

CITY OF LAKE CHARLES, LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the
Fiscal Year Ended
September 30, 2015



Prepared by
Department of Finance

CITY OF LAKE CHARLES
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

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CITY OF LAKE CHARLES

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RANDY ROACH
MAYOR

DEPARTMENT OF FINANCE
KAREN D. HARRELL, DIRECTOR

March 29, 2016

Honorable Randy Roach, Mayor
Members of the City Council

Dear Mayor and City Council Members:

In accordance with requirements of the City's Charter and applicable state law, I am pleased to submit the Comprehensive Annual Financial Report of the City of Lake Charles for the fiscal year ended September 30, 2015. This report has been prepared by the City's Finance Department in conformity with generally accepted accounting principles (GAAP), and the basic financial statements contained herein have been independently audited in accordance with generally accepted auditing standards. However, the completeness and reliability of all information presented in this report remains the responsibility of the City's management. McElroy, Quirk, and Burch (APC), a firm of licensed certified public accountants, have audited the City of Lake Charles's financial statements. The purpose of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on these financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board (GASB) requires certain government-wide statements as well as the fund financial statements. The purposes and contents of these financial statements are further explained in Management's Discussion and Analysis (MD&A) which follows the independent auditor's report and should be read in conjunction with this letter of transmittal for a more complete understanding of the City's financial condition and activity.

City Profile

The City of Lake Charles was incorporated in 1867 and is the principal city and trade center of Southwest Louisiana, which is comprised of a five parish area with a population of 292,619 per the 2010 Census, which represents a 5 percent growth from 2000. The census count for the City of Lake Charles was a population of 71,993 within the corporate limits of the City which includes 43 square miles. Lake Charles, which is in Calcasieu Parish, is located on Interstate 10, approximately two hours east of Houston, Texas and west of Baton Rouge, Louisiana.

The City operates under a mayor-council form of government pursuant to a 1961 home rule charter, and provides a full range of traditional municipal services such as public safety, construction and maintenance of municipal infrastructure including water and wastewater, parks and recreation, planning and zoning, trash collection and solid waste disposal and public transportation. The City also has specialized facilities such as a municipal golf course, a civic center coliseum and theater complex, and two art centers. All of these activities are integral parts of the city government and are included in this report. Certain components of the judicial function are legally separate entities which are discretely presented in these statements as "component units."

The City adopts an annual operating budget and a project-based capital budget in accordance with procedures established by its charter and by state statute. Although the budget document is comprehensive, covering all funds under the City's control, legal control of expenditures is exercised primarily at the department level for the General Fund and for each Special Revenue Fund pursuant to charter and statutory requirements. Budget-to-actual comparisons for major funds of these types are included in this report.

TRANSMITTAL LETTER

The City also maintains an internal control framework 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. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. An evaluation of internal controls and legal compliance is required by federal law in connection with the independent audit, and the auditor's reports thereon are included in a separately issued "single audit" report.

Economic Environment

The Lake Charles area has an economic base that has been dominated by petrochemical manufacturing and refining since the 1940's. Over the last couple of decades Southwest Louisiana has diversified its economy with aerospace and gaming industries. The Port of Lake Charles, a deep water port with a 30-mile ship channel to the Gulf of Mexico, is ranked as the 11th busiest port in the Nation. Chennault Industrial Airpark and the Lake Charles Regional Airport support a growing aviation industry. Lake Charles is home to McNeese State University and SOWELA Technical Community College. Riverboat Gaming was introduced in 1993 and has provided funding for major capital improvements since that time. Retail businesses within the City provide goods and services to a five parish regional area. Annual art events and over 75 annual festivals provide entertainment to both locals and visitors.

The recent oil prices have had a negative effect on the budget for the State of Louisiana. In a recent Legislative Special Session, measures were taken to cover forecasted revenue shortfalls for the current fiscal year as well as addressing next fiscal year. Approved at the session were levies of additional tax for cigarettes, alcoholic beverages and telecommunication services and imposed an automobile rental tax. Various changes were made to current sales collections, exclusions and exemptions and to corporate income taxes provisions. The item that will generate the most revenue for the State is a levy of an additional one cent sales and use tax effective April 1, 2016 through June 30, 2018. This results in a parish-wide sales tax levy of 10.75%.

As mentioned above, Southwest Louisiana has a diversified economy and has not been as adversely affected by the oil and gas industry as other parts of the state. The SWLA Economic Development Alliance recently summarized the areas economic growth, with over \$97 billion in announced projects in the five parish region. The recent slump of the oil and gas industry is forcing many of these companies to reconsider their planned projects. To date, over \$32 billion of those announced projects are underway.

Industrial Projects

The status of the industrial projects below was obtained from the January 2016 SWLA Project Report of the SWLA Alliance.

- SASOL Ltd. is constructing a world-scale petrochemical Ethane Cracker Complex near the existing site at its SWLA Westlake facility. The \$8.9 billion project will roughly triple the company's chemical production capacity in the U.S. The project is well underway and Sasol has been committed to hiring Louisiana workers, many from Calcasieu Parish. The majority of the temporary jobs will be available through Sasol's major Louisiana contractors. Workforce is expected to peak with 5,000-plus construction workers onsite. Operation in some units that are currently under construction will open in 2019, a year later than planned because of a drop in profits brought on by low oil prices. Also in response to lower oil prices, Sasol has delayed its final investment decision on a \$14 billion gas-to-liquid facility that is planned at the same site. They are moving at a slower pace on this project and will evaluate the possibility of phasing in that project going forward.
- Cheniere Energy in Cameron Parish has its 6 train development underway on its Sabine Pass Liquefaction Project (LNG) to transport affordable natural gas around the world from Louisiana with an estimated total cost of \$20 billion. It is expected to generate 4,500 construction jobs and 580 permanent jobs. The first two liquefaction trains (aka LNG productions units) are ahead of contractual schedule. Train 1 is complete and America's first shipment of liquefied natural gas left the Gulf Coast in-route to Brazil in February 2016. Train 2 is expected to be in commission later in 2016 and the additional four trains completed by 2019.

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- Sempra Energy, a subsidiary of Cameron LNG, broke ground in October 2014 on a \$10 billion natural gas liquefaction and export facility at the company's Cameron LNG terminal in Hackberry. The construction is underway and on schedule. It is estimated to create 3,000 construction jobs and 130 full time jobs with operations expected to begin in 2019.
- G2X Energy, a developer of natural gas and methanol-to-gasoline products, recently announced the company had entered into license and engineering contracts for work on a methanol-production facility in Lake Charles. They held a groundbreaking ceremony in January 2016 for the Big Lake Fuels Methanol Complex project. The \$1.6 million project will need 2,500 construction workers and create 150 permanent jobs. Construction is estimated to take three years.
- Axiall Corporation and Lott Chemical Corporation announced they would construct an ethane-based ethylene plant in Lake Charles. The total estimated cost of the facilities is \$3 billion. Site preparations have begun and start-up operations are anticipated for 2019. Construction jobs are estimated at 3,000 and 250 permanent jobs.
- Magnolia LNG plans to build a \$3.5 billion midscale LNG export facility located on the Industrial Canal in Big Lake. The project is slated to generate more than 1,000 construction jobs and 70-80 permanent jobs. The initial start-up of operations is projected for 2018.
- Lake Charles LNG/BG Group, formerly Trunkline LNG Export/Energy Transfer Equity, announced in December 2015 that it was cleared by U.S. Regulators to start the \$9 billion liquefied natural gas export facility in Lake Charles. A final investment decision is expected in 2016. Construction could begin immediately after the announcement and create several thousand construction jobs and approximately 250 long-term operational positions. The first exports would be planned for 2020.
- Southern California Telephone and Energy (SCT&E) and Venture Global LNG are both seeking permits to construct large scale LNG export facilities in lower Cameron Parish, with possible investments of \$9.25 billion and \$4.25 billion. A combined job estimate of 3,500 construction jobs and 300 permanent jobs are expected. Construction would take 2-3 years and with plant operations expected by 2021.

Workforce housing

According to the SWLA Alliance February 2016 report, three temporary housing developments have been permitted to meet the demands of the job growth forecasted for this area. In addition to housing, these developments plan for on-site recreation, laundry, and cooking facilities, and include services such as transportation, meals and security.

Moss Lake Village at Southland Field in Carlyss has received all permits and will accommodate up to 2,500 workers needed primarily for the Sempra Cameron LNG Project. Mossville Lodge, located on J. Clophus Road near Westlake was approved for up to 2,980 beds. Deerfield Lodge on Highway 108 south of Sulphur could house 1,566 workers.

In lieu of Pelican Lodge, the port of Lake Charles plans to move forward with temporary worker housing on La. 397. The project is estimated to cost between \$80 -100 million. It will house between 1,500 – 4,000 workers. Port authorities have received proposals from various companies and plans to move forward soon.

Numerous other temporary housing complexes and RV parks are currently being considered in Calcasieu and Cameron Parishes.

Education

McNeese State University, located in Lake Charles, maintains a dedication to its core values of academic excellence, student success, fiscal responsibility, and university/community alliances. According to a recent study, in 2015 the university's total annual economic impact statewide was \$407.8 million and \$371.6 million on the Southwest Louisiana region.

TRANSMITTAL LETTER

Sowela Technical Community College is a comprehensive community college and serves the Southwest Louisiana region in preparing students for employment or university transfer. Current enrollment of more than 3,540 students is the highest enrollment in the school's history. Facility construction of over \$28 million is underway at both the Lake Charles and Jennings campuses.

The Southwest Louisiana Entrepreneurial and Economic Development (SEED) Center, located on Ryan St., is an economic catalyst that facilitates the development of new and existing business ventures to create quality jobs for Southwest Louisiana and the entire state of Louisiana. Additionally, it aligns with McNeese's vision to create a culture of innovation and play an active leadership role in the civic and economic renaissance in Southwest Louisiana over the next five years.

Tourism

Tourism is Southwest Louisiana's second largest economic driver, estimated to bring in \$339 million annually.

Golden Nugget Casino opened their \$700 million complex on Port property adjacent to the L'Auberge Casino in December of 2014. It was thought that this casino would cannibalize the gaming market from other competing gaming venues in the area, but this has not happened. The new casino grew the gaming market, with average monthly gross gaming proceeds of \$20.5 million per month since its opening.

L'Auberge Casino which opened in 2005 had monthly gross gaming revenues of \$28 million per month in 2015, compared to \$30 million per month in 2014.

Both casinos operate full service, resort-style facilities, with pools, golf courses, restaurants and high end entertainment on a continual basis.

According to the Southwest La. Convention and Visitors Bureau (CVB), SW Louisiana has played host to close to 100 different sporting events annually at its football, soccer and ball fields, basketball courts and golf courses. Southwest Louisiana hosts over 75 annual festivals and hosts many diversified arts and cultural events.

