the City's agent in the City's name (Category 1)	\$ 60,595,024
Investment in Louisiana Asset Management Pool (Uncategorized)	<u>5,749,027</u>
Total	<u>\$ 66,344,051</u>

The City had an investment of \$6,264,716 in overnight repurchase agreements at September 30, 1998. This amount, which is included in the demand deposits referenced above, represents deposit account balances swept into overnight investments, and is held entirely under Category 1.

The investment in Louisiana Asset Management Pool is not classified into any of the three credit risk categories, as the City's shares in the pool are not evidenced by securities which exist in either physical or book entry form. All other investments and deposits were maintained under Category 1, except as otherwise noted above.

H. Cash Flow Statement

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. There was no interest expense during the year with respect to the funds reported on the statement of cash flows.

I. Allowance for Estimated Uncollectible Receivables and Concentration of Credit Risk

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. An allowance of \$284,981 in the General Fund is applicable to grass cutting liens and lot cleaning receivables. An allowance of \$46,693 in the Waste Water Special Revenue fund is applicable to the sewer user fee receivable. An allowance of \$106,256 in the Water Utility Enterprise Fund is applicable to the water service receivable at September 30, 1998.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water and sewer user fees in the Waste Water Special Revenue Fund and the Water Utility Enterprise Fund. The City's ability to collect the amounts due from the users of the City water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

J. Inventory

Inventory is valued at average cost. Inventory in the General Fund consists of materials and supplies held for consumption, and is accounted for under the consumption method where expenditures are recorded when the goods are used. This inventory is offset by a reservation of fund balance which indicates that although inventories are a component of net current assets, they do not constitute "available spendable resources." Inventories are also held in the Enterprise funds. These consist of concession supplies held for sale to the public and materials held for water system maintenance and improvements.

K. Prepaid Items

Payments made to vendors for services that will benefit subsequent periods are recorded as prepaid items. A portion of the affected fund balances equal to the prepaid items has been reserved to indicate that it is not available for appropriation.

L. Vacation and Sick Pay

Vacation (annual leave) in the amount of \$25,213 is recorded in the governmental funds. This is the amount estimated to be paid during the first quarter of the subsequent fiscal year based on 3 years of history. The unpaid portion relating to governmental funds is recorded in the General Long-Term Debt Account Group, and amounted to \$1,216,122 at September 30, 1998. Vacation is accrued when incurred in the Proprietary Funds. The entire total of \$295,301 is reported as a long-term liability, as any current portions were immaterial.

Vacation is based on the number of years service and is earned as follows:

First four years	10 days
Five to nine years	15 days
Ten to nineteen years	20 days
Nineteen years and over	25 days

Sick pay is based on the number of years service and is carried as follows:

First three years	8 hours per month
Four years and over	12 hours per month

Sick pay is not vested except at retirement, where accumulated sick pay hours up to six hundred (600) are payable to non-civil service retirees. The termination payment liability was calculated by developing a ratio based on historical data of sick leave paid at termination compared with sick leave accumulated and by applying that ratio to the sick leave accumulated by the current employee population as of September 30, 1998. Current sick pay benefits of \$11,891 are recorded in the governmental funds. This is the amount estimated to be paid during the first quarter of the subsequent fiscal year base on three years of history. The unpaid portion relating to governmental funds is recorded in the General Long-Term Debt Account Group, and amounted to \$311,140 at September 30, 1998. The termination payment liability in the Proprietary Funds amounted to

\$130,265 at September 30, 1998. The entire amount is recorded as a long term liability within the funds as current portions paid during the first quarter of the subsequent fiscal year were immaterial.

M. Compensatory Time

City employees may receive compensatory time off with pay in lieu of overtime pay for work in excess of regular scheduled hours. Accumulation of unused compensatory time is limited, and any unused or unpaid portion is payable upon separation from employment. Compensatory time is accrued when incurred in the Proprietary Funds. The accrued total recorded in those funds at September 30, 1998 is \$31,440. The current portion of compensatory time relating to governmental funds amounted to \$2,128 at September 30, 1998. The balance of \$159,193 is recorded in the General Long-Term Debt Account Group.

N. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (presentation of prior years totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. These items are available through the supplemental data section of this report.

O. Total Columns on Combined Statements-Overview

Total columns on the Combined Statements-Overview are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Property Tax

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Calcasieu Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 1997 and 1998:

Tax	Fiscal Year 1998	Fiscal Year 1997
General Alimony	6.09	6.09
Special recreation	1.88	1.88
Employee salary	5.63	0
Special street improvement	2.54	2.54
Minimum salary, police	0	1.26
Minimum salary, public works	0	1.05
Police - 3 platoon system	0	.84
Minimum salary, firemen	0	1.41
Debt services, various bond issues	0	.16
Additional pay, firemen	0	1.05
Totals	16.14	16.28

The City levies the maximum tax allowed by state statutes and the Louisiana Constitution for general government services. The City property taxes must be levied by December 1st of each year. Property taxes are due by December 31st and are delinquent by January 1st. Delinquent property taxes are assessed interest at one and one-quarter percent per month for the period of delinquency. Property owners with taxes still delinquent by March 1st are notified by certified mail that they have twenty days to pay delinquent property taxes. The lien date is the date in which the tax assessor files the tax roll with the Clerk of Court, which is the same as the levy date. Sale of delinquent properties is held each year as soon as possible after May 1st. Most taxes are collected in December, January and February.

3. Segment Information

The City maintains four Enterprise Funds. Segment information as of and for the year ended September 30, 1998 is as follows:

	Civic Center	Golf Course	Transit	Water Utility	Total
Operating revenues	\$1,618,265	\$1,201,766	\$ 79,927	\$6,584,346	\$9,484,304
Depreciation expenses	666,148	55,634	106,893	949,958	1,778,633
Operating income (loss)	(1,310,809)	23,078	(1,141,860)	694,462	(1,735,129)
Other nonoperating revenue (expenses)	24,519	19,746	4,136	243,101	291,502
Operating grants - governmental	251,236	0	586,444	0	837,680
Operating transfer in	620,142	36,337	444,387	192,515	1,293,381
Net income (loss)	(414,912)	79,161	(106,893)	1,130,078	687,434
Property, plant and equipment:					
Additions	4,459,254	88,420	0	10,902,210	15,449,884
Deletions	13,401	0	0	124,330	137,731
Current contributed capital	3,010,000	0	0	272,542	3,282,542
Net working capital	857,033	343,164	298,496	4,309,771	5,808,464
Total assets	14,055,197	1,890,796	675,780	36,405,254	53,027,027
Total equity	13,783,708	1,782,467	611,653	35,434,512	51,612,340

4. Grants from Other Governmental Units

Federal and state governmental units represent an important source of supplemental funding used to finance housing, construction programs, and other activities beneficial to the City. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative using standards established under the Single Audit Act of 1984 and OMB Circular A-133. The compliance audit report is not included within this report but will be issued as a separate supplementary report.

NOTES TO FINANCIAL STATEMENTS

During 1997-1998 and 1996-1997, the following amounts under various grants and entitlements are recorded in the accompanying financial statements:

Fund	1997-98	1996-97
General Fund	\$0	\$1,460,536
Community Development	2,135,449	809,030
Grants and Donations Fund	978,499	962,849
Transit Enterprise Fund	586,444	590,369

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

Asset	Balance 10-1-97	Additions	Transfers Adjustments Retirements	Balance 9-30-98
Land	\$ 8,411,314	\$ 0	\$ 0	\$ 8,411,314
Buildings	10,231,467	785,959	(64,200)	10,953,226
Improvements	17,621,014	4,392,043	0	22,013,057
Equipment	14,979,032	2,694,682	(895,987)	16,777,727
Total	\$51,242,827	\$7,872,684	\$ (960,187)	\$58,155,324

A summary of proprietary funds type property and equipment at September 30, 1998 is as follows:

INTERNAL SERVICE FUNDS

RISK MANAGEMENT:

Description	Life in Years	Costs	Accumulated Depreciation	Net	Current Year Depreciation
Office equipment	5	\$30,488	\$20,941	\$ 9,547	\$3,070
Vehicles	3-5	24,411	17,198	7,213	5,242
Totals		\$54,899	\$29,826	\$23,289	\$8,312
Changes during year:					
Balance, beginning of year		\$53,115	\$29,826	\$23,289	
Additions		1,784	0	1,784	
Retirements		0	0	0	
Depreciation		0	8,312	(8,312)	
Contributions from (to) other funds		0	0	0	
Balance, end of year		\$54,899	\$38,138	\$16,761	

VEHICLE REPLACEMENT:

Description	Life in Years	Costs	Accumulated Depreciation	Net	Current Year Depreciation
Vehicles	3-7	\$1,157,755	\$688,201	\$469,554	\$193,336
Changes during year:					
Balance, beginning of year		\$1,101,072	\$526,985	\$574,087	
Additions		95,737	0	95,737	
Retirements		(39,054)	(32,120)	6,934	
Depreciation		0	193,336	(193,336)	
Contributions from (to) other funds		0	0	0	
Balance, end of year		\$1,157,755	\$688,201	\$469,554	

* Assets in the Internal Service Funds are depreciated using the straight-line basis.

ENTERPRISE FUNDS

CIVIC CENTER:

Description	Life in Years	Costs	Accumulated Depreciation	Net	Current Year Depreciation
Buildings and structures	40	\$17,766,239	\$11,540,496	\$6,225,743	\$474,961
Improvements	10-30	4,824,067	179,996	4,644,071	57,024
Equipment: Auto and trucks	5-7	103,055	28,966	74,089	9,510
Construction in progress		731,886	0	731,886	0
Equip, furniture and fixtures	3-10	2,873,129	1,566,565	1,306,564	124,653
Totals		\$26,298,376	\$13,316,023	\$12,982,353	\$666,148
Changes during year:					
Balance, beginning of year		\$23,682,478	\$12,663,262	11,019,216	
Additions		2,629,299	0	2,629,299	
Retirements		(13,401)	(13,387)	(14)	
Depreciation		0	666,148	(666,148)	
Contributions from (to) other funds		0	0	0	
Balance, end of year		\$26,298,376	\$13,316,023	\$12,982,353	

GOLF COURSE:

Description	Life in Years	Costs	Accumulated Depreciation	Net	Current Year Depreciation
Land		\$1,065,698	\$0	\$1,065,698	\$0
Buildings and structures	20	589,262	356,584	232,678	29,463
Equipment	3-6	411,097	242,775	168,322	26,171
Totals		\$2,066,057	\$599,359	\$1,466,698	\$55,634
<u>Changes during year:</u>					
Balance, beginning of year		\$1,977,638	\$543,725	\$1,433,913	
Additions		88,419	0	88,419	
Retirements		0	0	0	
Depreciation		0	55,634	(55,634)	
Contributions from (to) other funds		0	0	0	
Balance, end of year		\$2,066,057	\$599,359	\$1,466,698	

PUBLIC TRANSIT:

Description	Life in Years	Costs	Accumulated Depreciation	Net	Current Year Depreciation
Buses	10	\$1,238,371	\$888,448	\$349,923	\$103,837
Equipment	4-6	25,685	23,085	2,600	3,056
Totals		\$1,264,056	\$911,533	\$352,523	\$106,893
<u>Changes during year:</u>					
Balance, beginning of year		\$1,264,056	\$ 804,640	\$459,416	
Additions		0	0	0	
Retirements		0	0	0	
Depreciation		0	106,893	(106,893)	
Contributions from (to) other funds		0	0	0	
Balance, end of year		\$1,264,056	\$911,533	\$352,523	

WATER UTILITY:

Description	Life in Years	Costs	Accumulated Depreciation	Net	Current Year Depreciation
Land		\$231,985	\$0	231,985	\$0
Buildings and structures	40	577,212	319,188	258,024	12,462
Improvements other than buildings	40	40,848,772	10,440,396	30,408,376	776,672
Construction in progress		14,927	0	14,927	0
Equipment: Auto and trucks	5-7	1,057,034	636,681	420,353	124,687
Furniture and fixtures	3-10	471,346	384,903	86,443	36,137
Totals		\$43,201,276	\$11,781,168	\$31,420,108	\$949,958
Changes during year:					
Balance, beginning of year		\$40,696,800	\$10,954,728	\$29,742,072	
Additions		2,628,807	0	2,628,807	
Retirements		(121,975)	(120,610)	(1,365)	
Depreciation		0	949,958	(949,958)	
Contributions from (to) other funds		(2,356)	(2,908)	552	
Balance, end of year		\$43,201,276	\$11,781,168	\$31,420,108	

* Assets in the Enterprise Funds are depreciated using the straight-line basis.

6. Long-Term Debt

Changes in Long-Term Debt

The following is a summary of changes to various types of Long-term debt for the year ended September 30, 1998:

	Balance 10-1-97	Additions	Retirements	Balance 9-30-98
Special assessment bonds	\$203,736	\$0	\$ 75,277	\$128,459
Accrued leave benefits	1,580,360	245,071	138,976	1,686,455
Merger agreement payable- policemen	3,709,194	0	3,709,194	0
Lake Charles police pension liability	605,106	74,663	0	679,769
Accrued insurance claims	43,162	0	43,162	0
Merger agreement payable - firemen	9,060,672	0	9,060,672	0
Sales tax increment financing agreement	0	4,000,000	0	4,000,000
Pension refunding bonds payable	0	12,655,000	0	12,655,000
Totals	\$15,202,230	\$16,974,734	\$13,027,281	\$19,149,683

Bonds payable as of September 30, 1998 are comprised of the following individual issues:

Special Assessment Bonds:

\$57,049	1982-03	Paving Certificates due in annual installments of \$3,803 through 1999; interest rate at an average of 11.50%	\$3,804
\$96,299	1983-01	Paving Certificates due in annual installments of \$6,420 through 2000; interest rate at an average of 9.79%	12,840
\$234,655	1983-02	Paving Certificates due in annual installments of \$16,761 through 2000; interest rate at 9.25%	33,522
\$123,631	1987-01	Paving Certificates due in annual installments of \$12,363 through 1998; interest rate at 8.24%	12,363
\$31,901	1987-202	Sewer Certificates due in annual installments of \$3,190 through 1998; interest rate at 8.29%	3,190

NOTES TO FINANCIAL STATEMENTS

\$147,396	1986-01	Paving Certificate due in annual installments of \$14,740 through 1998; interest rate at 8.55%	14,740
\$60,000	1988-207	Sewer Certificates due in annual installments of \$6,000 through 2000; interest rate at 8.0%	12,000
\$120,000	1990-01	Paving Certificates due in annual installments of \$12,000 through 2001; interest rate at 7.796%	<u>36,000</u>
			<u>128,459</u>

Other Long-Term Debt:

		Accrued leave payable (Note 1-L and 1-M)	1,686,455
\$3,600,000		Series 1998A Tax-exempt Refunding Bonds due in annual amounts of \$370,000 in 2010 and \$1,030,000 to \$1,125,000 from 2011 through 2013; interest rates at 4.55% to 4.70%	3,600,000
\$9,055,000		Series 1998B Taxable Refunding Bonds due in annual amounts of \$540,000 to \$910,000 through 2010 and \$805,000 in 2014; interest rates at 5.77% to 6.55%	9,055,000
\$4,258,000		Lake Charles police pension estimated liability for local benefits of police officers under age 50 years who retire with twenty years of creditable service (Note 10)	679,769
\$4,000,000		Sales Tax Increment Reimbursement Agreement - Prien Lake Mall expansion project; payable semiannually at 50 percent of incremental sales tax revenue increase received by city from project site during a term not to exceed ten years from October 1, 1999.	<u>4,000,000</u>
			<u>19,021,224</u>
		Total long-term debt	<u>\$19,149,683</u>

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all debt outstanding as of September 30, 1998, including interest payments of \$7,221,046 are as follows:

Annual Requirements to Amortize Long-Term Debt
September 30, 1998

Year Ending September 30,	Special Assessment	Other Long - Term Debt	Total
1999	\$ 86,435	\$3,727,315	\$3,813,750
2000	45,670	2,046,289	2,091,959
2001-2005	12,936	9,334,114	9,347,050
2006-2010	0	6,447,698	6,447,698
2011-2015	0	4,653,830	4,653,830
2016-2020	0	16,442	16,442
Totals	\$145,041	\$26,225,688	\$26,370,729

The amount available in the Debt Service Fund to service the special assessment bonds is \$918,237 and \$828,945 to service the refunding bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Current Refunding of Debt

During fiscal year 1998, the City of Lake Charles retired the outstanding debt from the 1983 Merger Agreement with the state administered Municipal Police Employees' Retirement System to provide benefits to local police personnel. Also retired was the 1987 Merger Agreement with the state administered Firefighters' Retirement System to provide benefits to local fire personnel. Tax-Exempt Refunding Bonds Series 1998A issued in the amount of \$3,600,000 and Taxable Refunding Bonds Series 1998B issued in the amount of \$9,055,000 provided resources to retire the debt and the liability has been removed from the general long-term debt account group. This refunding was undertaken to reduce total debt service payments by \$2,080,269, to reduce the remaining term of the debt from 17 to 15 years, and to obtain a present value economic gain of \$883,597.

7. Deferred Compensation

Employees of the City of Lake Charles may participate in deferred compensation plans adopted under the provisions of Internal Code Section 457. One such plan is generally available to all employees of the City, and is administered by Public Employees Benefit Services Corporation under an agreement with the City and the U.S. Conference of Mayors. A second plan originally adopted by the former Greater Lake Charles Water Company was continued by the City as the Company's ownership successor beginning January 1, 1991. This plan is available only to its former water company participants, and is administered by Transamerica Pension Services under an agreement originally made by the Company. The City continued this plan and agreement for the sole purpose of

avoiding forced plan termination and early withdrawal penalties on participants' assets.

Under the provisions of Section 457, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. Deferred compensation is not available for withdrawal until termination, retirement, death, or unforeseeable emergency. The City is not liable for losses in the existing plans, the assets of which are subject to varying degrees of market risk among investment options available to participants.

Under the provisions of Section 457 in effect prior to 1997, deferred compensation assets were legally the property of the employer, and have therefore been recorded in the City's financial statements as an agency fund. Pursuant to recent amendment of Section 457, the City's existing plans are currently being modified to place their assets in trust for the participants. As a result, the City will be neither a legal owner nor a custodian of such assets, which will thereafter no longer be recorded in the City's financial statements.

The combined balances of both deferred compensation plans are recorded at market value in the Deferred Compensation Agency Fund. The respective beginning and ending balances and effective dates of valuation for each plan recorded in that fund are as follows for the year ended September 30, 1998:

Citywide plan:

Beginning balance at October 1, 1997	\$1,796,724
Ending balance at September 30, 1998	2,203,379

Water Company plan:

Beginning balance at July 1, 1997	185,334
Ending balance at June 30, 1998	195,927

8. Other Required Individual Fund Disclosures

A. Deficit retained earnings balances of Enterprise Funds as of September 30, 1998 were \$10,095,851 for the Civic Center and \$1,711,248 for Public Transit. These retained earnings deficits consist entirely of accumulated depreciation, as operating transfers to these funds are limited by management policy to the amounts of net loss exclusive of depreciation.

NOTES TO FINANCIAL STATEMENTS

B. Individual fund interfund receivable and payable balances. Such balances at September 30, 1998 were:

Fund	Interfund Receivable	Interfund Payable
Primary Government:		
General Fund	\$120,743	\$336,097
Special Revenue Fund:		
Drug Enforcement	929	0
Waste Water	167	7,357
Riverboat Gaming Fund	0	455,000
Community Development Fund	0	13,280
Grants and Donations Fund	77,913	9,590
Recreation Fund	64	1,104
Ten Year Sales Tax Fund	0	798
Central School Sales Tax Fund	9,244	0
Employee's Pay Sales Tax Fund	0	190
Debt Service Fund	1,361,695	40
Capital Projects Fund	647,489	0
Internal Service Fund:		
Risk Management Fund	0	61
Enterprise Fund:		
Civic Center	34,869	50
Golf Course	0	13,379
Water Utility	7,150	0
Public Transit	21,806	83,474
Trust and Agency Funds		
Expendable Trust Veteran's Memorial Park	50	4
Firemen's Pension	0	828,945
Policemen's Pension	0	532,750
Total primary government	\$2,282,119	2,282,119

Discretely Presented Component Units:

As stated in Note 1, the City of Lake Charles has presented the financial statements of two component units. These component units have fiscal years that are different from the City's year end. As a result, one of the component units reflects an amount due to the primary government in the amount of \$7,380 as of December 31, 1997. This amount has been collected by the primary government as of September 30, 1998.