The Southwest Louisiana Task Force for Growth and Opportunity or, GO Group, was established to deal with the issues that may arise with the planned industrial projects discussed above. The subcommittees will address areas such as workforce development, education, transportation, housing, utilities, health, public safety, small business, environmental and community relations. Area officials are taking a very proactive approach to ensure that the area is ready to support all aspects of the new development, while continuing to maintain our solid sense of community. The City and surrounding areas are optimistic about the growth in our area while realizing that along with the growth comes the need for expanded City services.

Current and Future Financial Plans

In October 2015, the voters of the City of Lake Charles approved a one-quarter percent (1 1/4%) sales tax proposition. Historically, the City had collected one-quarter cent less in sales tax than all of Calcasieu Parish incorporated and unincorporated areas. The passage of this tax levels the tax rate for the entire Parish. This additional tax levy had been discussed since the City's economic downturn in 2009. The current economic growth in the area necessitated the need to improve the City's pay scales to be able to recruit and retain a suitable workforce. The additional revenue stream was needed to ensure the long-term affordability of an increase in pay for all employee groups.

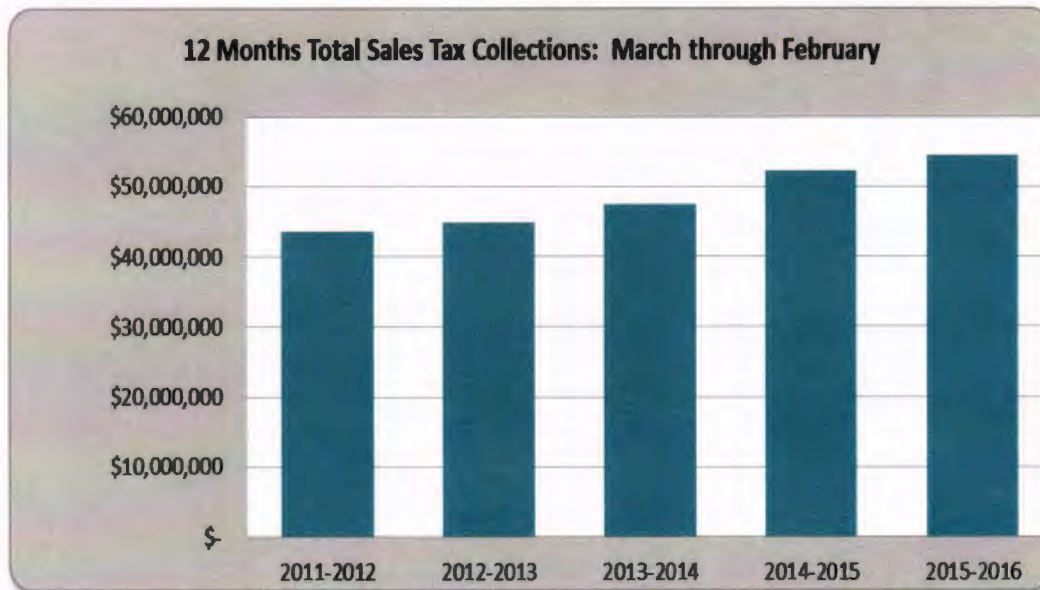
It is estimated that this tax will generate \$6 million in the first year of collection, 9 months of which will be recorded in fiscal year 2016. The Lake Charles City Council adopted an Ordinance that set forth the specific manner in which the proceeds of the tax would be spent. The primary obligation of the bonds relates to the \$90 million Bond issue proposition that was passed in 2006, which authorized a sales tax levy of one-quarter percent, should primary revenues fail to meet debt service requirements. Because of that obligation, 25 percent of funds collected each year will be deposited into a bond reserve fund and held to secure the primary obligation to fund the bond payments. If

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the funds are not needed in the current year, they would be available for appropriations in the following fiscal year for capital improvements.

The remaining tax proceeds will be used to fund pay raises for all City employees and to cover additional operational, maintenance and capital needs of the City. Effective January 1, 2016, all full time, part time and temporary employees received an across the board pay raise. Additionally, all entry level pay ranges were increased for career and public safety positions. An additional across the board raise effective January 1, 2017 was authorized by the City Council. The 2016 budget will be amended to reflect the additional revenues and expenditures.

Sales taxes are the City's largest revenue source and increased by 8.6 percent in fiscal year 2015 and by 8.1 percent in fiscal year 2014. The City's sales taxes reported in this CAFR are from a levy of 2.25 percent total tax, with 1.73 percent going into the General Fund. The other .52 percent is dedicated for wastewater, recreation and capital projects and is accounted for in those funds. The graph below captures the total sales tax revenue collected for March through February for each of the last five years. The trend for the nine month period from July 2015 through February 2016 indicates that City revenues have increased by 2.7 percent over the same period last year. The Calcasieu Parish Sales Tax Office's reports indicate that parish-wide collections for the same period have increased by 14 percent. Building Materials and Manufacturing are the two largest categories of taxable sales and have the largest percent of increase. However, much of those sales are for the growth in the areas outside of the City limits and therefore the City is not benefiting from those increases in taxes.



The City's primary operating account, the General Fund, ended fiscal year 2015 with a surplus of \$2 million due to savings in operational costs across all departments, but primarily in Public Works. Due to a positive variance of revenues and expenses, the budget was amended and provided for a transfer of \$2.1 million to fund the police supplemental pay lawsuit and \$800,000 for capital project funding. The General Fund had an ending fund balance of \$31,373,377 at September 30, 2015, which represents 49 percent of 2015 expenditures and transfers.

The adopted General Fund Operating Budget for fiscal year 2016 projects an operating surplus \$161,442 but also provides for a transfer of accumulated fund balance reserves of \$2,574,800 to be transferred to the Capital Project funds to pay for needed improvements to the City's wastewater system basins.

The City Council recently accepted a bid of nearly \$42 million to rebuild Wastewater Treatment Plant B/C. The City had accumulated funds of \$29 million, which includes \$2 million in State Capital outlay funds and \$14.3 million from a 2011 DEQ Revolving Loan fund, in addition to City capital funds. The budget was amended and authorized an additional \$15,775,000 in City funds for the rebuild. This includes the use of \$4.5 million from General Fund reserves, \$2 million in Riverboat Gaming funds, \$3 million from Wastewater funds, \$4 million from

TRANSMITTAL LETTER

Capital Project reserves and other various sources. This is a multi-year project and should additional State Capital outlay funds be allocated, those would be spent prior to spending the above named reserves. The City is currently in the process of applying for a \$15 million loan from the DEQ Revolving Loan fund. Those loan proceeds could also be spent before using the governmental fund reserves. Although it was necessary to identify these potential funding sources, it is not anticipated that the City will actually have to make such a substantial reduction of fund balance reserves.

Should the City reduce the General Fund current balance of \$31 million by the above mentioned \$2.5 million and \$4.5 million, the remaining balance of \$24 million would be 36 percent of operating reserves and operating transfers. This is above the targeted balance of maintaining reserves of 30 percent of budgeted expenditures and non-capital transfers.

Capital Improvements:

The City has issued \$75 million in bonds for Phase 1 and 2 of the \$90 million capital improvement plan that was approved by Lake Charles voters. The remaining bond proceeds and interest earnings of \$5 million will be used primarily for the Sallier Street project. The City does not currently have any plans to issue the remaining \$15 million in authorized bonds. However, as mentioned above, we are currently applying for a DEQ Revolving Loan.

Accumulated Capital Project Fund balances and revenues not needed to repay the bonded debt will be used to provide for previously authorized and future city projects that were not included in the bond proposition. Increased sales tax revenues, gaming revenues, and revenues from various other sources, such as State Capital Outlay funds totaled \$34 million in the fiscal year 2016 adopted Capital Budget. Below are highlights of current capital improvement projects, as of the date of this report:

Recently completed projects from City capital funds, unless otherwise stated:

- Sale Road bridge replacement: (\$6.0 million construction in progress, \$609,000 spent in fiscal year 2015; \$4.6 million spent in fiscal year 2014; funded 80% DOTD and 20% City funds), open for traffic and should be accepted as substantially complete in the near future.
- Cove Lane Interchange: initial phase completed, funded by DOTD, casinos contributions and gaming proceeds of the Calcasieu Parish Gaming Pool.
- Various road, asphalt overlay, sidewalk and drainage projects - \$990,000 (Intersections, Holmes St Bridge, 12th Street)
- Various utility (water and sewer) projects - \$1.6 million (Tract One C and Track One D, Graymarket Drive, E McNeese)
- Lift Station Improvements - \$2.3M (\$1.85 million CDBG Disaster Recovery, remaining City Capital Funds)
- Generator Program - \$1.9 million (\$1.7M CDBG Disaster Recovery funds, remaining City Capital Funds)
- Other Governmental Projects - \$1.1 million (Recreation Restrooms, LCPD Annex, Fiber Optic Network, Holiday Lighting)
- Transit wash rack – \$830,000 funded by FTA

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Currently in design phase or under construction:

- Wastewater system improvements: The City has recently entered into a construction contract for a \$42 million wastewater treatment facility at the current Plant B/C location. In addition to various City funding sources, DEQ State Revolving Loan and Priority 1 State Capital Outlay funds will be used. Additional State Capital Outlay funds have been requested. The City is also currently applying for an additional DEQ loan.
- Sallier Street – Bond, City capital and Parish Transportation funds
- Highway 385 multi-use trail (Clarence St. – Ryan to Lakeshore) - \$1.4 million DOTD and City Capital Funds
- Prien Lake Road - Cove Lane to Ihles Road and Ihles Road south to Country Club is currently under review. City, Parish and State Capital Outlay funds will be used.
- Theriot, North Booker, North Adams and Woodard Streets - \$1.1 million City Capital Funds
- 1st Avenue Reconstruction - \$990,000 CDBG and City Capital Funds
- 6th Avenue Paving and Drainage - \$1.1 million City Capital Funds
- 1st Ave Multi-Use Trail – \$1.1M DOTD, FHWA, Recreational Trails and City Capital Funds
- Various road, sidewalk and drainage projects - \$2.7 million (Ryan Streetscape Phase 2, City Wide Striping, 3rd Avenue Sidewalks, 10th St Drainage)
- City Wide Asphalt Overlays 2015 - \$1.3 million City capital funds
- City Wide Asphalt Overlays 2016 (Under Design) - \$1.25M City Capital Funds

Long-term financial planning:

The fund balance in the General Fund is \$31 million which represents 44 percent of the 2015 budgeted expenditures and non-capital transfers. It is the City's policy to maintain a 30 percent minimum fund balance target for the General Fund.

Annually the City completes a five year capital improvement plan. This serves as the basis for budgeting and planning the future of the City's capital assets.