NOTES TO FINANCIAL STATEMENTS

C. Amounts due from other governmental units consisted of the following:

Primary Government:	
Mass Transit Operating Assistance Grant ended September 30, 1998	\$ 32,468
Calcasieu Parish Police Jury - Ward 3 Fire Protection Rebate	575,586
Calcasieu Parish Police Jury - D.A.R.E. Gant	744
U.S. Customs Department	557
Community Development Grant for year ended September 30, 1998	71,810
LA Department of Transportation	3,295
LA Commission on Law Enforcement and Admin.. of Criminal Justice Grant for year ended September 30, 1998	62,359
Housing & Urban Development Emergency Grants	43,870
U.S. Department of Justice	215,098
LA Department of Treasury	5,291
Total primary government	\$1,011,078

D. The amount of termination benefits recorded as expenditures in the governmental type funds at September 30, 1998 are as follows:

<u>General</u>	<u>Waste Water</u>	<u>Recreation</u>
\$ 68,428	\$36,333	\$34,215

NOTES TO FINANCIAL STATEMENTS

E. As of September 30, 1998 the City had the following significant commitments with respect to construction and other unfinished capital projects:

Description	Remaining Commitment
Governmental Funds:	
Brooks Street Paving	\$ 60,720
Jake and Cessford Street Paving	221,535
Second Avenue repair and reconstruction	749,293
Asphalt overlay program	622,035
Ernest and Creole Street improvements	39,768
Sale Street paving	1,866,449
Cline Street paving	931,632
12 th Street reconstruction	1,518,806
Common Street reconstruction	1,747,266
State Street repair	78,066
Seventh Avenue and Legion Street paving	1,201,485
Central School exterior restoration	98,323
Recreation Center parking areas	166,942
Tuten Park development	20,600
Recreation Center renovations	28,600
Griffith Coulee sewer rehabilitation	112,048
Country Club Road sewer extensions	112,686
Waste Water Treatment facilities	1,489,775
Lakefront Improvements - Phase II	154,375
Miscellaneous renovations	53,055
Printing equipment acquisition	107,000
Proprietary Funds:	
Civic Center renovations	513,015
Water main replacement	110,000
Southwest water plant generator	166,317
Southwest water main extensions	311,282
Total	\$12,481,073

F. The following is a listing of the excesses of expenditures over appropriations in individual funds for the fiscal year ended September 30, 1998. The operating transfers out in the Ten Year Sales Tax and the Employees's Pay Sales Tax Special Revenue Funds exceeded its original budget amounts; however, the adopted budget specifically required that all receipts and balances of this fund be transferred out, without limitation to the estimated amounts shown in the budget.

G. Miscellaneous Activity

The City, in connection with the operation of the Police Department evidence room, holds certain assets, including cash. Such assets are not reported on the balance sheet since they are not City property until forfeited to the City by adjudication.

H. Restatement of Prior Year Fund Balance and Retained Earnings

In previous years, the City's investments were reported at cost or amortized cost, which approximated market. GASB Statement 31 generally mandates that investments be reported in the financial statements at their fair value. For this purpose, the "the fair value" of an investment is defined as follows:

Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. If a quoted market price is available for an investment, the fair value to be used in applying this Statement is the total of the number of trading units of the instrument times the market price per unit.

All investment income, including changes in the fair value of investments, should be recognized in the operating statement. The effects of the above implementation of GASB 31 and subsequent restatement of fund balances and retained earnings are as follows as of September 30, 1998.

NOTES TO FINANCIAL STATEMENTS

	As Originally Presented	As Restated	Difference
Beginning Fund Balance & Retained Earnings 10/1/96			
General Fund	\$15,804,446	15,860,354	55,908
Special Revenue Funds	5,362,469	5,353,342	(9,127)
Debt Service Funds	873,082	881,356	8,274
Capital Project Funds	21,698,339	21,728,125	29,786
Internal Service Funds	8,142,334	8,124,488	(17,846)
Enterprise Funds	19,211,733	19,276,862	65,129
Trust and Agency Funds	1,590,978	1,596,723	5,745
Beginning Fund Balance & Retained Earnings 10/1/97			
General Fund	15,907,605	16,085,163	177,558
Special Revenue Funds	4,653,708	4,657,221	3,513
Debt Service Funds	907,276	908,993	1,717
Capital Project Funds	23,113,359	23,294,256	180,897
Internal Service Funds	10,379,003	10,284,318	(94,685)
Enterprise Funds	19,816,832	19,832,270	15,438
Trust and Agency Funds	1,573,499	1,592,406	18,907

9. Risk Management Obligations

As of July 1, 1986 the City became self-insured with regard to workmen's compensation, auto liability, general liability, and a portion of police professional liability risk. The Risk Management Fund was established as an internal service fund at that date to account for all claims, expenses and administrative costs related to these self-insured and retained risks. The fund employs a claims adjuster to service and estimate claim losses, and uses both in-house legal staff and outside counsel for defense of self-insured claims. Excess risk or stop-loss coverages are used to limit retained risk where feasible, and the cost of such coverages is also paid through the Risk Management Fund.

As an internal service activity, the Risk Management Fund is a proprietary fund in which both current and long-term liabilities for claims and losses are recognized and reported when the liability is incurred. Financial resources are provided to the fund primarily through internal service charges which are distributed among other departments and funds in proportion to estimated risk and prior loss experience. A portion of the fund's accumulated resources is designated for catastrophic losses as provided by authorizing ordinance. All

remaining fund equity is reserved for subsequent workmen's compensation and liability claims on an aggregate basis.

Total fund equity at September 30, 1998 was \$6,951,905, of which \$3,650,000 is designated for catastrophic losses. Specific ordinance authorization is required for payment of any claim in excess of \$100,000, or for any reduction or use of the amount designated for catastrophic losses. However, all estimable claims are accrued as current or long-term liabilities when incurred, without regard to the level of authorization required for payment.

As of May 22, 1998, the Risk Management Fund also accounts for payment of hazard insurance premiums and third party claims administration services under a comprehensive risk limitation and insurance program initiated on that date. Under this program, the City's retained risk for all covered forms of loss exposure is generally limited to a maximum of \$100,000 per claim or loss. Within the last three years there have been no settlements that have exceeded insurance coverage.

The City established a self-insurance program for employee health benefits as of January 1, 1993 and accounts for this program through a separate internal service fund. Retained earnings of that fund at September 30, 1998 were \$2,116,361. The amount of risk retained by the fund during 1998 was limited to \$75,000 per claimant through use of purchased stop-loss coverage.

Changes in the balances of claims liabilities during the past year are as follows:

	Risk Management	Employee Insurance	Totals
Unpaid claims, beginning of fiscal year 1997:	\$4,360,028	\$500,000	\$4,860,028
Incurred claims	1,319,055	1,661,818	2,980,873
Claim payment	(1,233,447)	(1,611,818)	(2,845,265)
Unpaid claims, beginning of fiscal year 1998	4,445,636	550,000	4,995,636
Incurred claims	6,745,062	1,814,610	8,559,672
Claim payments	(4,097,152)	(1,814,610)	(5,911,762)
Total unpaid claims, September 30, 1998	\$7,093,546	\$550,000	\$7,643,546

10. Retirement Commitments

The City participates in three state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City's full-time employees: Municipal Employees' Retirement System, Municipal Police Employees' Retirement System and Firefighters' Retirement System of the State of Louisiana. Standardized disclosures for these three systems and the City's participation therein are provided below. The City has also previously maintains two local pension trust funds which accounted for police and fire

retirement benefits prior to the mergers of their membership into state-administered systems in 1983 and 1987. These funds have been closed as of September 30, 1998 as further described below.

The three cost-sharing multiple-employer retirement systems in which the City participates are each subject to annual actuarial valuation in which the pension benefit obligation of each system is determined according to the standardized disclosure measure established by the Governmental Accounting Standards Board. This measure is the actuarial present value of credited projected benefits, which represents the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. The purpose of this standardized measure is to enable users of financial reports to assess retirement systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among retirement systems and employers. The pension benefit obligations of each system at the most recent valuation date are reported below according to this standardized measure. However, the actuarially determined contribution rates for each system are differently determined, and a portion of each system's actuarially required contributions are provided by state-dedicated tax revenues which supplement actual payroll contributions.

Municipal Employees' Retirement System

This system was created by Act 356 of the 1954 Louisiana Legislature and provides benefits to employees not covered by other retirement plans in participating municipalities. Membership is generally mandatory for such employees who are on a permanent full-time basis, and includes substantially all full-time City personnel other than police and firefighters.

The City of Lake Charles participates in "Plan B" of the Municipal Employees' Retirement System, in which employees are subject to social security coverage, as distinguished from "Plan A" which provides larger benefits in lieu of social security coverage for municipalities which previously opted for such plan. The two plans are independently valued and funded, and the following information therefore pertains solely to Plan B and the City's participation therein.

A member of Plan B may retire at age 55 with 30 years of creditable service or at age 60 with 10 years of service. Benefits vest after 10 years of service, and are generally equal to two percent of the member's final three-year average salary times the number of years of creditable service. The Plan also includes provisions for survivor and disability benefits. For the year ended September 30, 1998, the City's covered payroll for members of this plan was \$10,314,361, which represents 54.7 percent of the total City payroll of \$18,849,973 for all employees during that year. Covered payroll consists of active members' regular earnable compensation, which excludes all forms of overtime and supplemental pay. Employee payroll contributions are fixed by statute at 5 percent of covered earnings; the employer contribution rate is adjusted annually in response to actuarial valuation as required by statute.

The total pension benefit obligation of Plan B was \$82,477,070 as of June 30, 1998, the most recent actuarial valuation date. Net assets available for benefits of Plan B at that date were valued at \$87,582,921, which represents 94.1 percent of the total pension benefit obligation. During the year ended

June 30, 1998, the total pension benefit obligation of Plan B increased by \$5,930,832.

The City of Lake Charles contributed a total of \$787,207 to Plan B for the year ended September 30, 1998. Employees contributed \$500,241 of this total at a rate of 5 percent of covered payroll. The City paid the remaining \$286,966 at rates of 2.75 percent of covered payroll through June 30, 1998 and 3.75 percent of covered payroll thereafter. The actuarially determined total contribution rate for Plan B was 9.31 percent for the year ended June 30, 1998. At this rate, the actuarially required total contribution for covered payroll of the City of Lake Charles during the year ended September 30, 1998 is \$960,267.

The City's total actuarially required contribution to Plan B represents approximately 27.2 percent of the total of such contributions for all employers participating in that Plan. The City of Lake Charles is the largest single employer contributing to Plan B, which has a much smaller membership than the separately funded Plan A.

Municipal Police Employees' Retirement System

This system was created by Act 189 of the 1973 Louisiana Legislature, and serves full-time police officers of 187 participating municipalities. All sworn police personnel of the City of Lake Charles are members of this system.

Members of this system are eligible for normal retirement at age 55 with 12 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. The pension benefit is generally equal to three and one-third percent of the member's final three-year average salary for each year of service up to a maximum of 30 years. The system also provides for survivor and disability benefits. The City's covered payroll for members of this system was \$4,119,018 for the year ended September 30, 1998, which represents 21.85 percent of the City's total payroll for all employees for that year. Payroll contribution rates for this system are currently fixed by statute at 7.5 percent for employees and 9 percent for employers, and are payable on supplemental pay received directly from the State of Louisiana, as well as on covered City payroll.

The total pension benefit obligation of the Municipal Police Employees' Retirement System was \$905,210,260 as of June 30, 1998, the most recent actuarial valuation date. The total amount of net assets available for benefits at that date was \$1,073,181,186, which represents 119 percent of the system's pension benefit obligation. During the year ended June 30, 1998, the system's total pension benefit obligation decreased by \$25,171,945.

For the year ended September 30, 1998, the total payroll contributions to this plan for the City of Lake Charles were \$773,043 of which \$351,384 was paid by employees at a rate of 7.5 percent of covered payroll. The remaining \$421,659 was paid by the City at rates of 9 percent of covered payroll. The system's actuarially determined contribution rate as of June 30, 1998 was 15.30 percent of covered payroll, which would represent an actuarially required total contribution of \$630,210 for the City's current year covered payroll. The difference between actual payroll contributions and the actuarially determined requirement is funded by State revenue dedications. The City's actuarial contribution requirement represents 3.1 percent of the required total for all employers in this retirement system.

Firefighters' Retirement System of the State of Louisiana

This system was established by statute as of January 1, 1980 to serve full-time municipal, parish and special district firefighting personnel not covered by other retirement systems, and currently has a total of 70 participating employers. All active and retired members of the former Firemen's Pension and Relief Fund of Lake Charles were merged into this system on July 1, 1987, and the system now covers all eligible personnel within the Fire Department.

The benefit, service credit, and retirement eligibility provisions of the Firefighters' Retirement System are virtually identical to those of the Municipal Police Employees' System. The two systems also have the same maximum statutory payroll contribution rates, which are similarly applicable to members' state supplemental pay, as well as covered City payroll. For the year ended September 30, 1998, the City's covered payroll for members of Firefighters' Retirement System was \$3,270,154, which represents 17.4 percent of the total City payroll for all employees for that year.

The total pension benefit obligation of the Firefighters' Retirement System was \$551,312,812 as of June 30, 1998, the most recent actuarial valuation date. The total amount of net assets available for benefits at that date was \$536,826,709, which represents 97.4 percent of the system's pension benefit obligation. The total pension benefit obligation increased by \$53,047,927 during the preceding year.

For the year ended September 30, 1998, total payroll contributions to this plan for the City of Lake Charles were \$623,068, of which \$293,208 was paid by employees and \$329,860 by the City at the respective statutory rates of 8 and 9 percent. These contributions include amounts attributable to state supplemental pay.

The actuarially determined total contribution rate for this system was 27.76 percent of covered payroll for the year ended June 30, 1998. This rate is inclusive of contribution provided by dedicated state taxes and other non-payroll sources. The portion of this actuarially determined contribution attributable to the City of Lake Charles was \$907,795 for the year ended September 30, 1998, based on the City's covered payroll for that year. The City's actuarially contribution requirements represents 4.13 percent of the required total for all employers in this retirement system.

Historical Trend Information

Historical trend information for the above described multiple-employer retirement systems is included in the respective separately issued reports for the Municipal Employees' Retirement System, Municipal Police Employees' Retirement System, and Firefighters' Retirement System for the period ended June 30, 1997. These reports indicate the progress of each system in accumulating sufficient assets to pay benefits when due.

Closed Pension Trust FundsPolicemen:

The remaining membership of the Lake Charles Police Pension and Relief Fund was merged into the Municipal Police Employees' Retirement System in 1983, at which time the fund ceased to receive payroll contributions. However, the City

retained a liability for a limited guarantee of early retirement benefits previously available to the merged members, and has maintained the previously existing pension trust fund to account for payments of such benefits, which are funded entirely by transfers from the General Fund. Due to the fact that the fund is non-contributory, the benefits provided extend only until attainment of the state-sponsored system's normal retirement age (generally age 50), and that the City no longer holds assets in a trustee capacity, the reporting of this fund as a pension trust is discontinued as of September 30, 1998. The City has a maximum liability at that date of \$1,212,519 for subsequent benefits to a maximum possible total of nine current and future recipients. This liability is recorded in the General Long-Term Debt Account Group, and the related payment will be reported as general government activity for 1999 and subsequent years.

Firemen:

This fund also ceased to receive contributions upon merger of its membership into the Firefighters' Retirement System in 1987, but was subsequently maintained as a pension trust for the sole purpose of utilizing remaining assets to offset a portion of the annual merger liability amortization payments. In connection with the 1998 issuance of refunding bonds which retired the merger liability debt, the previously reported pension trust fund has been closed and its remaining assets transferred to the debt service fund.

11. Contingencies and Commitments

The City has outstanding a number of contracts, the breach of any of which could result in a liability to the City. The amount of the liability to the City at September 30, 1998, if any, is not estimable.

12. Federally Assisted Grant Programs

The City participates in a number of federally assisted grant programs, with the principal grantor agencies being the U.S. Department of Transportation and the Department of Housing and Urban Development. These programs are subject to compliance audits by the grantors or their representatives and the City's compliance with applicable grant requirements for the year ended September 30, 1998 will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

13. Dedication of Proceeds and Flow of Funds - Two Percent Sales and Use Tax

One Percent Sales and Use Tax:

Proceeds of the one percent sales tax levied by the City of Lake Charles (1998 collections \$12,282,721; 1997 collections \$11,571,527) are collected by the General Fund and may be used for virtually any capital or operating needs of the City of Lake Charles. This tax levy was originally authorized in 1965, and has been re-authorized for an additional 25 years from March 1, 1990.

Additional Dedicated One Percent Sales Tax:

In November, 1986, a sales tax election was held and the City of Lake Charles was authorized to collect an additional dedicated one percent sales tax levy for a period of five years commencing January 1, 1987. This tax has since been reauthorized for periods of five years extending through 1996 and ten years

NOTES TO FINANCIAL STATEMENTS

through 2006. Proceeds of this additional one percent sales tax levied by the City of Lake Charles (1998 collections \$12,282,721; 1997 collections \$11,571,526) are collected by the Ten Year Sales Tax Special Revenue Fund and are dedicated on a percentage basis as follows:

Public safety purposes	20%
Waste water or sanitary sewerage services or facilities	16%
Recreation	8%
Certain types of capital improvements and public works services	56%

The taxes collected are distributed through interfund transfers to the respective funds and departmental operating budgets from which expenditures are made for purposes authorized.

Additional One-Quarter Percent Sales Tax:

An additional sales tax levy of one-quarter of one percent was approved by the voters in January 1995 for the purpose of increasing the pay and starting salaries of City employees. This tax levy is authorized for a period of ten years from its effective date of April 1, 1995, and is received by the Employee Pay Sales Tax Special Revenue Fund, from which transfers are made to other funds in proportion to increased payroll costs resulting from amendment of the City's employee pay plans. Collections for September 30, 1998 totaled \$3,051,254; 1997 collection were \$2,887,759.

14. Contributed Capital

Source	Risk Management	Vehicle Replacement	Civic Center	Golf Course	Transit	Water Division
Municipality -fixed assets	\$0	\$0	\$2,543,272	\$0	\$ 0	\$ 0
State government	0	0	0	0	0	42,187
Developers	0	0	466,728	0	0	277,259
Total additions	0	0	3,010,000	0	0	319,446
Depreciation on contributed assets	0	0	0	0	0	(46,904)
Contributed capital beg of year	710	375,000	20,869,559	1,565,879	2,322,901	3,004,851
Contributed Capital end of year	\$710	\$375,000	\$23,879,559	\$1,565,879	\$2,322,901	\$3,277,393

Total contributed capital from municipality agrees with the total residual equity transfers from the Governmental Fund Types.

15. Reconciliation of Total Proprietary Equity

	Internal Service Funds	Enterprise Funds	Total
Proprietary Fund Equity - Beginning	\$10,660,027	\$47,595,460	\$54,041,047
Net Income	(784,574)	734,338	(50,236)
Contributed Capital	0	3,282,542	3,282,542
Proprietary Fund Equity-Ending	\$ 9,875,453	\$51,612,340	\$58,334,735

* Enterprise Fund Net Income total includes \$46,904 added back to net income for depreciation on contributed assets.

16. Year 2000 Disclosure

Based on disclosures provided by manufacturers and suppliers, the City expects that its automated financial systems and operations will be fully capable of recognizing dates and processing financial transactions during and after the year 2000, and that no significant remediation of such systems will be required. Assessment of other non-financial systems and components which may be affected by year 2000 date recognition problems has not yet been completed, but the City's current expectation is that significant expenditures will not be necessary for modification or replacement. The city is unable to determine the extent of its exposure, if any, to interruption or delay of revenue receipts arising from year 2000 impact on other parties such as sales tax registrants, but believes that any effect will be temporary in duration. The foregoing disclosure is made pursuant to the Year 2000 Information and Readiness Disclosure Act of 1998.

GENERAL FUND

The General Fund is the principal fund of the City and is used to account for all activities of the City not included in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e. public safety, public works, general government, etc.)

CITY OF LAKE CHARLES, LOUISIANA

General Fund

Comparative Balance Sheet
September 30, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$1,979,813	\$2,697,790
Investments, at cost	15,396,208	12,611,499
Receivable (net of allowances for estimated uncollectible):		
Accounts	174,512	193,670
Accrued interest	200,549	264,471
Intergovernmental	576,143	920,898
Due from other funds	120,743	151,912
Inventory, at cost	257,276	266,527
Prepaid items	90,001	186,942
Total assets	\$18,795,245	\$17,293,709
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$1,042,590	\$879,109
Due to other funds	336,097	195,901
Escrow	61,116	68,108
Accrued wages and benefits	28,122	27,530
Accrued insurance claims	0	3,000
Other liabilities	98,408	34,898
Total liabilities	1,566,333	1,208,546
Fund balance:		
Reserved for inventory	257,276	266,527
Reserved for prepaid items	90,001	186,942
Unreserved:		
Designated for subsequent year's expenditures	2,700,291	770,848
Undesignated	14,181,344	14,860,846
Total fund balance	17,228,912	16,085,163
Total liabilities and fund balance	\$18,795,245	\$17,293,709

CITY OF LAKE CHARLES, LOUISIANA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

Fiscal Year Ended September 30, 1998

With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes	\$17,996,880	\$18,744,427	\$747,547	\$17,733,283
Licenses and permits	4,138,700	4,450,105	311,405	4,425,108
Intergovernmental	1,033,992	1,238,127	204,135	2,584,973
Charges for services	965,650	1,171,514	205,864	992,544
Fines and forfeitures	396,620	388,801	(7,819)	425,329
Miscellaneous	856,550	1,571,461	714,911	1,616,995
Total revenues	<u>25,388,392</u>	<u>27,564,435</u>	<u>2,176,043</u>	<u>27,778,232</u>
Expenditures:				
Current:				
General government	1,877,030	1,808,571	68,459	1,778,283
Finance	1,042,404	1,034,447	7,957	974,520
Public safety	15,360,702	14,629,067	731,635	14,460,619
Personnel	228,581	227,847	734	204,197
Public works	9,842,809	8,916,532	926,277	10,690,317
Planning	1,222,598	1,149,779	72,819	1,124,076
General services	2,198,304	2,006,759	191,545	1,815,771
Total expenditures	<u>31,772,428</u>	<u>29,773,002</u>	<u>1,999,426</u>	<u>31,047,783</u>
Excess (deficiency) of rev over exp	<u>(6,384,036)</u>	<u>(2,208,567)</u>	<u>4,175,469</u>	<u>(3,269,551)</u>
Other financing sources (uses):				
Operating transfers in	8,243,072	8,553,260	310,188	8,108,199
Operating transfers out	(5,085,524)	(4,907,672)	177,852	(4,429,363)
Total other financing sources (uses)	<u>3,157,548</u>	<u>3,645,588</u>	<u>488,040</u>	<u>3,678,836</u>
Excess (deficiency) of rev and other sources over exp	<u>(3,226,488)</u>	<u>1,437,021</u>	<u>4,663,509</u>	<u>409,285</u>
Fund balance at beginning of year	16,085,163	16,085,163	0	15,860,354
Residual equity transfer out	(293,272)	(293,272)	0	(184,476)
Fund balance at end of year	<u>\$12,565,403</u>	<u>\$17,228,912</u>	<u>\$4,663,509</u>	<u>\$16,085,163</u>

CITY OF LAKE CHARLES, LOUISIANA
General Fund
Schedule of Revenues Compared to Budget (GAAP Basis)
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

REVENUES		1998		Variance	1997
		Budget	Actual	Favorable (Unfavorable)	Actual
TAXES					
	Mill				
Alimony property tax	6.09	\$1,763,920	\$1,825,113	\$61,193	\$1,737,457
Street improvement taxes	2.54	731,520	758,476	26,956	716,362
LCPD minimum salary guaranty taxes	1.26	0	0	0	355,363
LCPWD minimum salary guaranty taxes	1.05	0	0	0	296,136
LCPD 3-platoon system taxes	.84	0	0	0	236,909
LCFD minimum salary guaranty taxes	1.41	0	0	0	397,669
LCFD additional salary guaranty taxes	1.05	0	0	0	296,136
Employee salary	5.63	1,621,440	1,681,165	59,725	0
Sales tax-excess		11,760,000	12,282,721	522,721	11,571,527
Occupational licenses		2,120,000	2,196,952	76,952	2,125,724
		<u>17,996,880</u>	<u>18,744,427</u>	<u>747,547</u>	<u>17,733,283</u>
LICENSES AND PERMITS					
Gas franchise		390,000	393,389	3,389	599,121
Electric franchise		3,000,000	3,144,286	144,286	3,007,878
Cable TV franchise		385,000	430,158	45,158	430,584
Wrecker fees		1,800	3,300	1,500	1,991
Taxi permits		700	857	157	633
Building permits		130,000	193,797	63,797	132,123
Electric permits and licenses		46,500	65,182	18,682	55,192
Street cutting permits		1,300	390	(910)	1,525
Plumbing permits and licenses		32,000	45,691	13,691	35,140
Whiskey permits		94,500	104,475	9,975	95,550
Beer permits		17,000	20,170	3,170	18,150
Mechanical permits and licenses		23,500	31,836	8,336	26,122
Bingo permits		9,500	6,451	(3,049)	11,456
Other		6,900	10,123	3,223	9,643
		<u>4,138,700</u>	<u>4,450,105</u>	<u>311,405</u>	<u>4,425,108</u>

CITY OF LAKE CHARLES, LOUISIANA
General Fund
Schedule of Revenues Compared to Budget (GAAP Basis)
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

REVENUES	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
INTERGOVERNMENTAL AGENCIES				
State revenue:				
Beer taxes	140,000	143,151	3,151	130,008
Tobacco taxes	315,159	315,158	(1)	315,158
Department of Transportation	78,579	78,579	0	78,579
Department of Military Affairs	0	0	0	1,460,536
Local revenue:				
Payment in lieu of taxes-				
Housing Authority	31,000	49,198	18,198	32,867
Calcasieu Parish Police Jury	62,754	62,754	0	62,754
Ward 3, Calcasieu Parish fire protection rebate	400,000	575,586	175,586	491,078
Other governmental revenue	6,500	13,701	7,201	13,993
	<u>1,033,992</u>	<u>1,238,127</u>	<u>204,135</u>	<u>2,584,973</u>
CHARGES FOR SERVICES				
Zoning fees	20,400	28,899	8,499	20,377
Accident report. sales	36,500	37,560	1,060	36,077
Inspection fees	650	1,200	550	1,780
Grass cutting and lot clearing	96,000	130,595	34,595	118,373
Demolition charges	5,000	50,091	45,091	3,777
Overhead from Transit system	220,000	253,252	33,252	201,071
Overhead from Summer Food	5,000	0	(5,000)	0
Overhead from Community Development	20,000	22,731	2,731	19,394
Overhead from Drug Enforcement	3,600	0	(3,600)	0
Overhead from Water Division	366,700	411,387	44,687	388,777
Overhead from Civic Center	68,400	80,854	12,454	41,177
Overhead from Golf Course	66,800	73,267	6,467	72,304
Incinerator fees	15,000	15,244	244	17,404
Other charges for services	41,600	66,434	24,834	72,033
	<u>965,650</u>	<u>1,171,514</u>	<u>205,864</u>	<u>992,544</u>

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA
General Fund
 Schedule of Revenues Compared to Budget (GAAP Basis)
 Fiscal Year Ended September 30, 1998
 With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

REVENUES (continued)	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
FINES AND FORFEITURES				
City court fines	305,500	320,198	14,698	313,620
City court costs	36,000	16,300	(19,700)	37,695
Driving while intoxicated fines	17,500	10,350	(7,150)	16,425
Parking fines	36,120	41,445	5,325	40,633
Forfeitures	1,500	508	(992)	16,956
	<u>396,620</u>	<u>388,801</u>	<u>(7,819)</u>	<u>425,329</u>
MISCELLANEOUS				
Interest on investments	400,000	570,709	170,709	917,927
Interest on property taxes	12,000	12,443	443	13,244
Interest and penalties on occupational licenses	24,000	26,398	2,398	36,340
Interest and penalties on sales tax	165,000	309,516	144,516	166,433
Interest on demand deposits	100,000	190,372	90,372	136,956
Oil and gas lease royalties	50,000	105,413	55,413	72,022
Rentals-Pioneer Building	22,500	22,807	307	23,683
Leases	5,150	5,075	(75)	48,650
Telephone commissions	1,600	2,874	1,274	3,028
Insurance claims and rebates	15,000	44,445	29,445	81,957
Commissions on property taxes	0	0	0	2,183
Miscellaneous	57,300	275,362	218,062	106,377
Sale of property and equipment	4,000	6,047	2,047	8,195
	<u>856,550</u>	<u>1,571,461</u>	<u>714,911</u>	<u>1,616,995</u>
Total revenues	<u>\$25,388,392</u>	<u>\$27,564,435</u>	<u>\$2,176,043</u>	<u>\$27,778,232</u>

CITY OF LAKE CHARLES, LOUISIANA
General Fund
 Schedule of Expenditures Compared to Budget (GAAP Basis)
 Fiscal Year Ended September 30, 1998
 With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

EXPENDITURES	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
GENERAL GOVERNMENT				
Personal services	\$1,420,698	\$1,383,822	\$36,876	\$1,378,350
Materials and supplies	56,894	49,944	6,950	44,144
Other services and charges	393,786	370,653	23,133	355,789
Capital outlay	5,652	4,152	1,500	0
	<u>1,877,030</u>	<u>1,808,571</u>	<u>68,459</u>	<u>1,778,283</u>
FINANCE				
Personal services	644,211	632,976	11,235	622,290
Materials and supplies	26,754	20,986	5,768	13,718
Other services and charges	371,439	380,485	(9,046)	333,073
Capital outlay	0	0	0	5,439
	<u>1,042,404</u>	<u>1,034,447</u>	<u>7,957</u>	<u>974,520</u>
PUBLIC SAFETY				
Fire Department:				
Personal services	5,098,673	5,031,585	67,088	4,734,865
Materials and supplies	214,959	172,901	42,058	183,484
Other services and charges	631,725	598,639	33,086	623,989
Capital outlay	99,929	92,783	7,146	111,222
Debt service	876,649	876,647	2	876,647
	<u>6,921,935</u>	<u>6,772,555</u>	<u>149,380</u>	<u>6,530,207</u>
Police Department:				
Personal services	5,838,295	5,374,410	463,885	5,399,144
Materials and supplies	563,694	500,727	62,967	470,778
Other services and charges	1,248,571	1,206,709	41,862	1,120,590
Capital outlay	415,091	401,550	13,541	566,784
Debt service	373,116	373,116	0	373,116
	<u>8,438,767</u>	<u>7,856,512</u>	<u>582,255</u>	<u>7,930,412</u>
Total public safety	<u>15,360,702</u>	<u>14,629,067</u>	<u>731,635</u>	<u>14,460,619</u>

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

EXPENDITURES (continued)	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
PERSONNEL				
Personal services	195,643	195,573	70	191,881
Materials and supplies	11,956	11,369	587	932
Other services and charges	17,557	17,480	77	11,384
Capital outlay	3,425	3,425	0	0
	<u>228,581</u>	<u>227,847</u>	<u>734</u>	<u>204,197</u>
PUBLIC WORKS				
Personal services	4,625,761	4,280,212	345,549	4,667,776
Materials and supplies	1,087,908	914,830	173,078	1,002,174
Other services and charges	3,456,757	3,152,390	304,367	4,550,949
Capital outlay	672,383	569,100	103,283	469,418
	<u>9,842,809</u>	<u>8,916,532</u>	<u>926,277</u>	<u>10,690,317</u>
PLANNING				
Personal services	861,806	841,019	20,787	816,827
Materials and supplies	43,088	34,792	8,296	43,428
Other services and charges	300,859	264,013	36,846	263,821
Capital outlay	16,845	9,955	6,890	0
	<u>1,222,598</u>	<u>1,149,779</u>	<u>72,819</u>	<u>1,124,076</u>
GENERAL SERVICES				
Personal services	876,108	842,158	33,950	784,760
Materials and supplies	118,172	91,186	26,986	72,096
Other services and charges	1,134,403	1,012,570	121,833	931,742
Capital outlay	69,621	60,845	8,776	27,173
	<u>2,198,304</u>	<u>2,006,759</u>	<u>191,545</u>	<u>1,815,771</u>
Total expenditures	<u>\$31,772,428</u>	<u>\$29,773,002</u>	<u>\$1,999,426</u>	<u>\$31,047,783</u>

CITY OF LAKE CHARLES, LOUISIANA

General Fund

Schedule of Operating Transfers In and Out Compared to Budget (GAAP Basis)

Fiscal Year Ended September 30, 1998

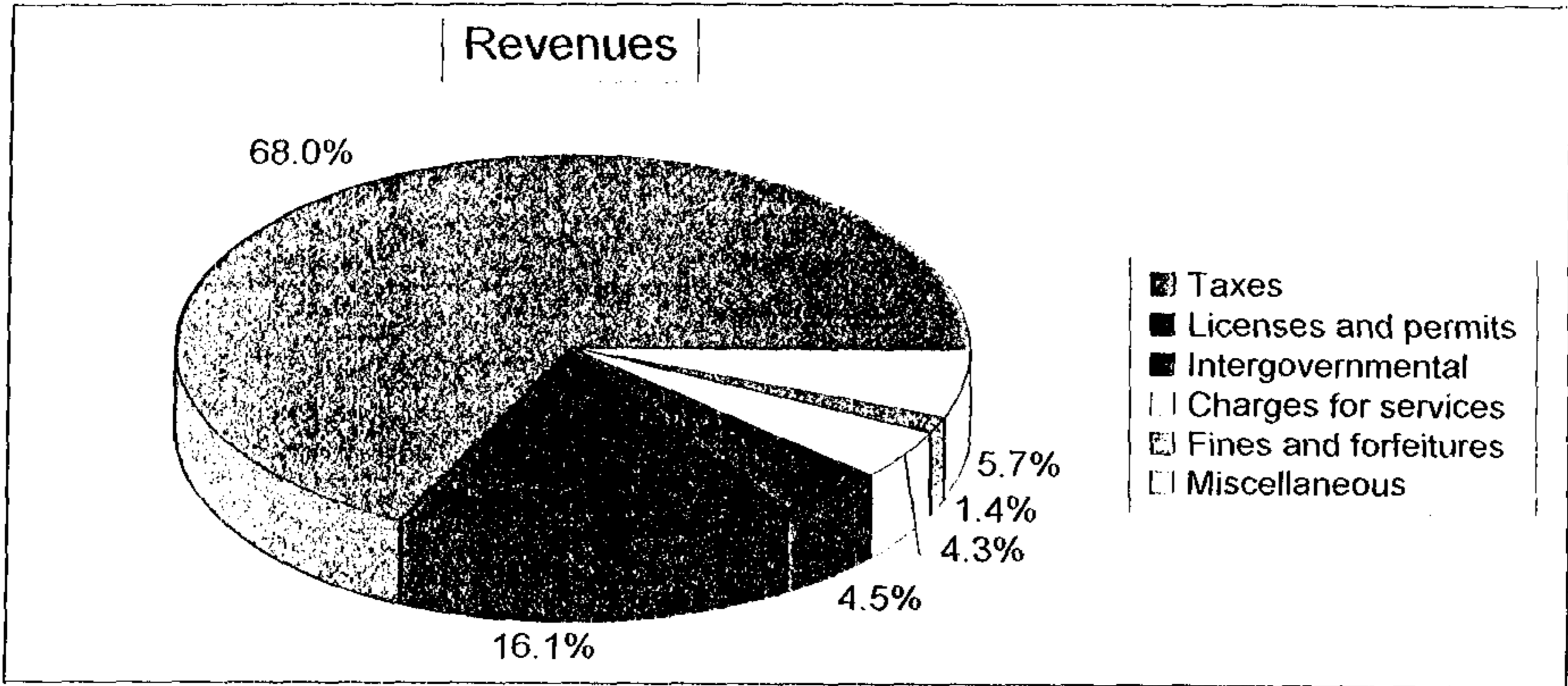
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Operating transfers in:				
Ten Year Sales Tax Fund	\$5,654,400	\$5,911,755	\$257,355	\$5,571,505
Employee's Pay Sales Tax Fund	2,398,672	2,491,505	92,833	2,336,694
Other	190,000	150,000	(40,000)	200,000
Total operating transfer in	<u>8,243,072</u>	<u>8,553,260</u>	<u>310,188</u>	<u>8,108,199</u>
Operating transfers (out):				
Special Revenue Fund	(1,120,048)	(942,196)	177,852	(1,211,953)
Pension Fund	(70,000)	(70,000)	0	(70,000)
Capital Projects	(2,905,265)	(2,905,265)	0	(2,033,000)
Enterprise	(990,211)	(990,211)	0	(1,114,410)
Total operating transfer (out)	<u>(5,085,524)</u>	<u>(4,907,672)</u>	<u>177,852</u>	<u>(4,429,363)</u>
 Net operating transfers in (out)	 <u>\$3,157,548</u>	 <u>\$3,645,588</u>	 <u>\$488,040</u>	 <u>\$3,678,836</u>

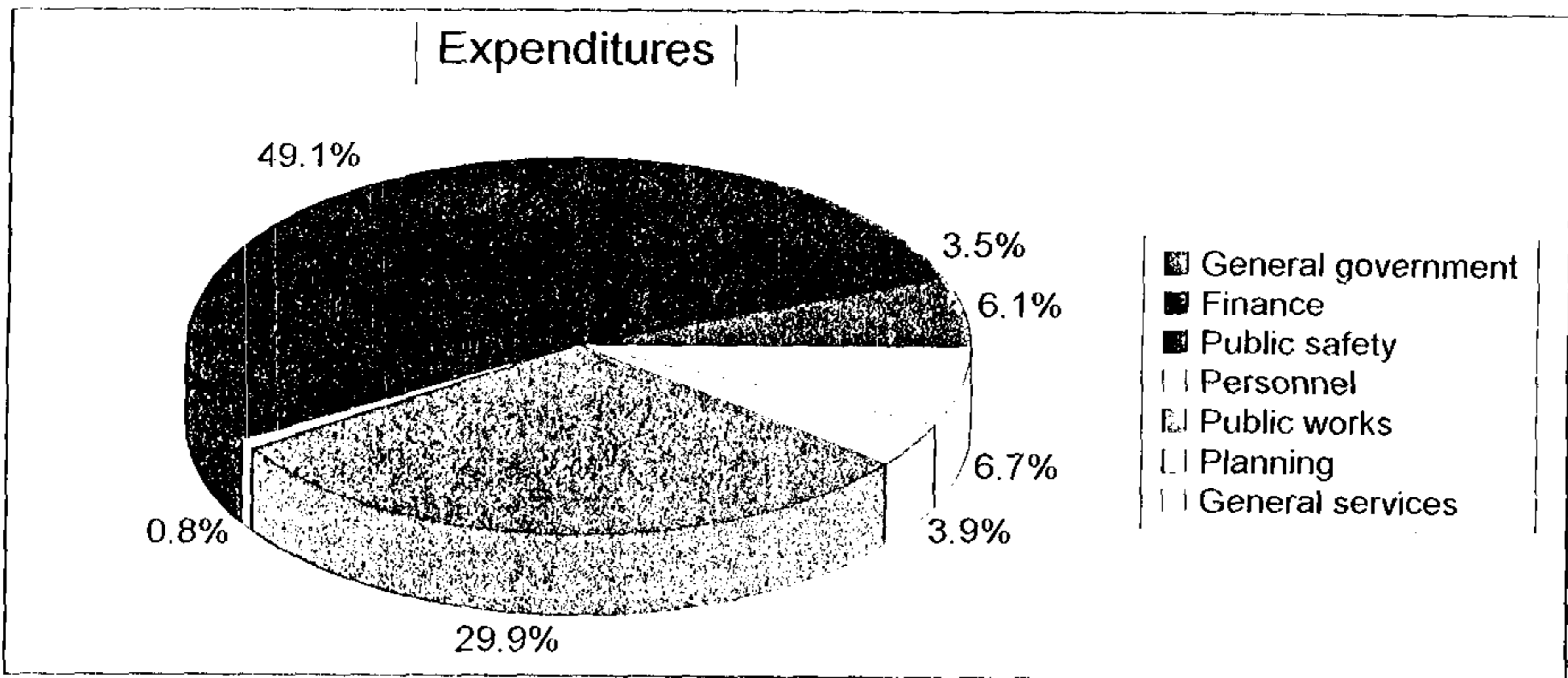
CITY OF LAKE CHARLES, LOUISIANA

General Fund

Chart of Revenues and Expenditures
For Fiscal Year Ended September 30, 1998



Taxes	\$18,744,427	Charges for services	\$1,171,514
Licenses and permits	4,450,105	Fines and Forfeitures	388,801
Intergovernmental	1,238,127	Miscellaneous	1,571,461



General government	\$1,808,571	Public works	\$8,916,532
Finance	1,034,447	Planning	1,149,779
Public safety	14,629,067	General services	2,006,759
Personnel	227,847		

SPECIAL REVENUE FUNDS

Drug Enforcement Fund. To account for receipt and subsequent expenditure of funds donated or transferred to the City for drug enforcement work by the Police Department. Receipts from property seizures resulting from drug enforcement activity are recorded in this fund and dedicated for such activity as provided by law.

Waste Water. To account for the receipt and subsequent expenditure of sewer use charges, dedicated taxes, and other current charges dedicated for operation, maintenance, and improvement of the City's sanitary sewerage system.

Riverboat Gaming Fund. Accounts for receipt and subsequent expenditure or transfer of revenue from casino riverboat admission taxes, development contributions, and related City-owned parking facilities.

Community Development Fund. To account for the receipt and subsequent expenditure of federal funds received from the Department of Housing and Urban Development for housing and community development purposes, including related revenues which are restricted to such purposes by grant agreements. The principal revenue source accounted for within this fund is the Community Development Block Grant Program.

Grants and Donations Fund. Accounts for funds received and expended for various categorical grant programs, including law enhancement grants and summer food service program. Also accounts for donations received for restricted purposes or special programs not reported in other funds.

Recreation. To account for the operation and maintenance of recreational programs and facilities other than the Civic Center and Golf Course, and for the receipt and subsequent expenditure of dedicated taxes, user fees and other funds received for recreational services.