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Awards and Acknowledgements

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, 2014. The City also received this award for its reports of the preceding thirty years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Such reports must satisfy both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire Finance Department staff. 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,



Karen D. Harrell
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lake Charles
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

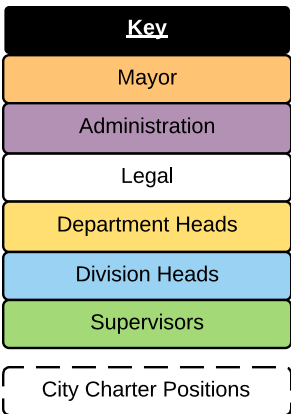
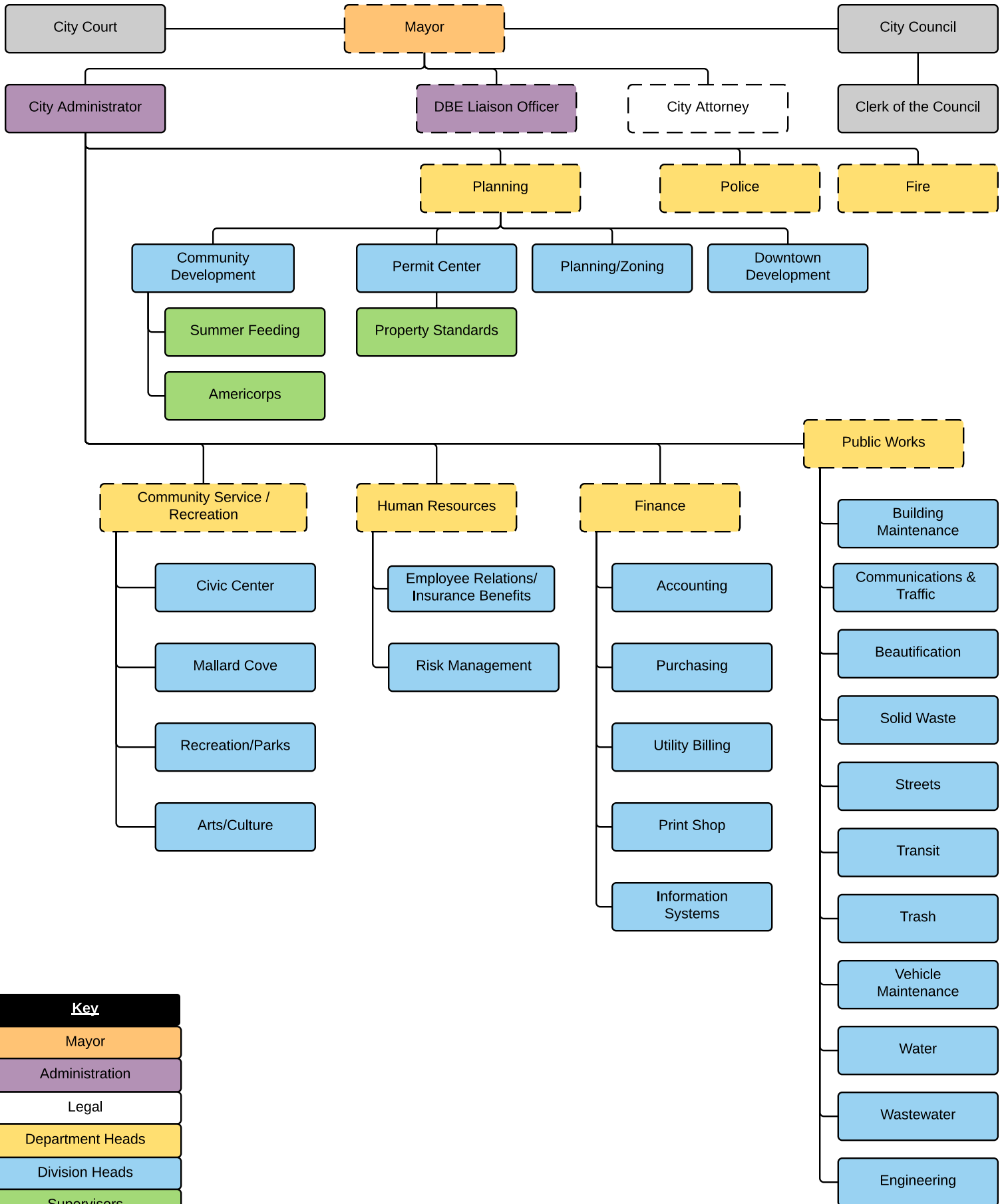
A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

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City of Lake Charles Organization Chart



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CITY OF LAKE CHARLES
ELECTED CITY OFFICIALS

	<u>PRESENT TERM BEGINS</u>	<u>PRESENT TERM EXPIRES</u>	<u>BEGAN AS MEMBER</u>
<u>MAYOR</u>			
Randy Roach	July 1, 2013	June 30, 2017	May 2000
<u>CITY COUNCIL</u>			
Dana Carl Jackson, President	July 1, 2013	June 30, 2017	July 2005
Rodney Geyen, Vice-President	July 1, 2013	June 30, 2017	July 1997
Stuart Weatherford	July 1, 2013	June 30, 2017	July 2005
Luvertha August	July 1, 2013	June 30, 2017	January 2008
Mark Eckard	July 1, 2013	June 30, 2017	July 2009
Mary Morris	July 1, 2013	June 30, 2017	July 2013
John Ieyoub	July 1, 2013	June 30, 2017	July 2009
<u>CITY JUDGES</u>			
Jamie B. Bice	January 1, 2015	December 31, 2020	January 1, 2015
John S. Hood	January 1, 2015	December 31, 2020	January 1, 1985
<u>WARD 3 MARSHAL</u>			
Joseph Alcede III	January 1, 2015	December 31, 2020	November 16, 2004

CITY OF LAKE CHARLES

DEPARTMENT HEADS

EMPLOYEE	DEPARTMENT
JOHN CARDONE	MAYOR'S OFFICE
BILLY LOFTIN, JR.	LEGAL
KAREN HARRELL	FINANCE
WENDY GOODWIN	HUMAN RESOURCES
KEITH MURRAY	FIRE
DON DIXON	POLICE
MISTER EDWARDS	PUBLIC WORKS
PERCY BROWN	COMMUNITY SERVICES

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor Randy Roach
and City Council
City of Lake Charles
Lake Charles, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City Court of Lake Charles or the Office of the Ward Three Marshal, which represent 0.7 percent, 0.9 percent and 1.5 percent, respectively, of the assets, net position and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Court of Lake Charles and the Office of the Ward Three Marshal, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other postemployment benefits – schedule of funding progress, schedule of employer's proportionate share of net pension liability, and schedule of employer's pension contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of Lake Charles, Louisiana's basic financial statements. The introductory section, schedule of total compensation for Mayor, City of Lake Charles, combining nonmajor governmental fund statements, combining internal service fund statements, schedules of capital assets used in the operation of governmental funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements

The schedule of total compensation for Mayor, City of Lake Charles, combining and individual nonmajor governmental fund statements, schedules of revenues, expenditures and changes in fund balance-budget and actual, combining internal service fund statements, and schedules of capital assets used in the operation of governmental funds, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the schedule of total compensation for Mayor, City of Lake Charles, combining and individual nonmajor governmental fund statements, schedules of revenues, expenditures and changes in fund balance-budget and actual, combining internal service fund statements, and schedules of capital assets used in the operation of governmental funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2016, on our consideration of the City of Lake Charles, Louisiana's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lake Charles, Louisiana's internal control over financial reporting and compliance.

Mc Elroy, Quirk & Burch

Lake Charles, Louisiana
March 29, 2016

CITY OF LAKE CHARLES, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis seeks to provide an overview of the financial activity and performance of the City of Lake Charles for the fiscal year ended September 30, 2015, and accompanies the basic financial statements beginning on page 31 of this report. The transmittal letter on pages 1 - 8 of this report provides further information from a broader perspective, and should be consulted in conjunction with this discussion and the financial statements themselves for a more complete understanding of the City's financial condition and economic environment.

Financial Highlights

- The City's total net position at the end of fiscal year 2015 was \$432 million, compared to the restated September 30, 2014 balance of \$405 million. Per the Statement of Activities, total Governmental and Business-Type Activities revenues of \$135 million were used to cover total expenses of \$108 million, primarily public safety and public works related activities.
- The City implemented Governmental Accounting Standards Board Statement No. 68, *Accounting for Financial Reporting and Pension – an amendment of GASB Statement No. 27*, and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements required the City to recognize its proportionate share of the net pension liability for the four defined benefit plans in which its employees participate. The effects of the implementation were applied directly to net position, resulting in a reduction of \$50.5 million from the previously stated balance of \$456 million for September 30, 2014. The City restated net position as of September 30, 2014 was \$405.5 million. The increase in long term liabilities is directly related to the addition of the net pension liability. Additional information is provided in the Notes to the Financial Statements.
- Total revenue from both governmental and business-type activities was \$135 million, which was a relatively small increase from the previous year total of \$133 million. Program revenues decreased by \$6.4 million due to the reduction of Capital Grants and Contributions as several large infrastructure projects for both Public Works and the Civic Center Fund were completed in the previous year. Sales tax revenues increased by \$4.3 million or 8 percent in 2015 from the prior year. The sales tax collections of \$54.8 million account for 40 percent of total revenues. Riverboat gaming taxes of \$11 million represent an increase of 14 percent from \$9.6 million in the previous year due to the opening of Golden Nugget Casino in December 2014.
- In the fund financial statements, total governmental fund balances were increased by \$14 million in 2015 to \$134 million. The Capital Project Fund accounted for the largest increase of \$7.6 million as funds are being accumulated for a \$42 million wastewater treatment plant. The General Fund had a surplus of \$2 million due to increased sales tax collections and unexpended departmental funds.
- The 2015 governmental fund expenditures of \$112 million are an increase of 12 percent from the \$100 million spent in 2014. This increase is primarily attributable to the refunding of bonded debt and is off-set by \$16 million in bond revenue.
- As previously mentioned, the General Fund ended the year with a surplus of \$2 million. The ending fund balance was \$31 million at September 30, 2015; \$29 million at the end of fiscal year 2014.

The Financial Statements

This report encompasses a series of financial statements consisting of the following components:

1. The government-wide financial statements are designed to provide an organization-wide overview similar in nature to the form of reporting used for private-sector businesses. The two components of this presentation are:

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Statement of Net Position is roughly equivalent to a private business balance sheet, summarizing all of the City's assets and liabilities and reporting the difference between the two as "net position." Changes in net position over time may provide an indication of either an improving or declining financial position.
- The Statement of Activities is an organization-wide operating statement which accounts for changes in fund net position during the City's 2015 fiscal year. This statement takes into account all revenues and expenses accrued for that year, regardless of when cash is received or paid.

The government-wide statements presented on pages 32 - 33 of this report are a result of the financial reporting model established by Governmental Accounting Standards Board Statement No. 34. These statements also distinguish governmental activities, which are those city functions principally supported by taxes and intergovernmental revenues from business-type activities which are intended to recover a significant portion of their costs through user fees and charges. The City's governmental activities include such functions as public safety (fire and police) and public works (principally streets, sanitation and sewerage), while its business-type activities consist of a civic center, golf course, transit system, and water utility.