Ten Year Sales Tax Fund. To account for the receipt and distribution of proceeds from a one percent sales tax levy which commenced in 1987 and has been reauthorized for a ten year period extending through 2006. Revenues from this tax are dedicated on a percentage basis for public safety purposes (20 percent), waste water or sanitary sewerage services and facilities (16 percent), recreation (8 percent), and certain types of capital improvements and Public Works Department services (56 percent), and are distributed through interfund transfers to the respective funds and departmental operating budgets from which expenditures are made for the purposes authorized.

Central School Fund. Accounts for receipt and subsequent expenditure of funds for operation, maintenance and improvement of the Central School Arts and Humanities Center.

Employee Pay Sales Tax. To account for the receipt and distribution of revenue from a one quarter percent sales tax dedicated for City employee pay increases. This tax is authorized for a period of ten years beginning April 1, 1995, and is distributed through interfund transfers to those operating funds from which the related increases in personnel costs are paid.

Facility Renewal Fund. Accounts for funds transferred from other sources to provide for long-term accumulation of funds for future facility maintenance and repair needs.

CITY OF LAKE CHARLES, LOUISIANA

Special Revenue Funds

Combining Balance Sheet

September 30, 1998

With Comparative Totals for September 30, 1997

ASSETS	Drug Enforcement	Waste Water	Riverboat Gaming	Community Development
Cash	\$57,530	\$386,839	\$31,007	\$0
Investments	0	908,664	250,075	130,558
Accounts receivable (net of allowance for estimated uncollectible):				
Accounts	0	147,042	585,416	0
Accrued interest receivable	0	7,076	6,930	0
Intergovernmental	0	0	0	115,680
Due from other funds	929	167	0	0
Prepaid items	0	250	0	0
Deferred notes receivable-rehabilitation loans	0	0	0	39,593
Total assets	\$58,459	\$1,450,038	\$873,428	\$285,831
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$10,580	\$135,332	\$79,166	\$42,198
Due to other funds	0	7,357	455,000	13,280
Escrow	0	0	0	0
Contracts payable	0	0	0	55,839
Accrued wages and benefits	0	4,459	0	0
Deferred revenue-rehabilitation loans	0	0	0	39,593
Total liabilities	10,580	147,148	534,166	150,910
 Fund balance:				
Reserved for prepaid items	0	250	0	0
Reserved for encumbrances	0	0	0	134,921
Unreserved:				
Designated for subsequent year's expenditures	0	442,145	11,486	0
Undesignated	47,879	860,495	327,776	0
Total fund balance	47,879	1,302,890	339,262	134,921
Total liabilities and fund balance	\$58,459	\$1,450,038	\$873,428	\$285,831

Grants & Donations	Recreation	Ten Year Sales Tax	Central School Sales Tax	Employee's Pay Sales Tax	Facility Renewal	Totals	
						1998	1997
\$0	\$88,237	\$798	\$52,037	\$190	\$12,627	\$629,265	\$985,275
0	328,625	0	281,102	0	2,264,507	4,163,531	3,620,735
0	0	0	583	0	0	733,041	326,427
0	256	0	2,755	0	25,812	42,829	44,872
278,201	0	0	0	0	0	393,881	408,615
77,913	64	0	9,244	0	0	88,317	166,853
0	339	0	149	0	0	738	10,824
0	0	0	0	0	0	39,593	48,941
\$356,114	\$417,521	\$798	\$345,870	\$190	\$2,302,946	\$6,091,195	\$5,612,542
\$133,987	\$79,890	\$0	\$14,494	\$0	\$0	\$495,647	\$570,637
9,590	1,104	798	0	190	0	487,319	298,792
0	0	0	1,425	0	0	1,425	15,700
0	0	0	0	0	0	55,839	15,423
0	6,651	0	0	0	0	11,110	5,828
0	0	0	0	0	0	39,593	48,941
143,577	87,645	798	15,919	190	0	1,090,933	955,321
0	339	0	149	0	0	738	10,824
0	0	0	0	0	0	134,921	197,504
175,136	75,000	0	13,347	0	0	717,114	967,000
37,401	254,537	0	316,455	0	2,302,946	4,147,489	3,481,893
212,537	329,876	0	329,951	0	2,302,946	5,000,262	4,657,221
\$356,114	\$417,521	\$798	\$345,870	\$190	\$2,302,946	\$6,091,195	\$5,612,542

CITY OF LAKE CHARLES, LOUISIANA

Special Revenue Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year Ended September 30, 1998

With Comparative Totals for Fiscal Year Ended September 30, 1997

	Drug Enforcement	Waste Water	Riverboat Gaming	Community Development
Revenues:				
Taxes	\$0	\$0	\$5,352,200	\$0
Intergovernmental	0	0	0	2,135,449
Charges for services	0	1,892,044	0	0
Miscellaneous	55,657	61,573	218,897	19,814
Total revenues	<u>55,657</u>	<u>1,953,617</u>	<u>5,571,097</u>	<u>2,155,263</u>
Expenditures:				
Current:				
Public safety	241,236	0	0	0
Public works	0	3,131,452	0	0
Planning and development	0	0	0	514,388
Community services	0	0	187,692	0
Capital outlay	0	0	0	1,709,340
Total expenditures	<u>241,236</u>	<u>3,131,452</u>	<u>187,692</u>	<u>2,223,728</u>
Excess (deficiency) of revenues over expenditures	<u>(185,579)</u>	<u>(1,177,835)</u>	<u>5,383,405</u>	<u>(68,465)</u>
Other financing sources (uses):				
Operating transfers in	192,028	2,101,692	0	0
Operating transfers out	0	(1,125,000)	(3,955,000)	0
Total other financing sources (uses)	<u>192,028</u>	<u>976,692</u>	<u>(3,955,000)</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures	6,449	(201,143)	1,428,405	(68,465)
Fund balance at beginning of year	41,430	1,504,033	310,857	203,386
Residual equity transfer out	0	0	(1,400,000)	0
Fund balance at end of year	<u><u>\$47,879</u></u>	<u><u>\$1,302,890</u></u>	<u><u>\$339,262</u></u>	<u><u>\$134,921</u></u>

Grants & Donations	Recreation	Ten Year Sales Tax	Central School Sales Tax	Employee's Pay Sales Tax	Facility Renewal	Totals	
						1998	1997
\$0	\$562,258	\$12,282,721	\$0	\$3,051,254	\$0	\$21,248,433	\$19,748,092
978,499	0	0	0	0	0	3,113,948	1,771,879
0	86,697	0	80,926	0	0	2,059,667	1,889,072
5,397	120,283	33,434	25,858	8,310	133,648	682,871	698,477
983,896	769,238	12,316,155	106,784	3,059,564	133,648	27,104,919	24,107,520
644,777	0	0	0	0	0	886,013	838,559
0	0	0	0	0	0	3,131,452	3,037,886
0	0	0	0	0	0	514,388	153,768
338,694	2,155,401	0	75,202	0	0	2,756,989	2,858,587
189,554	212,524	0	0	0	0	2,111,418	973,740
1,173,025	2,367,925	0	75,202	0	0	9,400,260	7,862,540
(189,129)	(1,598,687)	12,316,155	31,582	3,059,564	133,648	17,704,659	16,244,980
180,089	1,695,292	0	0	0	500,000	4,669,101	5,854,802
0	0	(12,316,155)	(175,000)	(3,059,564)	0	(20,630,719)	(22,537,903)
180,089	1,695,292	(12,316,155)	(175,000)	(3,059,564)	500,000	(15,961,618)	(16,683,101)
(9,040)	96,605	0	(143,418)	0	633,648	1,743,041	(438,121)
221,577	233,271	0	473,369	0	1,669,298	4,657,221	5,353,342
0	0	0	0	0	0	(1,400,000)	(258,000)
\$212,537	\$329,876	\$0	\$329,951	\$0	\$2,302,946	\$5,000,262	\$4,657,221

CITY OF LAKE CHARLES, LOUISIANA
Drug Enforcement Fund
Comparative Balance Sheet
September 30, 1998 and 1997

ASSETS	1998	1997
Cash	\$57,530	\$53,709
Due from other funds	929	0
Total assets	\$58,459	\$53,709
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$10,580	\$12,279
Total liabilities	10,580	12,279
Fund balance:		
Undesignated	47,879	41,430
Total liabilities and fund balance	\$58,459	\$53,709

CITY OF LAKE CHARLES, LOUISIANA
Drug Enforcement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Seizures and Miscellaneous	\$57,059	\$55,657	(\$1,402)	\$44,470
Total revenues	<u>57,059</u>	<u>55,657</u>	<u>(1,402)</u>	<u>44,470</u>
Expenditures:				
Personal services	310,001	187,669	122,332	233,305
Other services and charges	32,058	28,257	3,801	20,564
Materials and supplies	38,300	25,310	12,990	41,299
Total expenditures	<u>380,359</u>	<u>241,236</u>	<u>139,123</u>	<u>295,168</u>
Excess (deficiency) of rev over exp	<u>(323,300)</u>	<u>(185,579)</u>	<u>137,721</u>	<u>(250,698)</u>
Other financing sources:				
Operating transfers in	<u>323,300</u>	<u>192,028</u>	<u>(131,272)</u>	<u>251,000</u>
Excess (deficiency) of rev and other sources over exp	0	6,449	6,449	302
Fund balance at beginning of year	<u>41,430</u>	<u>41,430</u>	<u>(0)</u>	<u>41,128</u>
Fund balance at end of year	<u>\$41,430</u>	<u>\$47,879</u>	<u>\$6,449</u>	<u>\$41,430</u>

CITY OF LAKE CHARLES, LOUISIANA
Waste Water Fund
Comparative Balance Sheet
September 30, 1998 and 1997

ASSETS	1998	1997
Cash	\$386,839	\$507,465
Investments	908,664	951,313
Accounts receivable (net of allowances for estimated uncollectible)	147,042	131,872
Accrued interest receivable	7,076	11,052
Due from other funds	167	2,647
Prepaid items	250	6,357
Total assets	<u>\$1,450,038</u>	<u>\$1,610,706</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$135,332	\$101,645
Due to other funds	7,357	3,318
Accrued wages and benefits	4,459	1,710
Total liabilities	<u>147,148</u>	<u>106,673</u>
Fund balance:		
Reserved for prepaid items	250	6,357
Unreserved:		
Designated for subsequent year's expenditures	442,145	515,078
Undesignated	860,495	982,598
Total fund balance	<u>1,302,890</u>	<u>1,504,033</u>
Total liabilities and fund balance	<u>\$1,450,038</u>	<u>\$1,610,706</u>

CITY OF LAKE CHARLES, LOUISIANA
Waste Water Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Charges for services	\$1,836,000	\$1,892,044	\$56,044	\$1,844,011
Miscellaneous	41,500	61,573	20,073	96,343
Total revenues	<u>1,877,500</u>	<u>1,953,617</u>	<u>76,117</u>	<u>1,940,354</u>
Expenditures:				
Personal services	1,550,892	1,498,556	52,336	1,510,903
Contractual and operational	1,679,544	1,535,273	144,271	1,316,879
Capital outlay	167,129	97,623	69,506	210,104
Total expenditures	<u>3,397,565</u>	<u>3,131,452</u>	<u>266,113</u>	<u>3,037,886</u>
Excess (deficiency) of rev over exp	<u>(1,520,065)</u>	<u>(1,177,835)</u>	<u>342,230</u>	<u>(1,097,532)</u>
Other financing sources (uses):				
Operating transfers in	2,004,987	2,101,692	96,705	2,008,359
Operating transfers out	(1,125,000)	(1,125,000)	0	(1,125,000)
Total other financing sources (uses)	<u>879,987</u>	<u>976,692</u>	<u>96,705</u>	<u>883,359</u>
Excess (deficiency) of rev and other sources over exp	<u>(640,078)</u>	<u>(201,143)</u>	<u>438,935</u>	<u>(214,173)</u>
Fund balance at beginning of year	<u>1,504,033</u>	<u>1,504,033</u>	<u>(0)</u>	<u>1,718,206</u>
Fund balance at end of year	<u><u>\$863,955</u></u>	<u><u>\$1,302,890</u></u>	<u><u>\$438,935</u></u>	<u><u>\$1,504,033</u></u>

CITY OF LAKE CHARLES, LOUISIANA

Riverboat Gaming Fund
Comparative Balance Sheet
September 30, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$31,007	\$142,922
Investments	250,075	250,200
Accounts receivable	585,416	192,966
Accrued interest receivable	6,930	6,930
Total assets	\$873,428	\$593,018
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$79,166	\$32,161
Due to other funds	455,000	250,000
Total liabilities	534,166	282,161
Fund balance:		
Unreserved-designated for subsequent year's expenditures	11,486	0
Unreserved-undesignated	327,776	310,857
Total fund balance	339,262	310,857
Total liabilities and fund balance	\$873,428	\$593,018

CITY OF LAKE CHARLES, LOUISIANA

Community Development Fund

Comparative Balance Sheet

September 30, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$0	\$56,793
Investments	130,558	100,130
Accounts receivable	0	1,589
Accrued interest receivable	0	865
Due from other governmental agencies	115,680	166,737
Deferred notes receivable-rehabilitation loans	39,593	48,941
Prepaid items	0	47
Total assets	\$285,831	\$375,102
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$42,198	\$63,388
Due to other funds	13,280	28,264
Escrow	0	15,700
Contracts payable	55,839	15,423
Deferred revenue-rehabilitation loans	39,593	48,941
Total liabilities	150,910	171,716
Fund balance:		
Reserved for prepaid items	0	47
Reserved for encumbrances	134,921	203,339
Total fund balance	134,921	203,386
Total liabilities and fund balance	\$285,831	\$375,102

CITY OF LAKE CHARLES, LOUISIANA
Riverboat Gaming Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes	\$5,352,000	\$5,352,200	\$200	\$4,755,872
Miscellaneous	213,000	218,897	5,897	355,835
Total revenues	<u>5,565,000</u>	<u>5,571,097</u>	<u>6,097</u>	<u>5,111,707</u>
Expenditures:				
Other services and charges	195,000	187,692	7,308	203,141
Total expenditures	<u>195,000</u>	<u>187,692</u>	<u>7,308</u>	<u>203,141</u>
Excess of revenues over expenditures	<u>5,370,000</u>	<u>5,383,405</u>	<u>13,405</u>	<u>4,908,566</u>
Other financing sources (uses):				
Operating transfers out	(3,955,000)	(3,955,000)	0	(6,800,000)
Total other financing sources (uses)	<u>(3,955,000)</u>	<u>(3,955,000)</u>	<u>0</u>	<u>(6,800,000)</u>
Excess (deficiency) of rev and other sources over exp	<u>1,415,000</u>	<u>1,428,405</u>	<u>13,405</u>	<u>(1,891,434)</u>
Fund balance at beginning of year	310,857	310,857	0	2,460,291
Residual equity transfer out	(1,400,000)	(1,400,000)	0	(258,000)
Fund balance at end of year	<u><u>\$325,857</u></u>	<u><u>\$339,262</u></u>	<u><u>\$13,405</u></u>	<u><u>\$310,857</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Community Development Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
Grants - Community Development	\$1,322,000	\$1,750,437	\$428,437	\$764,444
Grants -Emergency Shelter	1,483,228	385,012	(1,098,216)	44,586
Program income	12,000	10,700	(1,300)	11,906
Miscellaneous	5,000	9,114	4,114	9,585
Total revenues	<u>2,822,228</u>	<u>2,155,263</u>	<u>(666,965)</u>	<u>830,521</u>
Expenditures:				
Current:				
Personal services	49,643	49,642	1	48,419
Contract and operational	41,849	41,847	2	20,430
Material and supplies	727	725	2	1,268
Special current	1,626,240	422,174	1,204,066	83,651
Capital outlay	2,884,341	1,709,340	1,175,001	672,975
Total expenditures	<u>4,602,800</u>	<u>2,223,728</u>	<u>2,379,072</u>	<u>826,743</u>
Excess (deficiency) of rev and other sources over exp	(1,780,572)	(68,465)	1,712,107	3,778
Fund balance at beginning of year	<u>203,386</u>	<u>203,386</u>	<u>0</u>	<u>199,608</u>
Fund balance at end of year	<u>(\$1,577,186)</u>	<u>\$134,921</u>	<u>\$1,712,107</u>	<u>\$203,386</u>

CITY OF LAKE CHARLES, LOUISIANA

**Grants & Donations Fund
Comparative Balance Sheet
September 30, 1998 and 1997**

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$0	\$0
Investments, at cost	0	170,565
Due from other governmental agencies	278,201	241,878
Due from other funds	77,913	91,378
Total assets	<u>\$356,114</u>	<u>\$503,821</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$133,987	\$272,491
Due to other funds	9,590	9,753
Total Liabilities	<u>143,577</u>	<u>282,244</u>
Fund balance:		
Unreserved-designated for subsequent year's expenditures	175,136	218,421
Unreserved-undesignated	37,401	3,156
Total fund balance	<u>212,537</u>	<u>221,577</u>
Total liabilities and fund balance	<u>\$356,114</u>	<u>\$503,821</u>

CITY OF LAKE CHARLES, LOUISIANA
Grants & Donations Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
Shared grants:				
Federal	\$569,546	\$380,657	(\$188,889)	\$440,629
State	651,102	587,161	(63,941)	509,005
Local	0	10,681	10,681	13,215
Miscellaneous	5,000	5,397	397	5,905
Total revenues	<u>1,225,648</u>	<u>983,896</u>	<u>(241,752)</u>	<u>968,754</u>
Expenditures:				
Current:				
Public safety	869,292	644,777	224,515	543,391
Community services	377,811	338,694	39,117	333,702
Capital outlay	344,026	189,554	154,472	17,701
Total expenditures	<u>1,591,129</u>	<u>1,173,025</u>	<u>418,104</u>	<u>894,793</u>
Excess of revenues over expenditures	<u>(365,481)</u>	<u>(189,129)</u>	<u>176,352</u>	<u>73,961</u>
Other financing source(uses):				
Operating transfers in	<u>174,954</u>	<u>180,089</u>	<u>5,135</u>	<u>126,417</u>
Excess (deficiency) of rev and other sources over exp	<u>(190,527)</u>	<u>(9,040)</u>	<u>181,487</u>	<u>200,377</u>
Fund balance at beginning of year	<u>221,577</u>	<u>221,577</u>	<u>0</u>	<u>21,200</u>
Fund balance at end of year	<u>\$31,050</u>	<u>\$212,537</u>	<u>\$181,487</u>	<u>\$221,577</u>

CITY OF LAKE CHARLES, LOUISIANA

Recreation Fund

Comparative Balance Sheet

September 30, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$88,237	\$95,030
Investments	328,625	153,604
Accounts receivable - accrued interest	256	689
Due from other funds	64	72,828
Prepaid items	339	3,105
Total assets	\$417,521	\$325,256
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$79,890	\$82,241
Due to other funds	1,104	5,626
Accrued wages and benefits	6,651	4,118
Total liabilities	87,645	91,985
Fund balance		
Reserved for prepaid items	339	3,105
Unreserved:		
Designated for subsequent year's expenditures	75,000	100,466
Undesignated	254,537	129,700
Total fund balance	329,876	233,271
Total liabilities and fund balance	\$417,521	\$325,256

CITY OF LAKE CHARLES, LOUISIANA
Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998			1997
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$542,640	\$562,258	\$19,618	\$532,830
Charges for services	62,000	86,697	24,697	45,061
Miscellaneous	11,000	120,283	109,283	26,003
Total revenues	<u>615,640</u>	<u>769,238</u>	<u>153,598</u>	<u>603,894</u>
Expenditures:				
Personal services	1,448,893	1,349,768	99,125	1,480,438
Contractual and operational	638,184	601,417	36,767	606,638
Materials and supplies	231,650	204,216	27,434	189,011
Capital outlay	288,716	212,524	76,192	283,064
Total expenditures	<u>2,607,443</u>	<u>2,367,925</u>	<u>239,518</u>	<u>2,559,151</u>
Excess (deficiency) of rev over exp	<u>(1,991,803)</u>	<u>(1,598,687)</u>	<u>393,116</u>	<u>(1,955,257)</u>
Other financing sources (uses):				
Operating transfers in	1,856,337	1,695,292	(161,045)	1,869,026
Total other financing sources (uses)	<u>1,856,337</u>	<u>1,695,292</u>	<u>(161,045)</u>	<u>1,869,026</u>
Excess (deficiency) of rev and other sources over exp	<u>(135,466)</u>	<u>96,605</u>	<u>232,071</u>	<u>(86,231)</u>
Fund balance at beginning of year	<u>233,271</u>	<u>233,271</u>	<u>(0)</u>	<u>319,502</u>
Fund balance at end of year	<u><u>\$97,805</u></u>	<u><u>\$329,876</u></u>	<u><u>\$232,071</u></u>	<u><u>\$233,271</u></u>

CITY OF LAKE CHARLES, LOUISIANA**Ten Year Sales Tax Fund
Comparative Balance Sheet
September 30, 1998 and 1997**

	1998	1997
ASSETS		
Cash	\$798	\$1,191
Total Assets	\$798	\$1,191
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$798	\$1,191
Total liabilities	798	1,191
Fund balance	0	0
Total liabilities and fund balance	\$798	\$1,191

CITY OF LAKE CHARLES, LOUISIANA
Ten Year Sales Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998			1997
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Taxes	\$11,760,000	\$12,282,721	\$522,721	\$11,571,526
Miscellaneous	20,000	33,434	13,434	34,861
Total revenues	<u>11,780,000</u>	<u>12,316,155</u>	<u>536,155</u>	<u>11,606,387</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	<u>11,780,000</u>	<u>12,316,155</u>	<u>536,155</u>	<u>11,606,387</u>
Other financing sources (uses):				
Operating transfers out	<u>(11,780,000)</u>	<u>(12,316,155)</u>	<u>(536,155)</u>	<u>(11,606,387)</u>
Excess (deficiency) of rev and other sources over exp	0	0	0	0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF LAKE CHARLES, LOUISIANA

Central School Fund

Comparative Balance Sheet
September 30, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$52,037	\$123,599
Investments	281,102	350,967
Accounts receivable	583	0
Accrued interest receivable	2,755	4,116
Due from other funds	9,244	0
Prepaid items	149	1,315
Total assets	\$345,870	\$479,997
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$14,494	\$6,432
Due to other funds	0	196
Escrow	1,425	0
Total liabilities	15,919	6,628
Fund balance:		
Reserved for prepaid items	149	1,315
Unreserved:		
Designated for subsequent year's expenditures	13,347	127,200
Undesignated	316,455	344,854
Total fund balance	329,951	473,369
Total liabilities and fund balance	\$345,870	\$479,997

CITY OF LAKE CHARLES, LOUISIANA
Central School Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes	\$0	\$0	\$0	\$105
Charge for services	66,000	80,926	14,926	0
Miscellaneous	20,000	25,858	5,858	35,514
Total revenues	<u>86,000</u>	<u>106,784</u>	<u>20,784</u>	<u>35,619</u>
Expenditures:				
Materials and supplies	9,603	7,151	2,452	4,279
Other services and charges	75,597	68,051	7,546	41,378
Total expenditures	<u>85,200</u>	<u>75,202</u>	<u>9,998</u>	<u>45,657</u>
Excess of revenues over expenditures	<u>800</u>	<u>31,582</u>	<u>30,782</u>	<u>(10,038)</u>
Other financing source(uses):				
Operating transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>0</u>	<u>(110,000)</u>
Excess (deficiency) of rev and other sources over exp	<u>(174,200)</u>	<u>(143,418)</u>	<u>30,782</u>	<u>(120,038)</u>
Fund balance at beginning of year	<u>473,369</u>	<u>473,369</u>	<u>(0)</u>	<u>593,407</u>
Fund balance at end of year	<u><u>\$299,169</u></u>	<u><u>\$329,951</u></u>	<u><u>\$30,782</u></u>	<u><u>\$473,369</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Employee's Pay Sales Tax Fund
Comparative Balance Sheet
September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$190	\$444
Total assets	\$190	\$444
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$190	\$444
Total liabilities	190	444
Fund balance	0	0
Total fund balance	0	0
Total liabilities and fund balance	\$190	\$444

CITY OF LAKE CHARLES, LOUISIANA
Employee's Pay Sales Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget(GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes	\$2,940,000	\$3,051,254	\$111,254	\$2,887,759
Interest on investments	5,000	8,310	3,310	8,757
Total revenues	<u>2,945,000</u>	<u>3,059,564</u>	<u>114,564</u>	<u>2,896,516</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	<u>2,945,000</u>	<u>3,059,564</u>	<u>114,564</u>	<u>2,896,516</u>
Other financing sources(uses):				
Operating transfers out	<u>(2,945,000)</u>	<u>(3,059,564)</u>	<u>(114,564)</u>	<u>(2,896,516)</u>
Excess (deficiency) of rev and other sources over exp	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Facility Renewal Fund
Comparative Balance Sheet
September 30, 1998 and 1997

ASSETS	1998	1997
Cash	\$12,627	\$4,122
Investments	2,264,507	1,643,956
Accrued interest receivable	25,812	21,220
Total assets	\$2,302,946	\$1,669,298
LIABILITIES AND FUND BALANCE		
Fund Balance: Unreserved, undesignated	\$2,302,946	\$1,669,298
Total fund balance	2,302,946	1,669,298
Total liabilities and fund balance	\$2,302,946	\$1,669,298

CITY OF LAKE CHARLES, LOUISIANA
Facility Renewal Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget(GAAP Basis) and Actual
Fiscal Year Ended September 30, 1998
With Comparative Actual Amounts for Fiscal Year Ended September 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Interest on investments	\$115,000	\$133,648	\$18,648	\$69,298
Total revenues	<u>115,000</u>	<u>133,648</u>	<u>18,648</u>	<u>69,298</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	<u>115,000</u>	<u>133,648</u>	<u>18,648</u>	<u>69,298</u>
Other financing sources:				
Operating transfers in	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>1,600,000</u>
Excess (deficiency) of rev and other sources over exp	<u>615,000</u>	<u>633,648</u>	<u>18,648</u>	<u>1,669,298</u>
Fund balance at beginning of year	<u>1,669,298</u>	<u>1,669,298</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$2,284,298</u></u>	<u><u>\$2,302,946</u></u>	<u><u>\$18,648</u></u>	<u><u>\$1,669,298</u></u>

DEBT SERVICE FUNDS

The Debt Service Fund accounts for the payment of interest and principal on all outstanding bonds and certain other general governmental debt and accounts for the repayment of special assessment debt and the revenue provided through special assessment taxes.

CITY OF LAKE CHARLES, LOUISIANA

Debt Service Fund

Comparative Balance Sheet

September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$179,175	\$67,703
Investments	699,993	698,711
Receivables (net allowances for estimated uncollectibles):		
Accrued interest receivable	8,045	8,187
Special assessments receivable-current	12,904	17,613
Special assessments receivable-delinquent	75,406	76,083
Special assessments receivable-deferred	615,137	650,693
Interest receivable - special assessments	71,018	71,496
Due from other funds	<u>1,361,695</u>	<u>0</u>
Total assets	<u>\$3,023,373</u>	<u>\$1,590,486</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$99,030	\$0
Due to other funds	40	0
Escrow deposits	29,234	30,800
Deferred revenues	<u>615,137</u>	<u>650,693</u>
Total liabilities	<u>743,441</u>	<u>681,493</u>
Fund balance:		
Reserved for debt service	1,361,695	5,586
Reserved for special assessments debt service	<u>918,237</u>	<u>903,407</u>
Total fund balance	<u>2,279,932</u>	<u>908,993</u>
Total liabilities and fund balance	<u>\$3,023,373</u>	<u>\$1,590,486</u>

CITY OF LAKE CHARLES, LOUISIANA**Debt Service Fund****Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Years Ended September 30, 1998 and 1997**

	<u>1998</u>	<u>1997</u>
Revenues:		
Taxes	\$258	\$45,417
Special assessments	69,470	124,653
Interest on investments	40,351	34,593
Total revenues	<u>110,079</u>	<u>204,663</u>
Expenditures:		
Principal retirement	75,277	144,442
Interest and fiscal charges	180,771	32,584
Refunding bond issuance costs	350,472	0
Total expenditures	<u>606,520</u>	<u>177,026</u>
Excess (deficiency) of revenues over expenditures	<u>(496,441)</u>	<u>27,637</u>
Other financing sources (uses):		
Operating transfer in	1,523,049	0
Operating transfer out	(6,141)	0
Proceeds of refunding bonds	12,655,000	0
Payment to refund obligation	(12,304,528)	0
Total other financing sources (uses):	<u>1,867,380</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures	1,370,939	27,637
Fund balance at beginning of year	<u>908,993</u>	<u>881,356</u>
Fund balance at end of year	<u><u>\$2,279,932</u></u>	<u><u>\$908,993</u></u>

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources used by the City for the acquisition or construction of major capital facilities, excluding those financed through Enterprise Funds.

CITY OF LAKE CHARLES, LOUISIANA
Capital Projects Fund
Comparative Balance Sheet
September 30, 1998 and 1997

ASSETS	1998	1997
Cash	\$662,470	\$1,720,609
Receivable:		
Accounts	646,116	0
Intergovernmental	5,291	55,523
Investments	23,941,256	22,575,601
Accrued interest receivable	217,392	381,481
Due from other funds	647,489	288,170
Total assets	\$26,120,014	\$25,021,384
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$606,344	\$1,134,364
Contracts payable	332,410	586,873
Due to other funds	0	5,891
Deferred revenue	633,302	0
Total liabilities	1,572,056	1,727,128
Fund balance:		
Reserved for encumbrances	6,899,328	4,911,748
Unreserved:		
Designated for capital projects	17,575,074	18,042,040
Undesignated	73,556	340,468
Total fund balance	24,547,958	23,294,256
Total liabilities and fund balance	\$26,120,014	\$25,021,384

CITY OF LAKE CHARLES, LOUISIANA
Capital Projects Fund
 Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 Fiscal Years Ended September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Interest on investments	\$1,296,003	\$1,452,897
Intergovernmental	560,231	1,027,288
Miscellaneous	890,000	905,000
Total revenues	<u>2,746,234</u>	<u>3,385,185</u>
Expenditures:		
Capital projects	<u>11,751,321</u>	<u>12,736,404</u>
Excess (deficiency) of revenues over expenditures	<u>(9,005,087)</u>	<u>(9,351,219)</u>
Other financing sources (uses):		
Operating transfers in	<u>11,108,789</u>	<u>11,717,350</u>
Excess (deficiency) of revenues and other sources over expenditures	2,103,702	2,366,131
Fund balance at beginning of year	23,294,256	21,728,125
Residual equity transfer out	<u>(850,000)</u>	<u>(800,000)</u>
Fund balance at end of year	<u>\$24,547,958</u>	<u>\$23,294,256</u>

INTERNAL SERVICE FUNDS

The Risk Management Fund includes coverage for general liability, auto liability and worker's compensation. This fund is used to account for the financing of services provided by the risk-management division to other departments of the City.

The Vehicle Replacement Fund provides for replacement costs for vehicles used by the municipality. This fund is used to account for the cost of services relating to the purchase and replacement of City vehicles.

The Employee Insurance Fund provides a self-insurance program for employee health benefits. This fund is used to account for the financing of services provided to other departments of the City.

CITY OF LAKE CHARLES, LOUISIANA
Internal Service Funds
Combining Balance Sheet
September 30, 1998
With Comparative Totals for September 30, 1997

	Risk	Vehicle	Employee	Totals	
	Management	Replacement	Insurance	1998	1997
ASSETS					
Current assets:					
Cash	\$320,705	\$82,553	\$366,391	\$769,649	\$791,536
Investments	13,249,331	253,984	2,325,347	15,828,662	14,009,210
Receivables:					
Accounts	655	0	1,915	2,570	9,703
Accrued interest	138,446	386	21,945	160,777	250,709
Due from other funds	0	0	0	0	62,892
Prepaid expenses	393,333	0	0	393,333	31
Total current assets	14,102,470	336,923	2,715,598	17,154,991	15,124,081
Fixed assets (at cost):					
Office equipment	54,899	0	0	54,899	53,115
Vehicles	0	1,157,755	0	1,157,755	1,101,072
	54,899	1,157,755	0	1,212,654	1,154,187
Less accumulated depreciation	38,138	688,201	0	726,339	556,811
Net fixed assets	16,761	469,554	0	486,315	597,376
Total assets	\$14,119,231	\$806,477	\$2,715,598	\$17,641,306	\$15,721,457
LIABILITIES AND EQUITY					
Current liabilities:					
Accounts payable	\$33,809	\$0	\$49,237	\$83,046	\$32,991
Due to other funds	61	0	0	61	3,004
Accrued insurance claims	5,964,613	0	450,000	6,414,613	3,796,091
Incurred-not reported claims	150,000	0	100,000	250,000	250,000
Total current liabilities	6,148,483	0	599,237	6,747,720	4,082,086
Long-term liabilities:					
Accrued wages and benefits	39,200	0	0	39,200	29,799
Accrued insurance claims- noncurrent	978,933	0	0	978,933	949,545
Total long-term liabilities	1,018,133	0	0	1,018,133	979,344
Total liabilities	7,166,616	0	599,237	7,765,853	5,061,430
Fund equity:					
Contributed capital-municipality	710	375,000	0	375,710	375,710
Retained earnings:					
Reserved-insurance claims	3,205,449	0	0	3,205,449	5,309,374
Unreserved	3,746,456	431,477	2,116,361	6,294,294	4,974,943
Total retained earnings	6,951,905	431,477	2,116,361	9,499,743	10,284,317
Total fund equity	6,952,615	806,477	2,116,361	9,875,453	10,660,027
Total liabilities and fund equity	\$14,119,231	\$806,477	\$2,715,598	\$17,641,306	\$15,721,457

CITY OF LAKE CHARLES, LOUISIANA

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Fiscal Year Ended September 30, 1998

With Comparative Totals for Fiscal Year Ended September 30, 1997

	Risk	Vehicle	Employee	Totals	
	Management	Replacement	Insurance	1998	1997
Operating revenues:					
Charges for services	\$2,459,528	\$255,305	\$2,667,980	\$5,382,813	\$5,499,624
Subrogation	64,208	0	0	64,208	60,385
Total operating revenues	<u>2,523,736</u>	<u>255,305</u>	<u>2,667,980</u>	<u>5,447,021</u>	<u>5,560,009</u>
Operating expenses:					
Personal services	298,612	0	0	298,612	291,765
Materials and supplies	4,304	0	0	4,304	5,434
General and administration	432,277	0	471,337	903,614	645,416
Depreciation	8,312	193,336	0	201,648	176,677
Claims and losses paid	4,097,152	0	1,814,610	5,911,762	2,980,873
Total operating expenses	<u>4,840,657</u>	<u>193,336</u>	<u>2,285,947</u>	<u>7,319,940</u>	<u>4,100,165</u>
Operating income (loss)	<u>(2,316,921)</u>	<u>61,969</u>	<u>382,033</u>	<u>(1,872,919)</u>	<u>1,459,844</u>
Nonoperating revenues:					
Interest	959,453	10,167	125,659	1,095,279	697,455
Other	0	(6,934)	0	(6,934)	2,530
Total nonoperating revenues	<u>959,453</u>	<u>3,233</u>	<u>125,659</u>	<u>1,088,345</u>	<u>699,985</u>
Net income	<u>(1,357,468)</u>	<u>65,202</u>	<u>507,692</u>	<u>(784,574)</u>	<u>2,159,829</u>
Retained earnings at beginning of year	<u>8,309,373</u>	<u>366,275</u>	<u>1,608,669</u>	<u>10,284,317</u>	<u>8,124,488</u>
Retained earnings at end of year	<u>\$6,951,905</u>	<u>\$431,477</u>	<u>\$2,116,361</u>	<u>\$9,499,743</u>	<u>\$10,284,317</u>

CITY OF LAKE CHARLES, LOUISIANA
Internal Service Fund
Combining Statement of Cash Flows
Fiscal Year Ended September 30, 1998
With Comparative Totals for the Fiscal Year ended September 30, 1997

	<u>Risk Management</u>
Cash flows from operating activities:	
Operating income (loss)	(\$2,316,921)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	8,312
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	9,048
(Increase) decrease in prepaid expenses	(393,302)
(Increase) decrease in due from other funds -	
(Increase) decrease in interfund charge vehicle use	0
Increase (decrease) in accounts payable	3,209
Increase (decrease) in accrued insurance claims	2,647,910
Increase (decrease) in accrued wages and benefits	9,401
Total adjustments	<u>2,284,578</u>
Net cash provided by operating activities	<u>(32,343)</u>
Cash flows from capital and related financial activities:	
Capital expenditures	(1,785)
Net cash provided by (used for) capital and related financial activities	<u>(1,785)</u>
Cash flow from investing activities:	
Purchase of investment securities	(12,259,036)
Proceeds from sale and maturities of investment securities	11,521,218
Interest on investments	831,267
Net cash provided by (used for) investing activities	<u>93,449</u>
Net increase (decrease) in cash and cash equivalents	59,321
Cash and cash equivalents at beginning of year	<u>261,384</u>
Cash and cash equivalents at end of year	<u><u>\$320,705</u></u>

Schedule of Noncash Activity:

Assets retired costs \$39,054 and had accumulated depreciation of \$32,120. Net loss equaled \$6,934.

Vehicle Replacement	Employee Insurance	Totals	
		1998	1997
\$61,969	\$382,033	(\$1,872,919)	\$1,459,844
193,336	0	201,648	176,677
0	(1,915)	7,133	39,439
0	0	(393,302)	187
62,892	0	62,892	(8,472)
0	43,903	47,112	21,841
0	0	2,647,910	135,608
0	0	9,401	6,335
256,228	41,988	2,582,794	371,615
318,197	424,021	709,875	1,831,459
(95,737)	0	(97,522)	(331,830)
(95,737)	0	(97,522)	(331,830)
(253,818)	(2,087,634)	(14,600,488)	(7,861,031)
50,000	1,421,068	12,992,286	5,856,720
10,270	132,425	973,962	650,192
(193,548)	(534,141)	(634,240)	(1,354,119)
28,912	(110,120)	(21,887)	145,510
53,641	476,511	791,536	646,026
\$82,553	\$366,391	\$769,649	\$791,536

CITY OF LAKE CHARLES, LOUISIANA
Risk Management Internal Service Fund
 Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services	\$2,459,528	\$2,570,511
Subrogation	64,208	60,385
Total operating revenues	<u>2,523,736</u>	<u>2,630,896</u>
Operating expenses:		
Personal services	298,612	291,765
Materials and supplies	4,304	5,434
General and administration	432,277	195,710
Depreciation	8,312	9,439
Claims and losses paid	4,097,152	1,319,055
Total operating expenses	<u>4,840,657</u>	<u>1,821,403</u>
Operating income (loss)	<u>(2,316,921)</u>	<u>809,493</u>
Nonoperating revenues (expenses) :		
Interest revenue	959,453	582,543
Other	0	2,530
Total nonoperating revenues	<u>959,453</u>	<u>585,073</u>
Net income (loss)	<u>(1,357,468)</u>	<u>1,394,567</u>
Retained earnings at beginning of year	<u>8,309,373</u>	<u>6,914,807</u>
Retained earnings at end of year	<u><u>\$6,951,905</u></u>	<u><u>\$8,309,373</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Risk Management Internal Service Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income (loss)	(\$2,316,921)	\$809,493
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,312	9,439
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	9,048	39,439
(Increase) decrease in prepaid expenses	(393,302)	187
Increase (decrease) in accounts payable	3,209	21,810
Increase (decrease) in accrued insurance claims	2,647,910	85,608
Increase (decrease) in accrued wages and benefits	9,401	6,335
Total adjustments	<u>2,284,578</u>	<u>162,818</u>
Net cash provided by (used for) operating activities	<u>(32,343)</u>	<u>972,311</u>
Cash flows from capital and related financial activities:		
Capital expenditures	<u>(1,785)</u>	<u>(6,630)</u>
Cash flow from investing activities:		
Purchase of investment securities	(12,259,036)	(6,297,116)
Proceeds from sale and maturities of investment securities	11,521,218	4,849,070
Interest on investments	831,267	560,430
Net cash provided (used for) operating activities	<u>93,449</u>	<u>(887,616)</u>
Net increase (decrease) in cash and cash equivalents	59,321	78,065
Cash and cash equivalents at beginning of year	<u>261,384</u>	<u>183,319</u>
Cash and cash equivalents at end of year	<u><u>\$320,705</u></u>	<u><u>\$261,384</u></u>

Schedule of Noncash Activity:

There were no assets transferred, traded or retired during fiscal year 1998.

CITY OF LAKE CHARLES, LOUISIANA
Vehicle Replacement Internal Service Fund
 Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services	\$255,305	\$227,390
Operating expenses:		
Depreciation	193,336	167,238
Operating income	61,969	60,152
Nonoperating revenues (expenses):		
Interest	10,167	10,815
Other	(6,934)	0
Total nonoperating revenues (expenses)	3,233	10,815
Net income (loss)	65,202	70,967
Retained earnings at beginning of year	366,275	295,308
Retained earnings at end of year	\$431,477	\$366,275

CITY OF LAKE CHARLES, LOUISIANA
Vehicle Replacement Internal Service Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income	\$61,969	\$60,152
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	193,336	167,238
Changes in assets and liabilities:		
(Increase) decrease in interfund charge for vehicle usage	62,892	(8,472)
Total adjustments	256,228	158,766
Net cash provided by operating activities	318,197	218,918
Cash flows from capital and related financial activities:		
Capital expenditures	(95,737)	(325,200)
Net cash provided by (used for) capital and related financing activities	(95,737)	(325,200)
Cash flow from investing activities:		
Purchase of investment securities	(253,818)	(50,000)
Proceeds from sale and maturities of investment securities	50,000	49,281
Interest on investments	10,270	10,011
Net cash provided (used for) investing activities	(193,548)	9,292
Net increase (decrease) in cash and cash equivalents	28,912	(96,990)
Cash and cash equivalents at beginning of year	53,641	150,631
Cash and cash equivalents at end of year	<u>\$82,553</u>	<u>\$53,641</u>

Schedule of Noncash Activity:

Assets retired cost \$39,054 and had accumulated depreciation of \$32,120. Net loss equaled \$6,934.