The government-wide statements also include two component units, City Court and the Ward Three Marshal, which are legally separate entities with financial dependency on the City as "primary government." They do not include other legally separate local entities which are financially and operationally independent of the City. This discussion and analysis pertains only to the City as primary government.

2. Fund financial statements report financial data for individual funds into which the City's accounts are organized to maintain compliance with finance-related legal and contractual requirements. This report includes two categories of funds, governmental and proprietary. (The City has no fiduciary funds.)

The governmental fund financial statements generally cover the same functions as the governmental activities in the government-wide statements but differ in their focus on near-term spendable resources rather than longer-term measurement of net position. A comparison of the fund and government-wide statements with respect to governmental functions is useful in gaining a longer-term perspective than that provided solely by the near-term focus of governmental fund statements, and reconciliation is provided in the governmental fund statements to support such comparison.

The City maintains twelve individual governmental funds, five of which are classified as major. Budget to actual statements for three funds are separately displayed in the Required Supplemental Information section beginning on page 90 of this report. There are seven special revenue funds which are aggregated into a single display on those statements but are individually presented in the combining statements referred to below.

The proprietary fund financial statements cover business-type activities in which external customers are charged for services, as well as internal service activities funded by charges to other city funds and operating units. The enterprise fund category in these statements corresponds to the business-type activities reported in the government-wide statements. The internal service category consists of two funds which account for risk financing and employee group medical benefits. All proprietary fund statements are reported on the accrual basis of accounting as used in the government-wide statements and in private-sector business.

3. Notes to the financial statements provide additional information and explanation necessary for full understanding of the government-wide and fund financial statements and are presented on pages 46 - 87 of this report.
4. Required Supplemental Information is included with information related to OPEB and budget to actual schedules for the major governmental funds.
5. Other information, consisting of the combining statements for the seven non-major governmental funds and two internal service funds, is presented immediately following the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

6. The statistical section contains primarily trend data and non-financial information about the City's various activities.

City-wide Financial Analysis

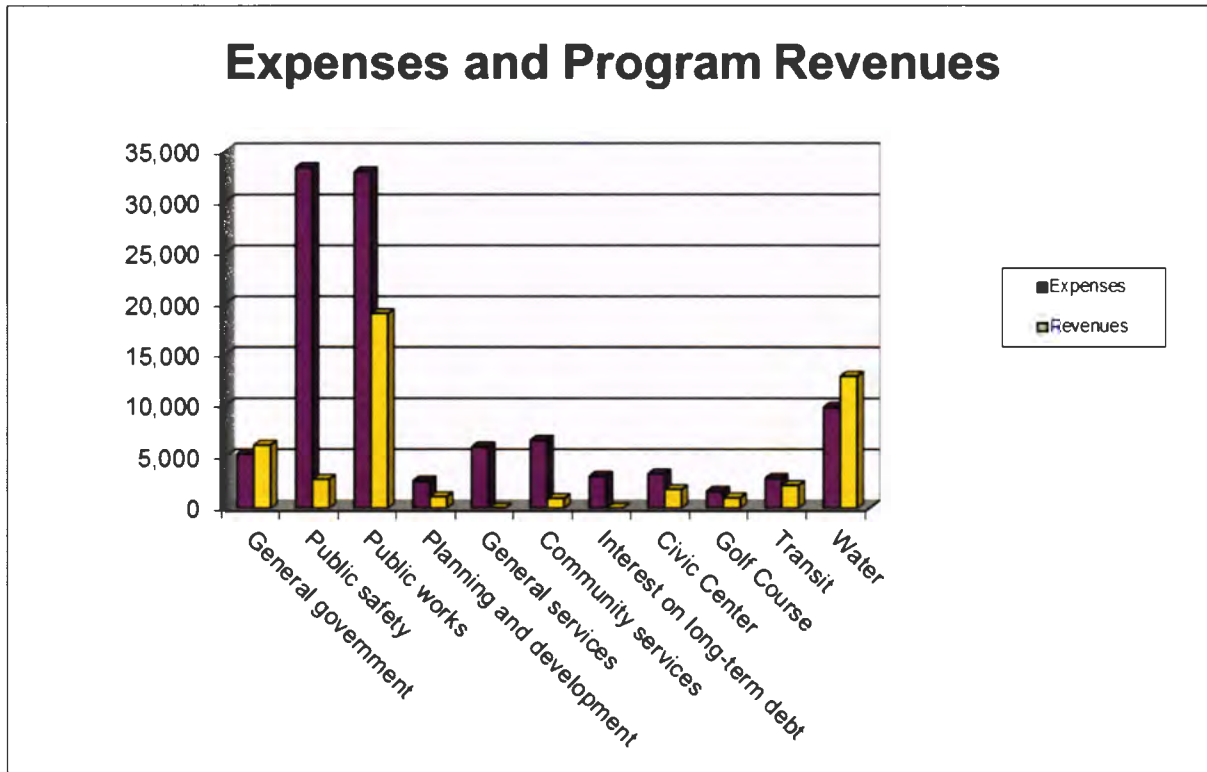
As shown on the government-wide financial statements, the City's net position at the end of 2015 was \$432,471,601, with 72 percent of this total consisting of capital assets, i.e., physical plant, equipment, and infrastructure, less related outstanding debt. An additional 6 percent of the net position is externally restricted by law or contract, leaving 22 percent as unrestricted net position which is generally available for use at the City's discretion. Year-end assets, liabilities, and net position are summarized below. It should be noted that the investment in capital assets is not available as a financial resource for payment of related debt, other liabilities, or future costs, which will require the use of either existing financial resources or future revenues. Also note that capital assets are reported net of accumulated depreciation and that the infrastructure portion of these reported assets includes only those projects completed since 1975.

NET POSITION						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 162,222	\$ 144,461	\$ 27,305	\$ 22,813	\$ 189,527	\$ 167,274
Capital assets	318,325	316,690	69,095	70,786	387,420	387,476
Total assets	480,547	461,151	96,400	93,599	576,947	554,750
Deferred outflows of resources	10,349	-	866	-	11,215	-
Long-term liabilities	130,302	80,011	4,000	770	134,302	80,781
Current and other liabilities	15,799	15,864	2,013	2,137	17,812	18,001
Total liabilities	146,101	95,875	6,013	2,907	152,114	98,782
Deferred inflows of resources	3,468	-	109	-	3,577	-
Net position:						
Net investment in capital assets	243,940	240,382	69,095	70,786	313,035	311,168
Restricted	24,595	22,757	-	-	24,595	22,757
Unrestricted	72,792	102,137	22,049	19,906	94,841	122,043
Total net position	\$ 341,327	365,276	\$ 91,144	90,692	\$ 432,471	455,968
Effects of GASB's 68 implementation		(48,137)		(2,405)		(50,542)
Net position - restated for 2014		\$ 317,139		\$ 88,287		\$ 405,426

Total net position of \$432,471,601 is an increase of \$27,045,566 or 6.7 percent from the restated 2014 net position of \$405,426,035. The change in net position for governmental activities was a 7.6 percent increase, while business-type activities experienced a 3.2 percent increase. Explanations of the changes are outlined in the pertinent sections below.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart summarizes expenses and related program revenues for the various governmental and business-type functions displayed in the financial statements. The significance of this comparison is that the portion of each function's expenses not offset by program revenues is left to be covered by general revenues, namely taxes and other restricted sources.



On an overall basis, the City's total costs in 2015 were \$90.2 million for governmental activities and \$17.8 million for business-type activities. The portions not covered by program revenues, or net costs funded by taxes and other general revenues, were \$60 million for governmental activities. The public safety function (fire and police) historically accounts for the largest share of net cost, with \$30.6 million in excess expenses over program revenues during 2015. Total expenses of \$108 million are a 5.6 percent increase over 2014 expenses of \$102 million.

The City's total revenue for 2015 was \$135 million, a 1.4 percent increase from 2014 revenues of \$133 million. Sales tax revenue for the Governmental Activities increased by \$4.3 million or 8 percent while capital grants and contributions decreased from \$15 million in 2014 to \$6 million in 2015.

The Statement of Activities for 2015 categorizes the City's revenues as either program revenues, which are service charges or grants and contributions for specific governmental or business-type functions, or general revenues which include most taxes and other revenue sources of a government-wide nature.

Major components of program and general revenues, together with total expenses and the resulting change in net position, are summarized below for the 2015 fiscal year. Also included in the table is the restatement of September 30, 2014 net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES IN NET POSITION						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 19,934	\$ 19,126	\$ 14,885	\$ 14,271	\$ 34,819	\$ 33,397
Operating grants & contributions	4,676	4,429	2,304	1,648	6,980	6,077
Capital grants & contributions	5,517	7,243	801	7,795	6,318	15,038
General revenues:						
Property taxes	9,164	8,632	-	-	9,164	8,632
Sales taxes	54,786	50,520	-	-	54,786	50,520
Utility franchise taxes	5,737	5,953	-	-	5,737	5,953
Riverboat gaming taxes	11,054	9,664	-	-	11,054	9,664
Other general revenues	5,868	3,880	340	82	6,208	3,962
Total revenues	116,736	109,447	18,330	23,796	135,066	133,243
Expenses:						
General government	5,316	4,778	-	-	5,316	4,778
Public safety	33,402	32,258	-	-	33,402	32,258
Public works	32,980	30,295	-	-	32,980	30,295
Planning and development	2,672	2,663	-	-	2,672	2,663
General services	6,021	5,660	-	-	6,021	5,660
Community services	6,668	6,350	-	-	6,668	6,350
Interest in long-term debt	3,139	3,204	-	-	3,139	3,204
Civic Center	-	-	3,365	3,092	3,365	3,092
Golf Course	-	-	1,649	1,612	1,649	1,612
Transit	-	-	2,918	2,714	2,918	2,714
Water	-	-	9,890	9,623	9,890	9,623
Total expenses	90,198	85,208	17,822	17,041	108,020	102,249
Excess before transfers	26,538	24,239	508	6,755	27,046	30,994
Transfers	(2,349)	(3,645)	2,349	3,645	-	-
Increase (decrease) net position	24,189	20,594	2,857	10,400	27,046	30,994
Net position - beginning	317,139	344,682	88,287	80,292	405,426	424,974
Net position - ending	<u>\$341,328</u>	<u>365,276</u>	<u>\$ 91,144</u>	<u>90,692</u>	<u>\$432,472</u>	<u>455,968</u>
Effects of GASB's 68 implementation		(48,137)		(2,405)		(50,542)
Net position - restated for 2014		<u>\$ 317,139</u>		<u>\$ 88,287</u>		<u>\$405,426</u>