CITY OF LAKE CHARLES, LOUISIANA
Employee Insurance Internal Service Fund
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services	\$2,667,980	\$2,701,723
Operating expenses:		
General and administration	471,337	449,706
Claims and losses paid	1,814,610	1,661,818
Total operating expenses	2,285,947	2,111,524
Operating income	382,033	590,199
Nonoperating revenues :		
Interest revenue	125,659	104,097
Net income	507,692	694,296
Retained earnings at beginning of year	1,608,669	914,373
Retained earnings at end of year	\$2,116,361	\$1,608,669

CITY OF LAKE CHARLES, LOUISIANA
Employee Insurance Internal Service Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income (loss)	\$382,033	\$590,199
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,915)	0
Increase (decrease) in accounts payable	43,903	31
Increase (decrease) in accrued insurance claims	0	50,000
Total adjustments	41,988	50,031
Net cash provided by (used for) operating activities	424,021	640,230
Cash flow from investing activities:		
Purchase of investment securities	(2,087,634)	(1,513,915)
Proceeds from sale of maturities of investment securities	1,421,068	958,369
Interest on investments	132,425	79,751
Net cash provided (used for) operating activities	(534,141)	(475,795)
Net increase (decrease) in cash and cash equivalents	(110,120)	164,435
Cash and cash equivalents at beginning of year	476,511	312,076
Cash and cash equivalents at end of year	\$366,391	\$476,511

ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominately self-supporting by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprise.

The following activities of the city are reported in this section: Civic Center
Golf Course
Public Transit
Water Utility

CITY OF LAKE CHARLES, LOUISIANA
Enterprise Funds
Combining Balance Sheet
September 30, 1998
With Comparative Totals for September 30, 1997

	Civic Center
ASSETS	
Current assets:	
Cash	\$302,385
Accounts receivable (net of allowance for uncollectible)	16,464
Accrued interest receivable	0
Investments	679,114
Due from other governmental agencies	0
Due from other funds	34,869
Inventories	37,634
Prepaid items	2,378
Total current assets	1,072,844
Restricted assets:	
Customer deposits	0
Total restricted assets	0
Property, plant and equipment:	
Land	0
Buses	0
Buildings and structures	17,766,239
Improvements	4,824,067
Construction in Progress	731,886
Equipment, furniture and fixtures	2,976,184
	26,298,376
Less accumulated depreciation	13,316,023
Net property , plant and equipment	12,982,353
Total assets	\$14,055,197

Golf Course	Public Transit	Water Utility	Totals	
			1998	1997
\$94,062	\$116,515	\$259,092	\$772,054	\$974,326
0	1,844	450,417	468,725	438,211
0	0	35,409	35,409	37,888
277,246	150,623	3,834,819	4,941,802	5,168,504
0	32,468	3,295	35,763	145,271
0	21,806	7,150	63,825	0
52,769	0	130,947	221,350	187,482
21	1	3,157	5,557	64,496
<u>424,098</u>	<u>323,257</u>	<u>4,724,286</u>	<u>6,544,485</u>	<u>7,016,178</u>
0	0	260,860	260,860	273,560
0	0	260,860	260,860	273,560
1,065,698	0	231,985	1,297,683	1,297,683
0	1,238,371	0	1,238,371	1,238,371
589,262	0	577,212	18,932,713	18,932,713
36,790	0	40,848,772	45,709,629	30,141,784
0	0	14,927	746,813	10,850,171
374,307	25,685	1,528,380	4,904,556	5,160,250
<u>2,066,057</u>	<u>1,264,056</u>	<u>43,201,276</u>	<u>72,829,765</u>	<u>67,620,972</u>
599,359	911,533	11,781,168	26,608,083	24,967,163
<u>1,466,698</u>	<u>352,523</u>	<u>31,420,108</u>	<u>46,221,682</u>	<u>42,653,809</u>
<u>\$1,890,796</u>	<u>\$675,780</u>	<u>\$36,405,254</u>	<u>\$53,027,027</u>	<u>\$49,943,547</u>

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA
Enterprise Funds
Combining Balance Sheet
September 30, 1998
With Comparative Totals for September 30, 1997

	<u>Civic Center</u>
LIABILITIES AND FUND EQUITY	
Current liabilities :	
Accounts payable	\$175,809
Contracts payable	36,594
Escrow	3,358
Due to other funds	50
Total current liabilities	<u>215,811</u>
Current liabilities payable from restricted assets:	
Customer deposits payable	<u>0</u>
Total current liabilities payable from restricted assets	<u>0</u>
Long-term liabilities:	
Accrued wages and benefits payable	<u>55,678</u>
Total long-term liabilities	<u>55,678</u>
Fund equity:	
Contributed capital:	
Municipality	21,637,072
State government	0
Federal government	1,305,161
Customers and developers and others	937,326
Total contributed capital	<u>23,879,559</u>
Retained earnings (deficit):	
Unreserved	<u>(10,095,851)</u>
Total retained earnings	<u>(10,095,851)</u>
Total fund equity	<u>13,783,708</u>
Total liabilities and fund equity	<u>\$14,055,197</u>

Golf Course	Public Transit	Water Utility	Totals	
			1998	1997
\$46,281	\$24,761	\$232,590	\$479,441	\$846,340
0	0	98,451	135,045	554,447
21,274	0	0	24,632	63,429
13,379	0	83,474	96,903	166,234
<u>80,934</u>	<u>24,761</u>	<u>414,515</u>	<u>736,021</u>	<u>1,630,450</u>
0	0	260,860	260,860	273,520
0	0	260,860	260,860	273,520
27,395	39,366	295,367	417,806	444,117
<u>27,395</u>	<u>39,366</u>	<u>295,367</u>	<u>417,806</u>	<u>444,117</u>
1,047,094	1,487,408	0	24,171,574	21,628,302
0	0	735,238	735,238	708,200
518,785	835,493	0	2,659,439	2,659,439
0	0	2,542,155	3,479,481	2,767,249
<u>1,565,879</u>	<u>2,322,901</u>	<u>3,277,393</u>	<u>31,045,732</u>	<u>27,763,190</u>
216,588	(1,711,248)	32,157,119	20,566,608	19,832,270
<u>216,588</u>	<u>(1,711,248)</u>	<u>32,157,119</u>	<u>20,566,608</u>	<u>19,832,270</u>
1,782,467	611,653	35,434,512	51,612,340	47,595,460
<u>\$1,890,796</u>	<u>\$675,780</u>	<u>\$36,405,254</u>	<u>\$53,027,027</u>	<u>\$49,943,547</u>

CITY OF LAKE CHARLES, LOUISIANA
Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Fiscal Year Ended September 30, 1998
With Comparative Totals for Fiscal Year Ended September 30, 1997

	Civic Center
Operating revenues:	
Charges for services	\$1,476,374
Parking fees	15,930
Other	125,961
Total operating revenues	1,618,265
Operating expenses:	
Personal services	838,818
Materials and supplies	396,416
Maintenance	96,217
Heat, light and power	520,105
Transportation	0
General and administration	411,370
Depreciation	666,148
Total operating expenses	2,929,074
Operating income (loss)	(1,310,809)
Nonoperating revenues (expenses):	
Operating grants from governmental agencies	251,236
Interest	24,533
Other	(14)
Total nonoperating revenues	275,755
Income (loss) before operating transfers	(1,035,054)
Operating transfers:	
Operating transfers in	620,142
Net income (loss)	(414,912)
Add depreciation on contributed assets acquired from governmental grants/developers	0
Retained earnings (deficit) at beginning of year	(9,680,939)
Retained earnings (deficit) at end of year	(\$10,095,851)

Golf Course	Public Transit	Water Utility	Totals	
			1998	1997
\$1,199,467	\$68,014	\$6,501,173	\$9,245,028	\$7,901,036
0	0	0	15,930	17,152
2,299	11,913	83,173	223,346	153,175
<u>1,201,766</u>	<u>79,927</u>	<u>6,584,346</u>	<u>9,484,304</u>	<u>8,071,363</u>
522,134	398,156	2,328,452	4,087,560	4,047,513
377,690	107,520	750,066	1,631,692	1,417,329
15,275	67,283	302,329	481,104	432,234
60,318	0	579,042	1,159,465	807,159
0	30,391	0	30,391	38,788
147,637	511,544	980,037	2,050,588	1,766,722
55,634	106,893	949,958	1,778,633	1,427,456
<u>1,178,688</u>	<u>1,221,787</u>	<u>5,889,884</u>	<u>11,219,433</u>	<u>9,937,201</u>
23,078	(1,141,860)	694,462	(1,735,129)	(1,865,838)
0	586,444	0	837,680	590,369
18,938	4,136	243,914	291,521	374,727
808	0	(813)	(19)	(2,123)
<u>19,746</u>	<u>590,580</u>	<u>243,101</u>	<u>1,129,182</u>	<u>962,973</u>
42,824	(551,280)	937,563	(605,947)	(902,865)
36,337	444,387	192,515	1,293,381	1,416,915
79,161	(106,893)	1,130,078	687,434	514,050
0	0	46,904	46,904	41,358
<u>137,427</u>	<u>(1,604,355)</u>	<u>30,980,137</u>	<u>19,832,270</u>	<u>19,276,862</u>
<u>\$216,588</u>	<u>(\$1,711,248)</u>	<u>\$32,157,119</u>	<u>\$20,566,608</u>	<u>\$19,832,270</u>

CITY OF LAKE CHARLES, LOUISIANA

Enterprise Funds

Combining Statement of Cash Flows

Fiscal Year Ended September 30, 1998

With Comparative Totals for the Fiscal Year ended September 30, 1997

	<u>Civic Center</u>
Cash flows from operating activities:	
Operating income (loss)	<u>(\$1,310,809)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	666,148
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	11,768
(Increase) decrease in prepaid expenses	20,385
(Increase) decrease in inventory	(12,767)
(Increase) decrease in due from other funds operating reimbursements	(34,869)
Increase (decrease) in due to other funds operating reimbursements	(3,406)
Increase (decrease) in accounts payable	(365,608)
Increase (decrease) in miscellaneous payable	(38,734)
Increase (decrease) in customer deposit accounts	0
Increase (decrease) in accrued wages and benefits	(8,020)
Total adjustments	<u>234,897</u>
Net cash provided by operating activities	<u>(1,075,912)</u>
Cash flows from capital and related financial activities:	
Capital expenditures	(2,244,895)
Contracts payable	0
Contributed capital	2,543,272
Net cash provided by (used for) capital and related financing activities	<u>298,377</u>
Cash flow from investing activities:	
Purchase of investment securities	(1,008,267)
Proceeds from sale and maturities of investments securities	734,300
Interest on investments	24,185
Net cash provided by (used for) investing activities	<u>(249,782)</u>
Cash flow from noncapital financing activities:	
Intergovernmental revenue	251,236
Operating transfers in	620,142
Net cash provided by noncapital financing activities	<u>871,378</u>
Net increase (decrease) in cash and cash equivalents	(155,939)
Cash and cash equivalents at beginning of year	458,324
Cash and cash equivalents at end of year	<u>\$302,385</u>

Schedule of Noncash Activity:

Donated Developer Customer water system extensions of \$277,259 were recorded as contributed capital. Assets adjusted, transferred in/out cost \$891, had accumulated depreciation of \$339. Net gain equaled \$1,360. Assets retired cost \$25,743 and had accumulated depreciation of \$24,364. Net loss equaled \$1,379. Developers contributed \$760,000 to purchase miscellaneous equipment and an ice rink of which the City has repaid the developers the amount of \$293,272.

Golf Course	Transit	Water Utility	Totals	
			1998	1997
\$23,078	(\$1,141,860)	\$694,462	(\$1,735,129)	(\$1,865,838)
55,634	106,893	949,958	1,778,633	1,427,456
119	730	(43,131)	(30,514)	57,443
481	4,075	33,998	58,939	15,829
(6,449)	0	(14,652)	(33,868)	7,661
0	(21,806)	(7,150)	(63,825)	0
(77,346)	(11,327)	22,748	(69,331)	6,696
7,021	1,435	(9,747)	(366,899)	104,085
(63)	0	0	(38,797)	10,838
0	0	(12,660)	(12,660)	(33,056)
1,410	1,834	(21,535)	(26,311)	12,683
(19,193)	81,834	897,829	1,195,367	1,609,635
3,885	(1,060,026)	1,592,291	(539,762)	(256,203)
(88,420)	0	(2,351,548)	(4,684,863)	(7,756,361)
0	0	(337,078)	(337,078)	138,180
0	0	38,891	2,582,163	1,242,476
(88,420)	0	(2,649,735)	(2,439,778)	(6,375,705)
(225,333)	(150,623)	(3,596,017)	(4,980,240)	(1,542,879)
250,000	0	4,220,131	5,204,431	5,101,996
21,242	4,136	246,950	296,513	445,364
45,909	(146,487)	871,064	520,704	4,004,481
0	699,247	0	950,483	464,257
36,337	444,387	192,515	1,293,381	1,416,915
36,337	1,143,634	192,515	2,243,864	1,881,172
(2,289)	(62,879)	6,135	(214,972)	(746,255)
96,351	179,394	513,817	1,247,886	1,994,141
\$94,062	\$116,515	\$519,952	\$1,032,914	\$1,247,886

CITY OF LAKE CHARLES, LOUISIANA
Civic Center Enterprise Fund
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services:		
Rentals and leases	\$571,432	\$308,156
Concessions and sales	904,942	288,059
Parking fees	15,930	17,152
Commissions and other miscellaneous	125,961	34,398
Total operating revenues	<u>1,618,265</u>	<u>647,765</u>
Operating expenses:		
Personal services	838,818	677,314
Materials and supplies	396,416	184,555
Maintenance	96,217	42,969
Heat, light and power	520,105	291,384
General and administration	411,370	227,737
Depreciation	666,148	594,966
Total operating expenses	<u>2,929,074</u>	<u>2,018,925</u>
Operating income (loss)	<u>(1,310,809)</u>	<u>(1,371,160)</u>
Nonoperating revenues (expenses):		
Shared revenue from governmental agencies	251,236	0
Interest	24,533	52,108
Other	(14)	(7,051)
Total nonoperating revenues	<u>275,755</u>	<u>45,057</u>
Income (loss) before operating transfers	<u>(1,035,054)</u>	<u>(1,326,103)</u>
Operating transfers in:		
General Fund	578,274	683,137
Special Revenue Fund	41,868	48,000
Total operating transfer	<u>620,142</u>	<u>731,137</u>
Net income (loss)	<u>(414,912)</u>	<u>(594,966)</u>
Retained earnings (deficit) at beginning of year	<u>(9,680,939)</u>	<u>(9,085,973)</u>
Retained earnings (deficit) at end of year	<u><u>(\$10,095,851)</u></u>	<u><u>(\$9,680,939)</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Civic Center Enterprise Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income	(\$1,310,809)	(\$1,371,160)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	666,148	594,966
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	11,768	1,235
(Increase) decrease in prepaid expenses	20,385	10,569
(Increase) decrease in inventory	(12,767)	930
(Increase) decrease in due from other funds operating reimbursements	(34,869)	0
Increase (decrease) in operating transfers reimbursements	(3,406)	(117,648)
Increase (decrease) in accounts payable	(365,608)	249,816
Increase (decrease) in miscellaneous payable	(38,734)	7,547
Increase (decrease) in accrued wages and benefits	(8,020)	1,497
Total adjustments	234,897	748,912
Net cash provided by operating activities	(1,075,912)	(622,248)
Cash flows from capital and related financial activities:		
Capital expenditures	(2,244,895)	(2,248,597)
Contributed capital	2,543,272	984,476
Net cash provided (used for) capital and related financing activities	298,378	(1,264,121)
Cash flow from investing activities:		
Purchase of investment securities	(1,008,267)	(253,272)
Proceeds from sale and maturities of investment securities	734,300	567,241
Interest on investments	24,185	52,108
Net cash provided (used for) investing activities	(249,782)	366,077
Cash flows from noncapital financial activities:		
Intergovernmental revenue	251,236	0
Operating transfers in	871,378	731,137
Net cash provided noncapital financing activities	1,122,614	731,137
Net increase (decrease) in cash and cash equivalents	(155,939)	(789,155)
Cash and cash equivalents at beginning of year	458,324	1,247,479
Cash and cash equivalents at end of year	<u>\$302,385</u>	<u>\$458,324</u>

Schedule of Noncash Activity:

Assets retired cost \$13,401 and had accumulated depreciation of \$13,387. Net loss equaled \$14. Developers contributed \$760,000 to purchase miscellaneous equipment and an ice rink of which the City has repaid the developers the amount of \$293,272.

CITY OF LAKE CHARLES, LOUISIANA
Golf Course Enterprise Fund
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services:		
Greens and membership fees	\$493,739	\$496,366
Rentals	326,808	320,915
Concesssion and sales	199,213	201,378
Sale of golf accessories	179,707	160,963
Other	2,299	2,531
Total operating revenues	<u>1,201,766</u>	<u>1,182,153</u>
Operating expenses:		
Personal services	522,134	518,852
Materials and supplies	377,690	367,168
Maintenance	15,275	12,617
Heat, light and power	60,318	43,192
General and administration	147,637	162,325
Depreciation	55,634	44,035
Total operating expenses	<u>1,178,688</u>	<u>1,148,189</u>
Operating income	<u>23,078</u>	<u>33,964</u>
Nonoperating revenues (expenses):		
Interest	18,938	17,660
Other	808	(3,648)
Total nonoperating revenues	<u>19,746</u>	<u>14,012</u>
Income (loss) before operating transfers	<u>42,824</u>	<u>47,976</u>
Operating transfers in:		
Special Revenue Fund	36,337	37,308
Total operating transfers	<u>36,337</u>	<u>37,308</u>
Net income	<u>79,161</u>	<u>85,284</u>
Retained earnings (deficit) at beginning of year	<u>137,427</u>	<u>52,143</u>
Retained earnings (deficit) at end of year	<u><u>\$216,588</u></u>	<u><u>\$137,427</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Golf Course Enterprise Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income	\$23,078	\$33,964
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	55,634	44,035
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	119	2,485
(Increase) decrease in prepaid expenses	481	574
(Increase) decrease in inventory	(6,449)	2,649
(Increase) decrease in due from other funds operating reimbursements	0	0
Increase (decrease) in due to other funds operating reimbursements	(77,346)	75,363
Increase (decrease) in accounts payable	7,021	(2,181)
Increase (decrease) in gift certificates payable	(63)	3,291
Increase (decrease) in accrued wages and benefits	1,410	1,452
Total adjustments	(19,193)	127,668
Net cash provided by operating activities	3,885	161,632
Cash flows from capital and related financial activities:		
Capital expenditures	(88,420)	(260,749)
Contributed capital	0	0
Net cash provided (used for) capital and related financing activities	(88,420)	(260,749)
Cash flow from investing activities:		
Purchase of investment securities	(225,333)	(300,314)
Proceeds from sale and maturities of investment securities	250,000	149,281
Interest on investments	21,242	22,330
Net cash provided (used for) investing activities	45,909	(128,703)
Cash flows from noncapital financial activities:		
Operating transfers in	36,337	37,308
Net increase (decrease) in cash and cash equivalents	(2,289)	(190,512)
Cash and cash equivalents at beginning of year	96,351	286,863
Cash and cash equivalents at end of year	<u>\$94,062</u>	<u>\$96,351</u>

Schedule of Noncash Activity:

Net assets adjusted resulted in net gain of \$808.