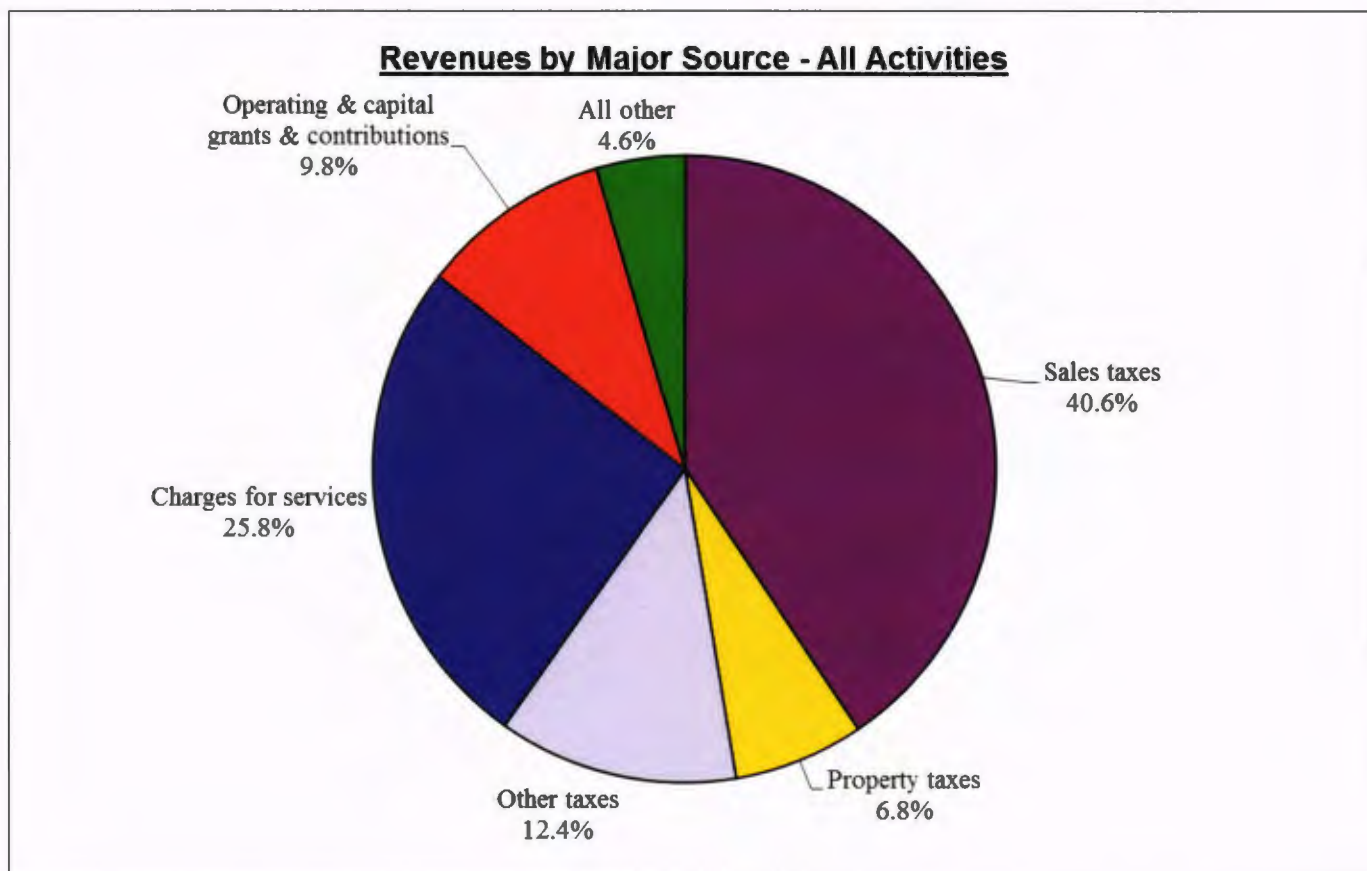
As indicated by the above table and the following chart, sales taxes are the City's largest single revenue source, accounting for 47 percent of all government-wide revenue in 2015, with an 8 percent increase from 2014. The current trend for the past 9 month's collections indicates an increase of 2.7 percent when compared to the actual collections for the same 9 month period in 2015. Parish-wide sales tax comparisons for the past 9 months show a 14 percent increase in taxable sales, primarily in the Building Material and Manufacturing sales categories, much of which is taking place in the unincorporated areas of Calcasieu Parish, therefore the City is not experiencing the same revenue growth as most other areas of the parish.

The capital grant and contribution funds reflect the largest decrease from 2014. The 2014 governmental activities revenue included funding from state DOTD and HUD Disaster Recovery Funds for infrastructure projects. HUD Disaster Recovery Funds were also recorded in the prior year for theater renovations in the business-type activities. All of these projects were substantially completed in fiscal year 2014 which justifies the reduction in 2015. Also

MANAGEMENT'S DISCUSSION AND ANALYSIS

included in the prior year was \$4.5 million in state revenue funds for the Civic Center, which were earmarked for use exclusively by that facility. This was an accumulation of many years of revenue and is now be disbursed annually.

Property taxes account for 6.8 percent of total revenues and increased by 6 percent in 2015. Gaming tax revenue accounts for 8.2 percent of total revenues. The City of Lake Charles and the Calcasieu Parish Police Jury created the Calcasieu Parish Gaming Revenue District and in April 2007 entered into a cooperative endeavor agreement to pool most gaming revenues received parish-wide. Revenues for fiscal year 2015 were increased by 14 percent compared to 2014 collections. The Golden Nugget Casino opened in December of 2014 and has grown the Lake Area's gaming market. Many believed that the gaming market would remain the same, with other area casinos seeing reduced revenue, but the trend has been an increase in total gaming revenues.



Total expenses increased by 6 percent to \$108 million compared to \$102 million in 2014. The public works category reflects the largest categorical increase of \$2.7 million due to increased spending for wastewater system improvements and increased depreciation expenses reflected in the Changes in Net Position.

Analysis of Fund Financial Statements

This discussion pertains to the financial statements for the various funds into which the City's accounts are divided to comply with legal requirements. As previously noted, the two fund classifications represented in these statements are governmental and proprietary funds.

The below discussion of the Fund Financial Statements is a better representation of the City's current financial condition, rather than the above statements, with represent a longer-term picture of resources and liabilities.

The City's governmental funds had a combined fund balance of \$134,516,623 at the end of fiscal year 2015, an increase of \$14 million from fiscal year 2014. The ending fund balance of \$31 million in the General Fund

MANAGEMENT'S DISCUSSION AND ANALYSIS

represents a 6.8 percent increase or \$2 million in surplus total revenues over expenditures and operating subsidy transfers as compared to the 2014 operating surplus of \$3.4 million. The Capital Project Fund had a \$7.6 million increase of fund balance as funds are being accumulated for a new wastewater treatment facility and other improvements to that system.

The City's proprietary funds' net position increased from a restated value of \$88,287,241 in 2014 to \$91,144,031. The Water Fund's net position increased by \$3.3 million as the City continues to accumulate funds for future capital improvements and expansions to the City's water system.

General Fund Summary

The General Fund is the City's principal operating fund, accounting for nearly half of all revenue received by the City and 58 percent of revenue for all governmental funds.

The City's operating budget was amended toward the end of the 2015 fiscal year to reflect the elimination of the originally adopted budget deficit of \$2.8 million. The deficit was eliminated due to a forecasted increase of \$3.8 million in revenue and reduced expenditures of \$2.5 million. This positive financial position allowed the City to fund the entire portion of the \$2,129,606 police supplemental pay lawsuit settlement, which is accounted for in the Internal Service Funds. Another change was to eliminate the necessity for the General Fund to receive \$1.2 million in funding from other funds to support operations.

The City actually ended the year with a \$2 million surplus. Although sales tax revenues were slightly below the amended budget target, total revenues of \$66 million were nearly equal to budget. Expenditures fell below budget by over \$1.8 million. As in previous years, most of the reduction was in the Public Works Department, which spent \$650,000 less than the amended budget, but was \$2.2 million less than the original adopted budget. Most of these savings are a result of continual vacant positions, but maintenance costs were also less than budgeted. City departments continue to work with the administration to curtail costs in some areas in order to offset increases that are not as controllable, such as retirement contributions.

The General Fund revenues of \$66,268,041 were an increase of 6.4 percent over fiscal year 2014 collections of \$62,268,491. Sales tax revenues of \$41.9 million, which account for 63 percent of all General Fund revenues, were increased by 8.6 percent or \$3.3 million over 2014 collections but fell short of projected revenues by \$287,625. Property taxes increased by \$470 thousand or 6 percent to \$8.1 million due to increased property values due to new construction.

Actual General Fund operating expenditures of \$56,945,507 were an increase of 1.25 percent increase over prior year expenditures of \$56.2 million. Salaries, which account for 40 percent of total expenditures or \$22.9 million, were up only 1 percent from prior year although the City implemented a new pay plan on January 1, 2015 and gave a two percent across the board pay increase in addition to the two percent longevity pay for eligible employees. Overtime increased to \$2.9 million in 2015 compared to \$2.6 million in 2014, primarily in the Police Department. Retirement contribution rates of 29.25 percent for the Fire Department and 31.5 percent for the Police Department were minimally changed for the last quarter of the fiscal year. Contribution expenses for all retirement systems went from \$2.9 million in 2010 to \$5.28 million in the 2014 fiscal year and were \$5.33 million in 2015. The City has maintained a constant staffing level since 2011.

The General Fund had operating transfers of \$4 million included in both fiscal years 2014 and 2015 which were necessary to subsidize the grant funds and the proprietary funds. Also included in fiscal year 2015 was a transfer of \$800,000 to the Capital Project Fund. This was the first time since 2009 that the General Fund had excess funds available for capital outlay.

The City reached a settlement in the police supplemental pay lawsuit of \$2,129,606. This amount will be paid over the next several years. Those funds were transferred in 2015 from the General Fund to the Risk Management Fund, where they will be retained and paid as outlined in the settlement documents. The entire amount of the claim was recorded as an expense in the Risk Management Fund in the current fiscal year and a payable has been established.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In fiscal years 2010 – 2014, the General Fund received transfers from the Riverboat Gaming Fund to cover the cost of large equipment purchases for the Public Works Department. An additional \$750,000 was transferred from the Employee Insurance Fund in each fiscal year 2012 - 2014. This transfer was possible due to reduced claim cost and excess reserves in that fund. These transfers into the General Fund were eliminated in the current fiscal year, due to increased revenues being sufficient to cover expenditures.

The total increase in fund balance was \$1,998,399. The amended budget projected a surplus of \$10,022. This favorable variance is attributable to savings in operating cost.

The General Fund's ending balance in 2015 was \$31,373,377, which represents 48.8 percent of total expenditures and transfers made from the fund that year. The amount at 2014 fiscal year end was \$29,374,978.

Other Major Fund Summary

The riverboat taxes recorded in the Riverboat Gaming Special Revenue Fund increased this year to \$11 million from \$9.7 million for the last several fiscal years. Golden Nugget Casino opened in December 2014 and accounts for the increase in revenue. The revenue exceeded transfers by \$1.5 million resulted in an ending fund balance of \$4.1 million.