CITY OF LAKE CHARLES, LOUISIANA
Public Transit Enterprise Fund
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Fiscal Years Ended September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Charges for services	\$68,014	\$83,048
Other	11,913	3,072
Total operating revenues	<u>79,927</u>	<u>86,120</u>
Operating expenses:		
Personal services	398,156	428,309
Materials and supplies	107,520	108,836
Maintenance	67,283	59,895
Transportation	30,391	38,788
General and administration	511,544	474,251
Depreciation	106,893	107,218
Total operating expenses	<u>1,221,787</u>	<u>1,217,297</u>
 Operating income (loss)	 <u>(1,141,860)</u>	 <u>(1,131,177)</u>
Nonoperating revenues:		
Operating grants from governmental agencies	586,444	590,369
Interest	4,136	0
Other	0	(1,742)
Total nonoperating revenues	<u>590,580</u>	<u>588,627</u>
 Income (loss) before operating transfers	 <u>(551,280)</u>	 <u>(542,550)</u>
Operating transfers in:		
General Fund	411,938	395,312
Special Revenue Funds	32,449	38,278
Total operating transfers	<u>444,387</u>	<u>433,590</u>
 Net income (loss)	 <u>(106,893)</u>	 <u>(108,960)</u>
 Retained earnings (deficit) at beginning of year	 <u>(1,604,355)</u>	 <u>(1,495,395)</u>
 Retained earnings (deficit) at end of year	 <u><u>(\$1,711,248)</u></u>	 <u><u>(\$1,604,355)</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Public Transit Enterprise Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income (loss)	(\$1,141,860)	(\$1,131,177)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	106,893	107,218
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	730	2,521
(Increase) decrease in prepaid expenses	4,075	400
(Increase) decrease in due from other funds-operating reimbursement	(21,806)	0
Increase (decrease) in due to other funds-operating reimbursement	(11,327)	(7,651)
Increase (decrease) in accounts payable	1,435	(2,160)
Increase (decrease) in accrued wages and benefits	1,834	(7,837)
Total adjustments	81,834	92,491
Net cash provided by (used for) operating activities	(1,060,026)	(1,038,686)
Cash flow from capital and related financial activities:		
Contributed capital	0	258,000
Cash flow from investing activities:		
Purchase of investment activities	(150,623)	0
Interest on investments	4,136	0
Net cash provided by (used for) investing activities	(146,487)	0
Cash flows from noncapital financial activities:		
Intergovernmental revenue	699,247	464,257
Operating transfers in	444,387	433,590
Net cash provided by (used for) noncapital financial activities	1,143,634	897,847
Net increase (decrease) in cash and cash equivalents	(62,879)	117,161
Cash and cash equivalents at beginning of year	179,394	62,233
Cash and cash equivalents at end of year	<u>\$116,515</u>	<u>\$179,394</u>

Schedule of Noncash Activity:

There were no assets transferred, traded or retired during fiscal year 1998.

CITY OF LAKE CHARLES, LOUISIANA
Water Utility Enterprise Fund
 Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services:		
Water sales	\$6,501,173	\$6,042,151
Other	83,173	113,174
Total operating revenues	<u>6,584,346</u>	<u>6,155,325</u>
Operating expenses:		
Personal services	2,328,452	2,423,038
Materials and supplies	750,066	756,770
Maintenance	302,329	316,753
Heat, light and power	579,042	472,583
General and administration	980,037	902,409
Depreciation	949,958	681,237
Total operating expenses	<u>5,889,884</u>	<u>5,552,790</u>
Operating income	<u>694,462</u>	<u>602,535</u>
Nonoperating revenues (expenses):		
Interest	243,914	304,959
Gain (loss) on fixed assets	(813)	10,318
Total nonoperating revenues (expenses)	<u>243,101</u>	<u>315,277</u>
Income (loss) before operating transfers	<u>937,563</u>	<u>917,812</u>
Operating transfers in:		
General Fund	0	35,961
Special Revenue Funds	192,515	178,919
Total operating transfers	<u>192,515</u>	<u>214,880</u>
Net income	<u>1,130,078</u>	<u>1,132,692</u>
Add depreciation on contributed assets acquired from governmental grants, developers and customers	46,904	41,358
Retained earnings at beginning of year	<u>30,980,137</u>	<u>29,806,087</u>
Retained earnings at end of year	<u>\$32,157,119</u>	<u>\$30,980,137</u>

CITY OF LAKE CHARLES, LOUISIANA
Water Utility Enterprise Fund
Comparative Statement of Cash Flows
Fiscal Years Ended September 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income	\$694,462	\$602,535
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	949,958	681,237
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(43,131)	51,202
(Increase) decrease in prepaid expenses	33,998	4,286
(Increase) decrease in inventory	(14,652)	4,082
(Increase) decrease in due from other funds-operating reimbursement	(7,150)	0
Increase (decrease) in operating transaction reimbursements	22,748	56,632
Increase (decrease) in accounts payable	(9,747)	(141,390)
Increase (decrease) in customer deposit account	(12,660)	(33,056)
Increase (decrease) in accrued wages and benefits	(21,535)	17,571
Total adjustments	897,829	640,564
Net cash provided by operating activities	1,592,291	1,243,099
Cash flows from capital and related financial activities:		
Capital expenditures	(2,351,548)	(5,247,015)
Contracts payable	(337,078)	138,180
Proceeds from sale of assets	0	0
Miscellaneous income (expense)	0	0
Contributed capital	38,891	0
Net cash provided by (used for) capital and related financing activities	(2,649,735)	(5,108,835)
Cash flow from investing activities:		
Purchase of investment securities	(3,596,017)	(989,293)
Proceeds from sale and maturities of investment securities	4,220,131	4,385,474
Interest on investments	246,950	370,926
Net cash provided (used for) investing activities	871,064	3,767,107
Cash flows from noncapital financial activities:		
Operating transfers in	192,515	214,880
Net increase (decrease) in cash and cash equivalents	6,135	116,251
Cash and cash equivalents at beginning of year	513,817	397,566
Cash and cash equivalents at end of year	<u>\$519,952</u>	<u>\$513,817</u>

Schedule of Noncash Activity:

Donated Developer-Constructed water system extensions of \$277,259 were recorded as contributed capital.

Assets transf. in/out net cost \$891 and had accumulated depreciation of \$339. Net gain equaled \$552.

Assets retired costs \$12,342 and had accumulated depreciation of \$10,977. Net loss equaled \$1,365.

TRUST AND AGENCY FUNDS

The Trust and Agency Funds are used to account for assets held by the City in a fiduciary capacity. Such funds are operated by carrying out specific terms of statutes, ordinances, and other governing regulations, and include or previously included the following expendable trust, pension trusts, and agency funds which are reported in this section:

The Veterans Memorial Park Expendable Trust Fund accounts for the receipt and use of private donations made for development of a permanent veterans memorial on City owned lakefront property.

The Firemen's Pension Trust Fund previously accounted for the remaining assets of the former Lake Charles Firemen's Pension and Relief Fund. This fund was closed at 1998 year end, as it no longer performed the function of a pension trust.

The Policemen's Pension Trust Fund previously accounted for early retirement benefits paid to police members previously merged into a state-sponsored retirement system. This fund was closed at 1998 year end, as it no longer performed the function of a pension trust.

The Waterslide Agency Fund accounts for funds held by the City to secure performance of a concession agreement.

The Deferred Compensation Agency Fund accounts for funds invested in employees' deferred compensation plans.

CITY OF LAKE CHARLES, LOUISIANA

Trust and Agency Funds

Combinbing Balance Sheet

September 30, 1998

With Comparative Totals for September 30, 1997

	Expendable Trust	Pension Trust	
	Memorial Park	Firemen Retirement	Policemen Retirement
ASSETS			
Cash	\$13,658	\$3,993	\$43,809
Investments	72,873	815,644	484,084
Accrued interest receivable	0	9,308	4,857
Due from other funds	50	0	0
Total assets	\$86,581	\$828,945	\$532,750
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Due to other funds	4	828,945	532,750
Deferred compensation benefits payable	0	0	0
Escrow	0	0	0
Total liabilities	4	0	532,750
Fund balance:			
Reserved for employees retirement system	0	0	0
Unreserved, undesignated	86,577	0	0
Total fund balance	86,577	0	0
Total liabilities and fund balance	\$86,581	\$828,945	\$532,750

Agency		Totals	
Waterslide	Deferred Compensation	1998	1997
\$2,913	\$0	\$64,373	\$71,482
0	2,399,306	3,771,907	3,488,241
0	0	14,165	17,500
0	0	50	0
\$2,913	\$2,399,306	\$3,850,495	\$3,577,223
\$0	\$0	\$0	\$1
0	0	1,361,699	5
0	2,399,306	2,399,306	1,982,058
2,913	0	2,913	2,753
2,913	2,399,306	3,763,918	1,984,817
0	0	0	1,495,134
0	0	86,577	97,272
0	0	86,577	1,592,406
\$2,913	\$2,399,306	\$3,850,495	\$3,577,223

CITY OF LAKE CHARLES, LOUISIANA
Veteran's Memorial Park Expendable Trust Fund
 Comparative Balance Sheet
 September 30, 1998 and 1997

ASSETS	1998	1997
Cash	\$13,658	\$8,411
Investments	72,873	88,867
Due from other funds	50	0
Total assets	\$86,581	\$97,278
FUND BALANCE		
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$0	\$1
Due to other funds	4	5
Total liabilities	4	6
Fund balance:		
Unreserved, undesignated	86,577	97,272
Total fund balance	86,577	97,272
Total liabilities and fund balance	\$86,581	\$97,278

CITY OF LAKE CHARLES, LOUISIANA
Veteran's Memorial Park Expendable Trust Fund
 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 Fiscal Year Ended September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Interest	\$5,096	\$5,385
Donations	9,000	26,980
Total revenues	<u>14,096</u>	<u>32,365</u>
Expenditures		
Community services	24,791	20,084
Excess of revenues over expenditures	(10,695)	12,281
Fund balance at beginning of year	<u>97,272</u>	<u>84,991</u>
Fund balance at end of year	<u><u>\$86,577</u></u>	<u><u>\$97,272</u></u>

CITY OF LAKE CHARLES, LOUISIANA
Pension Trust Funds
Combining Balance Sheet
September 30, 1998
With Comparative Totals for September 30, 1997

	Pension Trust Funds		Totals	
	Firemen Retirement	Policemen Retirement	1998	1997
ASSETS				
Cash	\$3,993	\$43,809	\$47,802	\$60,318
Investments	815,644	484,084	1,299,728	1,417,316
Accrued interest receivable	9,308	4,857	14,165	17,500
Total assets	\$828,945	\$532,750	\$1,361,695	\$1,495,134
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$828,945	\$532,750	\$1,361,695	\$0
Fund balance:				
Reserved for employees retirement system	0	0	0	1,495,134
Total liabilities and fund balance	\$828,945	\$532,750	\$1,361,695	\$1,495,134

CITY OF LAKE CHARLES, LOUISIANA

Pension Trust Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Balance

Fiscal Year Ended September 30, 1998

With Comparative Totals For Fiscal Year Ended September 30, 1997

	Pension Trust Funds		Totals	
	Firemen Retirement	Policemen Retirement	1998	1997
Operating revenues:				
Interest	\$52,365	\$16,897	\$69,262	\$97,870
Intergovernmental:				
2% fire insurance tax	126,883	0	126,883	120,999
Total operating revenues	<u>179,248</u>	<u>16,897</u>	<u>196,145</u>	<u>218,869</u>
Operating expenses:				
Benefits payments	750	86,981	87,731	105,467
Miscellaneous	500	0	500	0
Total operating expenses	<u>1,250</u>	<u>86,981</u>	<u>88,231</u>	<u>105,467</u>
Income (loss) before operating transfers	177,998	(70,084)	107,914	113,402
Other financing sources (uses):				
Operating transfers in	0	70,000	70,000	70,000
Operating transfers out	(1,094,113)	(578,935)	(1,673,048)	(200,000)
Total other financing sources (uses)	<u>(1,094,113)</u>	<u>(508,935)</u>	<u>(1,603,048)</u>	<u>(130,000)</u>
Net income	(916,115)	(579,019)	(1,495,134)	(16,598)
Fund balance at beginning of year	<u>916,115</u>	<u>579,019</u>	<u>1,495,134</u>	<u>1,511,732</u>
Fund balance at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,495,134</u>

CITY OF LAKE CHARLES, LOUISIANA
Pension Trust Funds
Combining Statement of Cash Flows
Fiscal Year Ended September 30, 1998
With Comparative Totals for Fiscal Year Ended September 30, 1997

	Pension Trust Funds		Totals	
	Firemen Retirement	Policemen Retirement	1998	1997
Cash flows from operating activities:				
Operating income (loss)	\$177,998	(\$70,084)	\$107,914	\$113,402
Adjustments to reconcile operating income to net cash provided by operating activities:				
Interest income	(52,365)	(16,897)	(69,262)	(97,870)
Changes in assets and liabilities:				
Increase (decrease) in accrued wages and benefits	0	0	0	(511)
Total adjustments	(52,365)	(16,897)	(69,262)	(98,381)
Net cash provided by (used for) operating activities	125,633	(86,981)	38,652	15,021
Cash flow from investing activities:				
Purchase of investment securities	(710,044)	(341,196)	(1,051,240)	(569,251)
Proceeds from sale and maturities of investment securities	795,616	364,465	1,160,081	587,781
Interest on investments	48,659	32,685	81,344	65,967
Net cash provided by investing activities	134,231	55,954	190,185	84,497
Cash flows from noncapital financial activities:				
Operating transfers in	0	70,000	70,000	70,000
Operating transfers out	(265,168)	(46,185)	(311,353)	(200,000)
Net cash flows provided by (used for) noncapital financial activities	(265,168)	23,815	(241,353)	(130,000)
Net increase (decrease) in cash and cash equivalents	(5,304)	(7,212)	(12,516)	(30,482)
Cash and cash equivalents at beginning of year	9,297	51,021	60,318	90,800
Cash and cash equivalents at end of year	<u>\$3,993</u>	<u>\$43,809</u>	<u>\$47,802</u>	<u>\$60,318</u>

CITY OF LAKE CHARLES, LOUISIANA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 1998

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
ASSETS				
Cash in Waterslide Agency Fund	\$2,753	\$160	\$0	\$2,913
Investments in Deferred Compensation Agency Fund	1,982,058	555,850	138,602	2,399,306
Total assets	<u>\$1,984,811</u>	<u>\$556,010</u>	<u>\$138,602</u>	<u>\$2,402,219</u>
LIABILITIES				
Benefits payable in Deferred Compensation Agency Fund	\$1,982,058	\$555,850	\$138,602	\$2,399,306
Escrow in Waterslide Agency Fund	2,753	160	0	2,913
Total liabilities	<u>\$1,984,811</u>	<u>\$556,010</u>	<u>\$138,602</u>	<u>\$2,402,219</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to record fixed assets used in governmental fund type operations. There is no depreciation taken on general fixed assets.

CITY OF LAKE CHARLES, LOUISIANA
Comparative Schedules of General Fixed Assets
By Source
September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General fixed assets:		
Land	\$8,411,314	\$8,411,314
Buildings	10,953,226	10,231,467
Improvements	22,013,057	17,621,014
Equipment	<u>16,777,727</u>	<u>14,979,032</u>
Total general fixed assets	<u>\$58,155,324</u>	<u>\$51,242,827</u>
Property acquired prior to October 1, 1985	\$26,379,539	\$26,644,368
Property acquired after September 30, 1985 from:		
Federal grants	516,988	516,988
State grants	170,000	170,000
General fund revenues	29,109,120	21,931,794
Donations	<u>1,979,677</u>	<u>1,979,677</u>
Total investments in general fixed assets	<u>\$58,155,324</u>	<u>\$51,242,827</u>

CITY OF LAKE CHARLES, LOUISIANA

Schedule of General Fixed Assets

By Function and Activity

September 30, 1998

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
GENERAL GOVERNMENT					
Legislative	\$0	\$0	\$0	\$15,262	\$15,262
Executive	0	0	0	66,749	66,749
Judicial	0	529,171	0	89,915	619,086
Total general government	0	529,171	0	171,926	701,097
STAFF AGENCIES					
Finance	0	0	0	226,908	226,908
Planning and development	0	0	0	128,311	128,311
Personnel	0	0	0	27,522	27,522
Public works	214,700	901,195	0	1,011,187	2,127,082
Data processing	0	0	0	533,859	533,859
General government buildings	1,231,567	1,858,084	743,006	187,061	4,019,718
Total staff agencies	1,446,267	2,759,279	743,006	2,114,848	7,063,400
PUBLIC SAFETY					
Police	64,965	587,181	762,784	3,360,676	4,775,606
Fire	382,050	2,478,860	345,288	4,725,426	7,931,624
Animal control	0	4,512	0	0	4,512
Permit Center	0	0	0	92,771	92,771
Total public safety	447,015	3,070,553	1,108,072	8,178,873	12,804,513
Streets	0	9,693	0	1,957,759	1,967,452
Recreation	6,463,507	1,950,163	9,214,787	617,069	18,245,526
Community service	5,000	2,403,032	0	0	2,408,032
Sanitation and waste	49,525	231,335	10,947,192	3,737,252	14,965,304
	6,518,032	4,594,223	20,161,979	6,312,080	37,586,314
Total general fixed assets allocated to functions	\$8,411,314	\$10,953,226	\$22,013,057	\$16,777,727	\$58,155,324

CITY OF LAKE CHARLES, LOUISIANA

Schedule of Changes in General Fixed Assets

By Function and Activity

For the Fiscal Year Ended September 30, 1998

Function and Activity	General Fixed Assets 9/30/97	Additions	Deletions	General Fixed Assets 9/30/98
GENERAL GOVERNMENT				
Legislative	\$16,965	\$0	(\$1,703)	\$15,262
Executive	62,409	4,340	0	66,749
Judicial	631,962	9,666	(22,542)	619,086
Total general government	<u>711,336</u>	<u>14,006</u>	<u>(24,245)</u>	<u>701,097</u>
STAFF AGENCIES				
Finance	225,964	15,507	(14,563)	226,908
Planning and development	145,337	9,955	(26,981)	128,311
Personnel	16,573	11,396	(447)	27,522
Public works	2,054,893	483,496	(411,307)	2,127,082
Data processing	572,318	10,611	(49,070)	533,859
General government buildings	3,398,953	621,387	(622)	4,019,718
Total staff agencies	<u>6,414,038</u>	<u>1,152,352</u>	<u>(502,990)</u>	<u>7,063,400</u>
PUBLIC SAFETY				
Police	3,983,626	817,959	(25,979)	4,775,606
Fire	7,133,943	921,087	(123,406)	7,931,624
Animal control	4,512	0	0	4,512
Permit Center	96,811	0	(4,040)	92,771
Total public safety	<u>11,218,892</u>	<u>1,739,046</u>	<u>(153,425)</u>	<u>12,804,513</u>
Streets	2,023,438	360,652	(416,638)	1,967,452
Recreation	13,950,363	4,394,082	(98,919)	18,245,526
Community service	2,221,416	186,616	0	2,408,032
Sanitation and waste	14,703,344	507,792	(245,832)	14,965,304
	<u>32,898,561</u>	<u>5,449,142</u>	<u>(761,389)</u>	<u>37,586,314</u>
Total general fixed assets allocated to functions	<u>\$51,242,827</u>	<u>\$8,354,546</u>	<u>(\$1,442,049)</u>	<u>\$58,155,324</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group records long-term liabilities expected to be financed from governmental type funds.

CITY OF LAKE CHARLES, LOUISIANA

Statement of General Long-Term Debt

September 30, 1998

FUNDS	Amount Available and to be Provided for Payment of		
	Amount Available in Debt Service Fund for Debt Retirement	Total of Amount Available	Amount to be Governmental Fund Revenues
Special assessment debt with government commitment	\$918,237	\$918,237	\$0
Accrued leave benefits	0	0	1,686,455
Lake Charles police benefit liability	532,750	532,750	679,769
Sales Tax Increment Financing Agreement	0	0	4,000,000
Tax exempt refunding bonds	0	0	3,600,000
Taxable refunding bonds	828,945	828,945	8,226,055
Total funds	<u>\$2,279,932</u>	<u>\$2,279,932</u>	<u>\$18,192,279</u>

<u>General Long-Term Debt</u>		Total Amount Available and to be Provided	<u>General Long-Term Debt Payable</u>		
<u>Provided From</u>	<u>Totals to be Provided</u>		<u>Bonds Payable</u>	<u>Other General Long-Term Debt</u>	<u>Total General Long-Term Debt Payable</u>
(\$789,778)	(\$789,778)	\$128,459	\$128,459	\$0	\$128,459
0	1,686,455	1,686,455	0	1,686,455	1,686,455
0	679,769	1,212,519	0	1,212,519	1,212,519
0	4,000,000	4,000,000	0	4,000,000	4,000,000
0	3,600,000	3,600,000	3,600,000	0	3,600,000
0	8,226,055	9,055,000	9,055,000	0	9,055,000
<u>(\$789,778)</u>	<u>\$17,402,501</u>	<u>\$19,682,433</u>	<u>\$12,783,459</u>	<u>\$6,898,974</u>	<u>\$19,682,433</u>

STATISTICAL SECTION

(Unaudited)

The City of Lake Charles has no revenue bonds payable at this time. All of the long-term capital debt consists of general obligations financed through dedicated property tax assessments or by the usage of general tax revenues if necessary. All special assessments are financed through property assessments to the owner and in some instance are supplemented by City funds.

CITY OF LAKE CHARLES, LOUISIANA
General Governmental Expenditures and Other Uses by Function
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Years Ended</u>	<u>General Government (Personnel- Planning)</u>	<u>Finance</u>	<u>Fire and Police</u>	<u>Public Works</u>
1989	\$2,024,512	\$731,056	\$9,357,634	\$12,456,819
1990	2,085,943	788,615	9,533,003	12,976,918
1991	2,134,198	811,905	10,249,814	12,608,395
1992	2,144,126	794,181	10,290,617	13,484,794
1993	2,280,728	839,604	10,557,358	14,435,944
1994	2,609,151	874,345	11,294,553	17,065,230
1995	2,834,434	918,321	12,642,552	18,539,153
1996	3,046,895	967,701	14,196,403	25,462,061
1997	3,106,556	974,520	15,299,178	26,464,607
1998	3,186,197	1,034,447	15,515,080	23,799,305

Note:

Includes General, Special Revenue, Debt Service and Capital Projects Funds

<u>Community Services</u>	<u>General Services</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Net Operating Transfers</u>	<u>Total</u>
\$1,445,215	\$1,356,312	\$998,950	\$1,404,976	\$852,006	\$30,627,480
1,564,962	1,039,965	938,149	1,263,255	943,762	31,134,572
1,656,942	1,244,818	1,227,545	1,020,742	1,015,248	31,969,607
1,743,638	1,381,463	876,685	738,425	525,225	31,979,154
2,011,355	1,443,831	1,069,867	566,136	1,149,429	34,354,252
2,488,183	1,478,233	940,084	501,363	991,632	38,242,774
2,676,811	1,594,832	1,886,605	460,547	1,124,430	42,677,685
2,817,787	1,702,340	1,181,346	271,996	1,155,106	50,801,635
2,858,587	1,815,771	1,127,508	177,026	1,286,915	53,110,668
2,756,989	2,006,759	2,625,806	606,520	0	51,531,103

CITY OF LAKE CHARLES, LOUISIANA
General Governmental Revenues and Other Sources by Source
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Years Ended</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental</u>	<u>Charges for Services</u>
1989	\$20,734,153	\$3,256,591	\$3,199,887	\$2,095,725
1990	21,902,111	3,455,026	3,314,223	2,310,469
1991	23,151,516	3,610,795	3,367,889	2,381,660
1992	23,371,700	3,382,232	2,571,647	2,747,431
1993	26,412,090	3,493,826	2,727,996	2,754,507
1994	30,624,830	3,820,624	2,780,838	2,811,985
1995	33,984,440	3,807,766	3,883,355	3,139,203
1996	38,441,976	4,339,682	3,633,397	3,039,712
1997	37,526,792	4,425,108	5,384,140	2,881,616
1998	39,993,118	4,450,105	4,912,306	3,231,181

Note:

Includes General, Special Revenue, Debt Service and Capital Projects Funds

Fines and Forfeitures	Uses of Money and Property	Miscellaneous	Net Operating Transfers	Total
\$684,522	\$794,117	\$1,916,134	\$0	\$32,681,129
695,350	907,792	1,300,117	0	33,885,088
614,697	1,021,044	1,589,851	0	35,737,452
491,971	845,535	1,266,904	0	34,677,420
483,872	946,906	1,014,948	0	37,834,145
552,290	921,695	1,931,275	0	43,443,537
423,574	1,158,468	6,761,476	0	53,158,282
484,426	1,510,779	3,603,712	0	55,053,684
425,329	1,495,345	3,337,270	0	55,475,600
388,801	1,571,461	2,978,695	309,667	57,835,334

CITY OF LAKE CHARLES, LOUISIANA
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year Ended</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Less: Cancellations and Reductions</u>	<u>Net Tax Levy</u>
1989	1988	\$3,941,695	\$44,665	\$3,897,030
1990	1989	3,971,891	24,382	3,947,509
1991	1990	3,952,673	25,728	3,926,945
1992	1991	3,924,186	78,744	3,845,442
1993	1992	4,215,640	35,757	4,179,883
1994	1993	4,315,303	47,430	4,267,873
1995	1994	4,447,451	4,551	4,442,900
1996	1995	4,604,277	35,102	4,569,175
1997	1996	4,739,814	139,851	4,599,963
1998	1997	4,880,549	39,602	4,840,947

Less: Outstanding Delinquent Taxes	Net Total Taxes Collected	Percent of Net Taxes Collected	Percent of Delinquent Taxes to Net Levy
\$27,569	\$3,869,461	99.29 %	0.71 %
20,902	3,926,607	99.47	0.53
14,686	3,912,259	99.63	0.37
17,203	3,828,239	99.55	0.45
20,475	4,159,408	99.51	0.49
29,521	4,238,352	99.31	0.69
8,119	4,434,965	99.82	0.18
25,020	4,571,951	99.46	0.54
34,780	4,585,464	99.68	0.76
40,083	4,800,864	99.17	0.83

CITY OF LAKE CHARLES, LOUISIANA
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Tax Year	Real Property and Mobile		Personal, Business Industry	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1989	1988	\$157,718,620	\$1,446,040,533	\$34,450,400	\$229,669,333
1990	1989	156,980,380	1,516,619,700	36,143,940	240,959,600
1991	1990	156,690,140	1,441,459,233	38,442,960	256,286,400
1992	1991	156,173,910	1,434,125,167	37,835,290	252,235,267
1993	1992	153,517,110	1,535,171,100	40,385,210	269,234,733
1994	1993	154,739,450	1,547,394,500	44,019,380	293,462,533
1995	1994	158,193,690	1,581,936,900	49,125,000	327,500,000
1996	1995	162,729,110	1,627,291,100	54,037,810	360,252,067
1997	1996	204,016,810	2,040,168,100	69,057,190	460,381,267
1998	1997	204,832,650	2,048,326,500	77,534,440	516,896,267

Note:

(1) Ratios of assessed valuation to actual value are established by state law. Assessment ratios currently applicable to various classes of property are as follows:

- 10% - Land and residential improvements
- 15% - Commercial improvements
- 15% - Personal property
- 25% - Public Utilities

(2) All property assessments are made by the Calcasieu Parish assessor or the Louisiana Tax Commission. required reassessments of all properties were made in 1988, 1992 and 1996.

Public Utilities		Total all Property		Ratio of Total Assessed to Total Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$18,969,400	\$75,877,600	\$211,408,420	\$1,751,587,466	8.28 to 1
19,765,140	79,060,560	212,889,460	1,889,823,960	8.88 to 1
19,895,620	79,582,480	215,028,720	1,777,328,113	8.27 to 1
20,074,860	80,299,440	214,084,060	1,766,659,874	8.25 to 1
18,782,740	75,130,960	212,685,060	1,879,536,793	8.85 to 1
18,407,910	73,631,640	217,166,740	1,914,488,673	8.82 to 1
18,544,830	74,179,320	225,863,520	1,983,616,220	8.78 to 1
18,497,100	73,988,400	235,264,020	2,061,531,567	8.76 to 1
17,913,050	71,652,200	290,987,050	2,572,201,567	8.84 to 1
18,182,000	72,728,000	300,549,090	2,637,950,767	8.78 to 1

CITY OF LAKE CHARLES, LOUISIANA
Assessed Value of All Taxable Property by Source
Fiscal Year Ended September 30, 1989 through September 30, 1998
(Unaudited)

Tax Year	Real and Mobile Property Assessed Value	Personal Property Assessed Value	Public Service Assessed Value	Total Assessed Value
1988	\$157,718,620	\$34,450,400	\$18,969,400	\$211,138,420
1989	156,980,380	36,143,940	19,765,140	212,889,460
1990	156,690,140	38,442,960	19,895,620	215,028,720
1991	156,173,910	37,835,290	20,074,860	214,084,060
1992	153,517,110	40,385,210	18,782,740	212,685,060
1993	154,739,450	44,019,380	17,407,910	216,166,740
1994	158,193,690	49,125,000	18,544,830	225,863,520
1995	162,729,110	54,037,810	18,497,100	235,264,020
1996	204,016,810	69,057,190	17,913,050	290,987,050
1997	204,832,650	77,534,440	18,182,000	300,549,090

Note:

Assessed value is determined as noted in Table 4.

CITY OF LAKE CHARLES, LOUISIANA
 Reconciliation of 1997 Tax Roll
 Fiscal Year Ended September 30, 1998
 (Unaudited)

Assessed valuation of \$300,459,090 at 16.28 mills		\$4,861,555
Additions		18,994
Less:		
Cancellations and reductions		(39,602)
Unpaid taxes (includes bankruptcies, adjudications, and paid under protest)		(40,083)
Total to account for (current year collections only)		4,800,864
Distribution of ad valorem taxes collected during fiscal year ended September 30, 1998:		
General Fund:		
General alimony - 6.09 mill	\$1,818,550	
Special street improvements - 2.54 mills	758,476	
Employee salary - 5.63 mills	1,681,165	
Special recreation - 1.88 mills	562,258	
Total accounted for		4,820,449
Total amount over collected*		(\$19,585)

* Includes collections for prior year.

CITY OF LAKE CHARLES, LOUISIANA
Principal Taxpayers
Tax Year December 31, 1997
for Fiscal Year Ended September 30, 1998
(Unaudited)

Taxpayer	Type of Business	Assessed Valuation 1996	Percentage of Total Valuation
Players Lake Charles	Riverboat casino	\$11,320,550	5.07 %
Bell South Telecommunications	Telephone	10,746,220	4.81
Hibernia National Bank	Bank	6,488,920	2.90
First National Bank	Bank	6,087,780	2.73
Entergy Gulf States Inc.	Electric utility	4,286,230	1.92
Banc One	Bank	3,416,650	1.53
Showboat Star Partnership	Riverboat casino	3,097,370	1.39
Wal-Mart Stores	Retail	2,854,770	1.28
Simon, Melvin, & Associates	Land and project developer	2,532,500	1.13
Carboline Company	Manufacturer	1,315,600	0.59
		<u>\$52,146,590</u>	23.34

Total city valuation: \$223,374,270

CITY OF LAKE CHARLES, LOUISIANA
Property Tax Rates (Millage) - Per \$1000 Assessment
Last Ten Fiscal Years
(Unaudited)

Calendar Year Ended	Fiscal Year	General and Special Revenue Funds	Debt Service Funds	Total
1988	1988-89	16.81	2.00	18.81
1989	1989-90	17.43	1.32	18.75
1990	1990-91	17.43	0.89	18.32
1991	1991-92	17.43	0.81	18.24
1992	1992-93	19.15	0.54	19.69
1993	1993-94	19.15	0.59	19.74
1994	1994-95	19.15	0.54	19.69
1995	1995-96	19.15	0.42	19.57
1996	1996-97	16.12	0.16	16.28
1997	1997-98	16.14	0.00	16.14

Note:

All property taxes levied by the City of Lake Charles are retained in the City budget and none are collected for distribution to other governmental units.

CITY OF LAKE CHARLES, LOUISIANA
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Fiscal Years Ended September 30, 1989 through 1997
(Unaudited)

<u>Fiscal Year Ended</u>	<u>Population</u>	<u>Assessed Value (in Thousands)</u>
1989	70,580	\$211,138
1990	70,580	212,889
1991	70,808	215,029
1992	70,622	214,084
1993	71,705	212,685
1994	72,112	217,167
1995	73,742	225,864
1996	75,424	235,264
1997	No General Obligation Debt	
1998	No General Obligation Debt	

Note:

- (1) Gross bonded debt amount does not includes special assessment bonds.
- (2) Debt service money available is for the repayment of general obligation bonds.
- (3) Population figures used for 1989 through 1991 are official 1990 census results.
Other population figures are annual estimates.
- (4) All bonded debt was paid in full in fiscal year 1997

Gross Bonded Debt	Debt Service Money Available	Net Bonded Debt	Percent Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
\$1,419,000	\$80,077	\$1,338,923	0.63 %	\$19
985,000	49,711	935,289	0.44	13
595,000	42,608	552,392	0.26	8
445,000	15,740	429,260	0.20	6
345,000	4,215	340,785	0.16	5
245,000	9,630	235,370	0.11	3
145,000	18,076	126,924	0.06	2
50,000	13,898	36,102	0.02	1

CITY OF LAKE CHARLES, LOUISIANA
Computation of Legal Debt Margin
September 30, 1998
(Unaudited)

Net assessed value (real property)		\$204,832,650
Plus exempt property		<u>81,510,260</u>
 Total assessed value		 <u>\$286,342,910</u>
 Debt limit - 10 percent of total assessed value		 \$28,634,291
 Amount of debt applicable to debt limit:		
Total bonded debt (including special assessments)	\$12,783,459	
 Less:		
Assets in Debt Service Funds available for payment of principal and interest	\$828,945	
Other deductions allowed by law:		
Special assessment bonds	<u>918,237</u>	
Total deductions		<u>1,747,182</u>
 Total amount of debt applicable to debt limit		 <u>11,036,277</u>
 Legal debt margin		 <u>\$17,598,014</u>

CITY OF LAKE CHARLES, LOUISIANA
 Computation of Direct and Overlapping
 General Obligation Bonded Debt
 September 30, 1998
 (Unaudited)

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Lake Charles</u>	<u>Amount Applicable to Lake Charles</u>
City of Lake Charles	\$0	100 %	\$0
Calcasieu Parish School Board	71,102,454	29.792%	21,182,843
Calcasieu Parish Library Improvement Bonds	<u>10,465,000</u>	29.792%	<u>3,117,733</u>
Total Direct and Overlapping General Obligation Bonded Debt	<u><u>\$81,567,454</u></u>	29.792%	<u><u>\$24,300,576</u></u>

CITY OF LAKE CHARLES, LOUISIANA
 Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total General Expenditures
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year Ended	Principal Retirement	Interest Paid	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
1989	\$1,047,416	\$357,560	\$1,404,976	\$30,627,480	4.59 %
1990	961,463	301,792	1,263,255	31,134,572	4.06
1991	791,019	229,723	1,020,742	31,969,607	3.19
1992	552,011	186,414	738,425	31,979,154	2.31
1993	419,403	146,733	566,136	34,354,252	1.65
1994	387,821	113,542	501,363	38,242,774	1.31
1995	378,397	82,150	460,547	42,677,685	1.08
1996	221,804	50,192	271,996	50,801,635	0.54
1997	144,442	32,584	177,026	53,110,668	0.33
1998	75,277	19,417	94,694	52,232,659	0.18

Note:

- (1) Total General Expenditures includes General, Special Revenue, and Debt Service Funds.
- (2) Amounts include principal and interest payments of special assessments.

CITY OF LAKE CHARLES, LOUISIANA
Special Assessment Billing and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Special Assessments Billings	Special Assessments collected	Ratio of Collections To Amount Due	Total Outstanding Assessments
1989	\$864,093	\$566,267	65.5 %	\$2,392,386
1990	919,075	376,162	40.9	2,118,012
1991	910,150	323,269	35.5	1,955,655
1992	953,133	262,347	27.5	1,685,624
1993	945,449	247,032	26.1	1,439,891
1994	946,748	196,202	20.7	1,252,323
1995	955,381	108,018	11.3	1,082,893
1996	893,970	100,288	11.2	880,248
1997	791,612	42,669	5.4	795,981
1998	750,013	27,083	3.6	748,373

Note:

The amount reported as Special Assessments Billings is the total amount actually billed, including current and delinquent principal and interest, in November of each year. The amount reported as Special Assessments Collected is the total amount actually collected during the fiscal year.

CITY OF LAKE CHARLES, LOUISIANA
Sales Tax, Licenses Tax and Utility Franchise Tax Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	One Percent Sales Tax (1965)	Additional One Percent Sales Tax (1987)	Employee's Pay Sales Tax (1995)
1989	\$7,596,038	\$7,596,037	\$0
1990	8,143,075	8,143,074	0
1991	8,716,687	8,716,686	0
1992	8,879,225	8,879,224	0
1993	9,307,413	9,307,412	0
1994	10,299,961	10,299,960	0
1995	10,673,230	10,673,228	1,127,825
1996	11,286,542	11,286,540	2,795,072
1997	11,571,527	11,571,526	2,887,759
1998	12,282,721	12,282,721	3,051,254

Note:

- (1) Additional one percent sales tax was collected during the last eight months of fiscal year 1987.
- (2) Revised rates and expanded coverage of occupational licenses tax became effective in 1988.
- (3) One-quarter cent sales tax collections levied for an employee pay raise began May, 1995.

Occupational License and Insurance Taxes	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise
\$1,642,718	\$2,227,135	\$320,605	\$182,270
1,660,680	2,419,419	293,372	212,817
1,788,330	2,541,497	293,379	250,464
1,768,155	2,491,601	268,714	295,209
1,869,475	2,586,166	245,312	332,465
1,941,457	2,848,582	261,731	372,239
2,000,807	2,778,707	265,766	405,569
2,152,181	3,173,086	248,011	474,811
2,125,724	3,007,878	599,121	430,584
2,196,952	3,144,286	393,389	430,158

CITY OF LAKE CHARLES, LOUISIANA
Property Value, Construction and Bank Deposits
Last Ten Calendar Years
(Unaudited)

<u>Calendar Year Ended</u>	<u>Commercial Construction</u>	
	<u>Permits Issued</u>	<u>Value</u>
1989	330	\$21,243,473
1990	293	28,622,542
1991	281	32,216,186
1992	270	27,884,991
1993	285	55,234,530
1994	216	21,848,575
1995	283	47,431,671
1996	311	97,633,110
1997	329	62,691,854
1998	444	29,747,777

Source: Construction data from City of Lake Charles Inspection Division; bank deposits from individual banks; property value (assessed valuation) from Calcasieu Parish Tax assessor's Office.

Residential Construction		Property Value		
Permits Issued	Value	Bank Deposits	Taxable	Non-Taxable
902	\$3,713,449	\$1,205,144,000	\$211,138,420	\$38,677,060
741	3,394,740	1,356,528,000	212,889,460	39,013,300
851	5,025,399	1,455,825,000	215,028,720	39,577,270
691	4,446,637	1,405,528,985	214,084,060	39,929,890
713	4,128,425	1,331,842,000	212,685,060	41,851,850
622	4,987,188	1,397,813,000	217,166,740	41,350,180
552	4,536,337	1,395,149,000	225,863,520	43,971,290
784	6,800,564	1,647,834,000	235,264,020	81,510,260
736	6,708,083	1,619,879,000	290,987,050	81,510,260
950	5,609,288	1,848,275,000	300,549,090	81,510,260

CITY OF LAKE CHARLES, LOUISIANA
Demographic Statistics
Last Ten Calendar Years
(Unaudited)

<u>Calendar Year Ended</u>	<u>Population</u>	<u>Median Household Income (1)</u>	<u>Median Age</u>
1988	73,000	\$25,228	27.5
1989	70,580	25,228	27.5
1990	70,580	25,228	27.5
1991	70,808	25,228	27.5
1992	70,622	25,228	27.6
1993	71,705	21,225	32.1
1994	72,112	21,225	32.2
1995	73,742	21,225	32.1
1996	75,424	21,225	32.1
1997	75,743	21,225	32.1

Notes:

- (1) Estimates by IMCAL.
- (2) School enrollment includes public and state approved private schools only.

Table 16

Public City School Enrollment (K-12 Grades)	Private City School Enrollment (K-12 Grades)	Total City School Enrollment (K-12 Grades)	Unemployment Percentage Rate
15,850	2,506	18,356	11.5 %
15,126	2,572	17,698	9.1
16,182	3,150	19,332	7.6
15,846	2,948	18,794	8.8
16,038	2,787	18,825	6.5
16,232	2,614	18,846	7.3
16,662	2,713	19,375	5.1
14,291	2,713	17,004	6.3
14,777	2,815	17,592	6.0
14,696	2,820	17,516	5.0

CITY OF LAKE CHARLES, LOUISIANA
Enterprise Fund Operating Revenues
Last Ten Fiscal Years
(Unaudited)

<u>Year Ended</u>	<u>Civic Center</u>	<u>Golf Course</u>	<u>Public Transit</u>	<u>Water Utility</u>
1989	\$728,260	\$571,296	\$110,448	\$0
1990	892,809	682,830	116,510	0
1991	749,639	830,893	124,893	4,070,264
1992	775,842	988,980	126,796	5,517,693
1993	714,365	846,747	136,590	5,740,746
1994	745,956	990,626	136,568	5,745,312
1995	666,793	1,087,392	137,512	6,015,162
1996	729,982	1,147,880	79,231	6,396,291
1997	647,765	1,182,153	86,120	6,155,325
1998	1,618,265	1,201,766	79,927	6,584,346

Note:

The 1991 Water Utility revenues are for a nine month period beginning January 1, 1991.

CITY OF LAKE CHARLES, LOUISIANA
Miscellaneous Statistics
September 30, 1998
(Unaudited)

Date of incorporation	1867
Form of government	Mayor-Council
Area	35.22 square miles
Miles of streets (estimate)	400
Fire protection:	
Number of stations	7
Total authorized personnel	129
Police protection:	
Number of stations	4
Total authorized personnel	171
Water system:	
Number of customers	26,952
Average daily consumption	10.276 million gallons
Sewers:	
Sanitary sewers	600 miles
Storm sewers	425 miles
Recreation and culture:	
Number of parks and acreage	29-561 acres
Number of libraries	1 central - 13 branches
Number of volumes	284,969
Employees - City of Lake Charles	867
Telephones	56,093
Electric meters	26,653
Gas meters	38,216
Building permits issued	1,394
Schools	32 public 12 non-public 17,516 enrollment 1 technical institute 2,934 + enrollment 1 college 7,995 enrollment
Industry	141 establishments 10,800 workers 313,700,000 annual wages

Source: Lake Charles city directory and local city sources.