The Wastewater Special Revenue Fund revenues increased by 6 percent to \$17.3 million in fiscal year 2015 compared to the prior year. The increase is primarily attributable to increases in both sales tax and sewer user fees. Fiscal year 2014 was the final year of a rate structure increase that was approved in 2010. As has been the practice in the last several years, funds were transferred to the Capital Project Fund for major sewer rehabilitation projects and to debt service funds to pay for debt service obligations. The transfer in 2015 was reduced to \$7.3 million compared to \$7.5 in 2014. The transfer to the Capital Project Fund is used for infrastructure improvements to the wastewater system. Needed expansions and improvements were considered when the rate structure was adopted so therefore the revenues collected were sufficient to fund the transfer. The budget was recently amended to utilize \$3 million from the \$8 million fund balance reserves for the rebuilding of Plant B/C. The contract was recently awarded for nearly \$42 million, with construction beginning within the next couple of months.

The Debt Service Fund expenditures and other financing sources reflect the transactions of a bond refunding for a portion of the Public Improvement Bonds originally issued in 2007. In December 2014, \$14,995,000 of the 2007 Public Improvement Bonds were refunded, with additional bond proceeds used to cover costs of issuance and future interest costs. The City continues to draw down funds from the 2011 DEQ loan as needed for sewer plant improvements; the first principal payments were due in the 2013 fiscal year.

The Capital Projects Fund accounts for 12.6 percent of all governmental fund expenditures. Expenditures decreased to \$14 million in 2015 compared to \$17.3 million in 2014, as many large infrastructure projects were completed in prior years and were a reflection of bond fund spending. The transfers into the fund from both the Riverboat Gaming and Wastewater Funds are accumulated for future projects. Fund balance was increased by \$7.6 million to \$76 million.

The business-type activities had a \$2.8 million increase from the prior year restated total net position, most of which was in the Water Fund. The Civic Center, which in 2014, received \$4.5 million from the State of Louisiana for accumulated hotel occupancy tax had a reduction in net position as a portion of those funds were appropriated and spent in the current year.

Capital Assets

The City's total investment in capital assets of \$387 million, net of accumulated depreciation at the end of the 2015 fiscal year was unchanged from the end of 2014. The increase in capital assets during the year was offset by an equal amount of depreciation expense.

The completion of \$3.6 million in Civic Center projects accounts for most of the Business-type Activities decrease in the construction in progress and is included as an increase to the Improvement category on the Capital Asset

MANAGEMENT'S DISCUSSION AND ANALYSIS

schedule below. At fiscal year-end, the City had \$30 million in construction in progress, 60 percent of which relates to wastewater system improvements.

The voters of Lake Charles approved a \$90 million bond issue in November 2006. Riverboat gaming revenue, sales tax revenues and funds from sewer user fees are used to repay the debt. Proceeds from the bonds are being used for improving streets and roads, park and recreation facilities, water and wastewater systems, downtown and/or lakefront development infrastructure and economic development initiatives within the City.

The City issued \$35 million in bonds in May 2007 for Phase I of the \$90 million public improvement project. An additional \$40 million was issued in March 2010. As of September 30, 2014 the City had spent \$73 million on bond projects but only \$131,000 was spent in fiscal year 2015. Four of the five specific local road projects named in the bond issue have been completed to date. Remaining bond funds will be used primarily on the Sallier Street project which is currently under design review.

The influx of bond revenues has allowed the City to complete projects that were included in the tax proposal while continuing to spend accumulated capital project funds for previously authorized projects. Funds not needed for repayment of the new debt will continue to be authorized for future projects not included in the bond proposal.

Major completed capital projects during the current year included \$4.6 million in wastewater system improvements and \$1.2 million in sidewalks in the Governmental Activities and \$3.6 million in the Business-type activities for the Civic Center project.

Major projects that are included in Construction in Progress are as follows:

- Sale Road bridge replacement (\$6 million construction in progress, \$4.6 million spent in fiscal year 2014 and \$610,000 in fiscal year 2015; funded 80% DOTD and 20% city funds). This project is now completed and will move to the infrastructure category in fiscal year 2016.
- Wastewater system improvements account for \$18 million in construction in progress, including Lyles Peters Road sewer lines \$3.6 million bond funds; Plant A improvements of \$4.6 million DEQ loan; and Plant B/C improvements of \$2.5 million wastewater funds

Components of the City's capital assets are summarized in the following table. As previously noted, reported value for infrastructure is limited to projects completed since 1975. Additional detail is provided by the financial statements and notes thereto (Note 4-C).

Net Investment in Capital Assets as of September 30, 2015 (net of depreciation, in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 15,890	\$ 15,890	\$ 2,105	\$ 2,105	\$ 17,995	\$ 17,995
Construction in progress	29,806	29,561	184	4,696	29,990	34,257
Buildings	30,805	33,068	6,187	6,424	36,992	39,492
Improvements other than buildings	33,484	32,621	57,410	54,873	90,894	87,494
Equipment	11,115	9,584	3,209	2,688	14,324	12,272
Infrastructure	197,225	195,966	-	-	197,225	195,966
Total	<u>\$ 318,325</u>	<u>\$ 316,690</u>	<u>\$ 69,095</u>	<u>\$ 70,786</u>	<u>\$ 387,420</u>	<u>\$ 387,476</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

As of September 30, 2015, the City's Governmental Activities reported \$134 million in non-current liabilities compared to the restated amount of \$123 million in the previous year. As a result of the implementation of GASB 68, \$43 million for net pension liability was added to the \$80 million originally reported at the end of fiscal year 2014. Of this total, 50 percent is bonded debt and is payable from future annual appropriations. Approximately 83 percent of the outstanding bond principal is due within ten years.

The City has no outstanding general obligation debt to which a bond rating can be assigned. All outstanding bond issues are insured and therefore rated 'AAA' by Standard and Poor's.

The City underwent a formal bond rating process in 2007. They received a rating of 'A+' from Fitch and a rating of 'A' from Standard and Poor's. The 2007 LCDA bond issue of \$35 million had the afore mentioned underlying rating but is insured so was therefore sold with a rating of 'AAA'. The latest review by Fitch in July of 2014 rated the bonds at AA- with a Stable Outlook. In 2012, Fitch assigned an implied unlimited tax general obligation rating of 'AA'.

Statutory debt limits are not applicable to any of the City's current outstanding debt.

The City issued phase two of funding in March 2010 as authorized in the \$90 million bond proposition. The \$39,280,000 LCDA bond issue had an underlying rating from Standard and Poor's of 'A+' but was sold as insured 'AAA' bonds. Both the 2007 and 2010 bond issues will be repaid as outlined in the bond covenant. A maximum of 60 percent of Riverboat Gaming Funds, 60 percent of sales tax dedicated to capital projects and up to \$500,000 in sewer user fees are dedicated for the debt service. Stand-by revenues of additional property tax and sales tax levies can be implemented if the primary revenues should ever fall below required debt service limits.

The City refunded \$20 million in variable rate bonds in October 2009. At that time, the City requested a rating from Standard and Poor's and was upgraded to a rating of 'A-'. The bonds, in the amount of \$17,735,000, were insured and were sold with a rating of 'AAA'. The sewer user fees of the Wastewater Special Revenue Fund are used to repay this debt. In June of 2013 Standard and Poor's affirmed its 'A-' long-term rating on all LCDA debt supported by Lake Charles, which are secured by the city's lawfully available revenue. However, in September 2014, Standards and Poor's raised the City's bond rating to 'AA-' from 'A-' due to "strong budget performance."

The City issued \$15,825,000 in Revenue Refunding Bonds in December 2014. The proceeds were used to advance refund a portion of the outstanding 2007 Public Improvement Bonds. The Series 2014 Bonds were assigned a rating of "AA-" (stable outlook) by Standard and Poor's.

The City of Lake Charles was approved in 2011 by the Louisiana Department of Environmental Quality for a \$21,000,000 loan from the State Revolving Loan Fund for improvements to the City's wastewater system. As of the end of fiscal year 2015, the City had received \$6 million from the loan proceeds. Additional loan proceeds were recently received for reimbursement of fiscal year 2015 and 2016 expenditures and will be reflected as an increase in the debt in fiscal year 2016. It is anticipated that all of the remaining proceeds of the loan will be spent by the end of fiscal year 2017 for a \$42 million rebuild of Wastewater Treatment Plant B/C. The first principal payment on the DEQ loan was made in fiscal year 2013. The debt will be repaid with sewer user fees of the Wastewater Special Revenue Fund over a 20 year period.

On behalf of Lake Charles City Court, the City borrowed \$3 million from a banking institution for a 20 year period to construct a new court house. The debt will be paid through fines generated by the court system.

Additional information regarding long-term debt and liabilities is provided in the financial statements and accompanying notes (Note 4-G).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Outlook and Next Year's Budget

According to the Southwest Louisiana Economic Development Alliance, SW Louisiana has over \$97 billion in projects announced for the area, primarily made up of LNG export terminals and gas-to-liquid facilities. Of those announced, \$32 billion of those projects are currently under construction: Sasol Ethane Cracker Plant, \$8.9 billion; Chenier LNG Phase 1 & 2, \$12 billion; and Cameron LNG, \$10 billion. The additional \$52 billion announced projects are pending final approval the largest of those being 3 LNG facilities in Cameron Parish that total \$21.5 billion. Sasol announced in January 2015 that it was delaying its final investment decision on the proposed \$11 billion gas-to-liquid plant in response to lower international oil prices.

Growth of this magnitude will undoubtedly have a major financial effect on the City of Lake Charles, but as many of the projects are in the early planning stages, the following is reported for current trends:

- Sales tax: The information on taxable sales was obtained from the Taxable Sales Analysis prepared by the Calcasieu Parish School Board Sales Tax Office for the period February 2015. Parish-wide taxable sales of \$5.7 billion for the twelve month period ending February 2016 compares to \$5.4 billion for the twelve month period ending February 2015. The 2016 increase of \$300 million or 5.5 percent compares to an increase of \$465 million or 10 percent from 2015 to 2014. This indicates that the revenues are no longer increasing at such a high rate.

City of Lake Charles sales tax collections for the first four months of fiscal year 2016 are level when compared to the same period in fiscal year 2015.

- Gaming industry: The new \$700 million Golden Nugget Casino opened in December 2014. It was anticipated that the local gaming market would not increase; that there would just be a shift of revenues from the existing casinos to the new casino. However, the Golden Nugget averaged \$20.7 million in taxable gaming proceeds per month in 2015. L'Auberge Casino averaged \$28.2 million per month in 2015, compared to \$30.2 million per month in 2014, only a 6.6 percent decrease. So the new casino only grew the gaming market for Calcasieu Parish.
- Labor market trends: The Louisiana Workforce Commission report dated March 14, 2016 for January 2016 reflected a Civilian Labor Force statewide unemployment rate of 6.3 percent and the United States unemployment rate of 5.3. The unemployment rate for the Lake Charles MSA was estimated at 5.3 percent for January 2016 compared to 6.6 percent in January 2015.

The above items and other economic indicators were considered when preparing the budget for the 2016 fiscal year.

The City adopted a 2016 General Fund budget with revenue projections of \$68.3 million used to cover operational expenses and transfers of \$68.2 million. Additionally, the budget authorized the use of \$2.5 million of its previously accumulated fund balance to be transferred to the Capital Project Fund to pay for needed improvements to the wastewater basin system.

As the budget was being prepared, the City had begun the process of a one-quarter cent sales tax referendum for the October 2015 ballot. The City had historically collected one-quarter cent less in sales tax than all of Calcasieu Parish incorporated and unincorporated areas. On October 24, 2015 the sales tax proposition was approved by a narrow margin and the collections began effective January 1, 2016.

It is estimated that the additional sales tax levy will generate approximately \$6 million. The funds will be first and foremost dedicated to the repayment of our current bond issues, should the current revenue sources ever become insufficient. 25 percent of all revenues will be placed in a bond reserve fund and can be appropriated for capital improvements in the subsequent year if not needed to service the debt. The remaining funds will be used to pay for increases in salary and related fringe benefits and other operational needs of the City.

As a result of the passage of the sales tax, effective January 1, 2016 all City employees received an across the board increase and beginning pay scales were increased for all employee groups.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Project budget of \$34 million includes more than \$19 million for wastewater and water system projects. Sources of funding include \$16.5 million in transfers from other governmental funds as well as \$3.9 million in funds from State Capital Outlay funds. The City will continue spending funds that were previously accumulated for roads, wastewater and water system improvements and other projects.

The City Council recently accepted a bid of nearly \$42 million to rebuild Wastewater Treatment Plant B/C. The City had accumulated funds of \$29 million, which includes \$2 million in State Capital outlay funds and \$14.3 million from a 2011 DEQ Revolving Loan fund, in addition to City capital funds. The budget was recently amended and authorized an additional \$15,775,000 in City funds for the rebuild. This includes use of \$4.5 million from General Fund reserves, \$2 million in Riverboat Gaming funds, \$3 million from Wastewater funds, \$4 million from Capital Project reserves and other various sources. This is a multi-year project and should additional State Capital outlay funds be allocated, those would be spent prior to spending the above named reserves. The City is currently in the process of applying for a \$15 million loan from the DEQ Revolving Loan fund. Those funds could be spent before using the reserves. Although it was necessary to identify these potential funding sources, it is not anticipated that the City will actually have to make such a substantial reduction of fund balance reserves.

Requests for Information

This report is intended to provide interested parties with a general overview of the finances of the City of Lake Charles. Questions or requests for further financial information should be addressed to the Department of Finance, City of Lake Charles, P. O. Box 3706, Lake Charles, Louisiana 70602.

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BASIC FINANCIAL STATEMENTS



CITY OF LAKE CHARLES, LOUISIANA

Statement of Net Position

September 30, 2015

	Primary Government			Component Units	
	Governmental	Business-Type	Total	City Court	City Marshal
ASSETS	Activities	Activities			
Cash and cash equivalents	\$ 73,135,854	\$ 13,099,904	\$ 86,235,758	\$ 1,758,654	\$ 617,044
Investments	70,679,911	13,095,224	83,775,135	-	-
Receivables (net of allowance for uncollectables)	14,693,625	1,617,799	16,311,424	-	710
Internal balances	2,307,054	(2,307,054)	-	140,738	-
Inventories	334,250	320,522	654,772	-	-
Prepays	1,071,117	83,092	1,154,209	-	-
Restricted assets:					
Cash and cash equivalents	-	1,395,977	1,395,977	363,973	-
Capital assets not being depreciated:					
Land	15,889,781	2,104,506	17,994,287	-	-
Construction in progress	29,805,792	184,371	29,990,163	-	-
Capital assets net of accumulated depreciation:					
Building	30,805,300	6,186,848	36,992,148	-	-
Improvements other than buildings	33,483,707	57,409,794	90,893,501	-	-
Equipment	11,115,265	3,209,369	14,324,634	166,815	206,322
Infrastructure	197,225,258	-	197,225,258	-	-
Total assets	<u>480,546,914</u>	<u>96,400,352</u>	<u>576,947,266</u>	<u>2,430,180</u>	<u>824,076</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on debt refundings	1,090,123	-	1,090,123	-	-
Deferred outflows related to net pension liab	9,258,861	866,285	10,125,146	-	-
	<u>10,348,984</u>	<u>866,285</u>	<u>11,215,269</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable & other current liabilities	3,367,159	611,520	3,978,679	22,620	3,062
Liabilities payable from restricted assets	-	1,396,159	1,396,159	-	-
Noncurrent liabilities:					
Claims payable within one year	6,187,907	-	6,187,907	-	-
Claims payable in more than one year	2,191,201	-	2,191,201	-	-
Due within one year	6,243,794	5,000	6,248,794	-	-
Due in more than one year	72,680,919	528,312	73,209,231	-	-
OPEB payable due in more than one year	2,039,764	265,692	2,305,456	-	-
Net pension liability due in more than one year	53,389,798	3,206,290	56,596,088	-	-
Total liabilities	<u>146,100,542</u>	<u>6,012,973</u>	<u>152,113,515</u>	<u>22,620</u>	<u>3,062</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to net pension liab	3,467,786	109,633	3,577,419	-	-
NET POSITION					
Net investment in capital assets	243,939,718	69,094,888	313,034,606	166,815	206,322
Restricted for:					
Capital projects	20,361,710	-	20,361,710	-	-
Debt service	4,233,850	-	4,233,850	-	-
Unrestricted	72,792,292	22,049,143	94,841,435	2,240,745	614,692
Total net position	<u>\$ 341,327,570</u>	<u>\$ 91,144,031</u>	<u>\$ 432,471,601</u>	<u>\$ 2,407,560</u>	<u>\$ 821,014</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA

Statement of Activities

For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	City Court	City Marshal
					Governmental Activities	Business-Type Activities			
Primary government:									
Governmental activities:									
General government	\$ 5,316,267	\$ 5,730,156	\$ 229,360	\$ 212,560	\$ 855,809	\$ -	\$ 855,809	\$ -	\$ -
Public safety	33,401,455	96,451	2,724,696	-	(30,580,308)	-	(30,580,308)	-	-
Public works	32,980,130	13,459,995	301,910	5,298,540	(13,919,685)	-	(13,919,685)	-	-
Planning and development	2,672,381	337,117	785,586	-	(1,549,678)	-	(1,549,678)	-	-
General services	6,021,391	2,724	-	-	(6,018,667)	-	(6,018,667)	-	-
Community services	6,668,047	307,831	634,432	5,440	(5,720,344)	-	(5,720,344)	-	-
Interest in long-term debt	3,138,628	-	-	-	(3,138,628)	-	(3,138,628)	-	-
Total governmental activities	90,198,299	19,934,274	4,675,984	5,516,540	(60,071,501)	-	(60,071,501)	-	-
Business-type activities:									
Civic center	3,365,531	1,000,078	821,233	-	-	(1,544,220)	(1,544,220)	-	-
Golf Course	1,648,783	1,012,359	-	-	-	(636,424)	(636,424)	-	-
Transit	2,917,813	184,332	1,482,472	555,268	-	(695,741)	(695,741)	-	-
Water	9,890,095	12,687,985	-	246,000	-	3,043,890	3,043,890	-	-
Total business-type activities	17,822,222	14,884,754	2,303,705	801,268	-	167,505	167,505	-	-
Total primary government	\$108,020,521	\$34,819,028	\$6,979,689	\$ 6,317,808	\$ (60,071,501)	\$ 167,505	\$ (59,903,996)	\$ -	\$ -
Component units:									
City Court	\$ 829,365	\$ 362,540	\$ -	\$ 224,525				\$ (242,300)	\$ -
City Marshal	871,530	886,792	-	-				-	15,262
Total component units	\$ 1,700,895	\$ 1,249,332	\$ -	\$ 224,525	-	-	-	\$ (242,300)	\$ 15,262
General revenues:									
Property taxes					9,163,826	-	9,163,826	-	-
Sales taxes					54,786,123	-	54,786,123	-	-
Franchise taxes					5,736,856	-	5,736,856	-	-
Riverboat taxes					11,054,210	-	11,054,210	-	-
Grants and contributions not restricted to specific programs					180,867	-	180,867	-	-
Interest and investment earnings					965,038	227,141	1,192,179	573	-
Miscellaneous					4,722,125	113,376	4,835,501	244,368	-
Transfers					(2,348,768)	2,348,768	-	-	-
Total general revenues and transfers					84,260,277	2,689,285	86,949,562	244,941	-
Change in net position					24,188,776	2,856,790	27,045,566	2,641	15,262
Net position - beginning - as restated					317,138,794	88,287,241	405,426,035	2,404,919	805,752
Net position - ending					\$ 341,327,570	\$91,144,031	\$432,471,601	\$ 2,407,560	\$ 821,014

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA

Balance Sheet Governmental Funds September 30, 2015

	General	Riverboat Gaming Special Revenue
ASSETS		
Cash (Note 4-A)	\$ 15,564,448	\$ 3,110,342
Investments (Note 4-A)	11,915,478	566,788
Receivable (net of allowance for uncollectable)		
Accounts (Note 4-B)	6,308,690	619,775
Special Assessments	-	-
Accrued interest	16,843	-
Intergovernmental (Note 4-B)	79,595	-
Deferred revenue	-	-
Due from other funds (Note 4-F)	1,603,344	-
Inventory	334,250	-
Prepaid items	287,236	-
Total assets	<u>\$ 36,109,884</u>	<u>\$ 4,296,905</u>
LIABILITIES		
Accounts payable	\$ 1,966,905	\$ -
Contracts payable	-	-
Escrow	459,932	-
Due to other funds	2,225,797	129,198
Deferred revenues	-	-
Other liabilities	83,873	-
Total liabilities	<u>4,736,507</u>	<u>129,198</u>
FUND BALANCES		
Nonspendable:		
Inventory	334,250	-
Pre-paid items	287,236	-
Restricted:		
Sales tax and bond funds for capital projects	-	-
Debt service reserve	-	-
Committed :		
Capital projects	-	-
Wastewater system improvements	-	-
Debt service payments	-	-
Other purposes - subsequent year's expenditures	2,413,358	902,375
Assigned:		
Community services	-	-
Public safety	-	-
Disaster recovery	-	-
Debt service payments	-	-
Capital projects	-	3,265,332
Unassigned	28,338,533	-
Total fund balances	<u>31,373,377</u>	<u>4,167,707</u>
Total liabilities and fund balances	<u>\$ 36,109,884</u>	<u>\$ 4,296,905</u>

The notes to the financial statements are an integral part of this statement.

Wastewater Special Revenue	Debt Service	Capital Projects	Other Special Revenue Governmental Funds	Total Governmental Funds
\$ 4,127,545	\$ 5,302,164	\$ 30,359,381	\$ 5,734,742	\$ 64,198,622
3,003,394	44,575	42,750,499	1,284,675	59,565,409
1,704,729	-	571,351	336,778	9,541,323
-	540,329	196,865	-	737,194
142	-	79,859	67	96,911
-	106,026	2,033,982	233,200	2,452,803
-	-	95,000	-	95,000
-	18,096	800,000	1,538,610	3,960,050
-	-	-	-	334,250
39,032	2,200	-	5,685	334,153
<u>\$ 8,874,842</u>	<u>\$ 6,013,390</u>	<u>\$ 76,886,937</u>	<u>\$ 9,133,757</u>	<u>\$ 141,315,715</u>
\$ 229,080	\$ 18,235	\$ 115,783	\$ 237,374	\$ 2,567,377
-	-	161,315	19,200	180,515
7,761	21,775	-	1,908	491,376
514,293	-	-	23,200	2,892,488
-	432,263	95,000	56,200	583,463
-	-	-	-	83,873
<u>751,134</u>	<u>472,273</u>	<u>372,098</u>	<u>337,882</u>	<u>6,799,092</u>
-	-	-	-	334,250
39,032	2,200	-	5,685	334,153
-	-	20,361,710	-	20,361,710
-	4,233,850	-	-	4,233,850
-	-	51,586,163	-	51,586,163
8,084,676	-	4,240,148	-	12,324,824
-	107,582	-	-	107,582
-	-	-	187,306	3,503,039
-	-	-	1,049,087	1,049,087
-	-	-	262,120	262,120
-	-	-	2,768,933	2,768,933
-	1,197,485	-	-	1,197,485
-	-	326,818	4,522,744	8,114,894
-	-	-	-	28,338,533
<u>8,123,708</u>	<u>5,541,117</u>	<u>76,514,839</u>	<u>8,795,875</u>	<u>134,516,623</u>
<u>\$ 8,874,842</u>	<u>\$ 6,013,390</u>	<u>\$ 76,886,937</u>	<u>\$ 9,133,757</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	318,308,531
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	583,463
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	15,276,327
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	(134,238,572)
Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in the government funds	6,881,198
Net position of governmental activities	<u>\$ 341,327,570</u>

CITY OF LAKE CHARLES, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For Fiscal Year Ended September 30, 2015

	General	Riverboat Gaming Special Revenue
Revenues:		
Taxes	\$ 53,299,314	\$ 11,054,210
Licenses and permits	6,657,120	-
Intergovernmental	2,742,913	-
Charges for services	2,451,991	-
Fines and forfeitures	195,139	-
Miscellaneous	921,564	9,035
Total revenues	<u>66,268,041</u>	<u>11,063,245</u>
Expenditures:		
Current operating:		
General government	3,016,207	-
Finance	1,610,407	-
Human Resources	367,152	-
Fire	14,493,469	-
Police	17,457,178	-
Public works	13,825,071	-
Planning and development	1,760,152	-
Community services	-	-
General services	4,415,871	-
Capital projects	-	-
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>56,945,507</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>9,322,534</u>	<u>11,063,245</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	(7,324,135)	(9,510,225)
Issuance of debt	-	-
Total other financing sources (uses)	<u>(7,324,135)</u>	<u>(9,510,225)</u>
Net change in fund balances	1,998,399	1,553,020
Fund balance at beginning of year	<u>29,374,978</u>	<u>2,614,687</u>
Fund balance at end of year	<u>\$ 31,373,377</u>	<u>\$ 4,167,707</u>

The notes to the financial statements are an integral part of this statement.

Wastewater Special Revenue	Debt Service	Capital Projects	Other Special Revenue Governmental Funds	Total Governmental Funds
\$ 3,877,387	\$ -	\$ 6,785,428	\$ 2,948,335	\$ 77,964,674
-	-	-	-	6,657,120
-	212,560	5,315,165	2,093,379	10,364,017
13,418,686	-	-	146,048	16,016,725
-	-	-	-	195,139
34,745	3,398	1,893,077	203,115	3,064,934
<u>17,330,818</u>	<u>215,958</u>	<u>13,993,670</u>	<u>5,390,877</u>	<u>114,262,609</u>
-	-	-	-	3,016,207
-	-	-	-	1,610,407
-	-	-	-	367,152
-	-	-	-	14,493,469
-	-	-	639,739	18,096,917
8,268,876	-	-	-	22,093,947
-	-	-	919,209	2,679,361
-	-	-	5,389,074	5,389,074
-	-	-	-	4,415,871
683,722	-	14,146,007	-	14,829,729
-	20,400,386	-	-	20,400,386
-	4,862,176	-	-	4,862,176
<u>8,952,598</u>	<u>25,262,562</u>	<u>14,146,007</u>	<u>6,948,022</u>	<u>112,254,696</u>
<u>8,378,220</u>	<u>(25,046,604)</u>	<u>(152,337)</u>	<u>(1,557,145)</u>	<u>2,007,913</u>
-	9,076,272	9,894,000	2,905,886	21,876,158
(7,334,575)	-	(2,130,021)	(55,576)	(26,354,532)
-	16,731,376	-	-	16,731,376
<u>(7,334,575)</u>	<u>25,807,648</u>	<u>7,763,979</u>	<u>2,850,310</u>	<u>12,253,002</u>
1,043,645	761,044	7,611,642	1,293,165	14,260,915
<u>7,080,063</u>	<u>4,780,073</u>	<u>68,903,197</u>	<u>7,502,710</u>	<u>120,255,708</u>
<u>\$ 8,123,708</u>	<u>\$ 5,541,117</u>	<u>\$ 76,514,839</u>	<u>\$ 8,795,875</u>	<u>\$ 134,516,623</u>

CITY OF LAKE CHARLES, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For Fiscal Year Ended September 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 14,260,915
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,618,504
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	125,800
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,004,360
Net effect of pension liability recognition	543,675
Deferred charge on debt refunding, net current year amortization	1,090,123
Internal service funds are used by management to charge the costs of insurance to individual funds. The net expenses of certain activities of internal service funds is reported within the governmental activities.	<u>2,545,399</u>
Change in net position of governmental activities	<u><u>\$ 24,188,776</u></u>

The notes to the financial statements are an integral part of this statement.

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CITY OF LAKE CHARLES, LOUISIANA

Statement of Net Position

Proprietary Funds

September 30, 2015

	Business-type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Civic Center	Golf Course	Public Transit	Water Utility	Totals 2015	
ASSETS						
Current assets:						
Cash	\$ 2,788,484	\$ 665,604	\$ -	\$ 9,645,816	\$ 13,099,904	\$ 8,937,232
Investments	3,091,660	-	39,400	9,964,164	13,095,224	11,114,502
Restricted cash:						
Customer deposits	-	-	-	1,395,977	1,395,977	-
Accounts receivable (net of allowance for uncollectible)	14,199	-	-	1,033,115	1,047,314	1,848,293
Accrued interest receivable	6,640	-	-	11,527	18,167	17,101
Intergovernmental receivables	290	-	552,028	-	552,318	-
Due from other funds	-	-	-	-	-	-
Inventories	32,192	48,232	-	240,098	320,522	-
Prepaid items	4,969	750	1,693	75,680	83,092	641,964
Total current assets	5,938,434	714,586	593,121	22,366,377	29,612,518	22,559,092
Capital assets:						
Land	-	1,065,697	806,824	231,985	2,104,506	-
Buses	-	-	2,674,538	-	2,674,538	-
Buildings and structures	18,768,595	2,123,406	4,481,761	459,284	25,833,046	-
Improvements	19,486,648	2,658,831	-	75,105,010	97,250,489	-
Construction in Progress	95,559	17,376	-	71,437	184,372	-
Equipment, furniture and fixtures	2,812,627	412,550	946,787	2,058,005	6,229,969	39,056
Total capital assets	41,163,429	6,277,860	8,909,910	77,925,721	134,276,920	39,056
Less accumulated depreciation	29,284,378	2,042,905	2,137,844	31,716,905	65,182,032	22,484
Total capital assets (net of accumulated depreciation)	11,879,051	4,234,955	6,772,066	46,208,816	69,094,888	16,572
Total assets	17,817,485	4,949,541	7,365,187	68,575,193	98,707,406	22,575,664
DEFERRED OUTFLOW OF RESOURC						
Deferred amounts related to net pension liabilities	168,647	77,985	135,609	484,044	866,285	89,894

	Business-type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Civic Center	Golf Course	Public Transit	Water Utility	Totals 2015	
LIABILITIES						
Current liabilities :						
Accounts payable	41,828	30,377	92,944	415,416	580,565	44,018
Contracts payable	-	-	-	-	-	-
Customer deposits payable	-	-	-	1,396,159	1,396,159	-
Escrow	16,798	14,157	-	-	30,955	-
Due to other funds	248,495	170,218	98,258	550,473	1,067,444	118
Total current liabilities	<u>307,121</u>	<u>214,752</u>	<u>191,202</u>	<u>2,362,048</u>	<u>3,075,123</u>	<u>44,136</u>
Non-current liabilities:						
Compensated absences	97,792	42,805	77,585	315,130	533,312	94,346
OPEB liability	48,068	43,010	33,173	141,441	265,692	21,357
Net pension liability	624,196	288,637	501,916	1,791,541	3,206,290	332,715
Accrued insurance claims	-	-	-	-	-	5,862,907
Incurred-not reported claims	-	-	-	-	-	325,000
Accrued insurance claims-noncurrent	-	-	-	-	-	2,191,201
Total non-current liabilities	<u>770,056</u>	<u>374,452</u>	<u>612,674</u>	<u>2,248,112</u>	<u>4,005,294</u>	<u>8,827,526</u>
Total liabilities	<u>1,077,177</u>	<u>589,204</u>	<u>803,876</u>	<u>4,610,160</u>	<u>7,080,417</u>	<u>8,871,662</u>
DEFERRED INFLOW OF RESOURCES						
Deferred amounts related to net pension liabilities	<u>21,343</u>	<u>9,870</u>	<u>17,162</u>	<u>61,258</u>	<u>109,633</u>	<u>11,376</u>
NET POSITION						
Investment in capital assets	11,879,051	4,234,955	6,772,066	46,208,816	69,094,888	16,572
Unrestricted	<u>5,008,561</u>	<u>193,497</u>	<u>(92,308)</u>	<u>18,179,003</u>	<u>23,288,753</u>	<u>13,765,948</u>
Total net position	<u>\$ 16,887,612</u>	<u>\$ 4,428,452</u>	<u>\$ 6,679,758</u>	<u>\$ 64,387,819</u>	<u>92,383,641</u>	<u>\$ 13,782,520</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(1,239,610)</u>	
Net position of business-type activities					<u>\$ 91,144,031</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2015

	Business-type	
	Civic Center	Golf Course
Operating revenues:		
Charges for services	\$ 998,342	\$ 997,590
Other	22,664	11,529
Total operating revenues	<u>1,021,006</u>	<u>1,009,119</u>
Operating expenses:		
Personal services	1,185,357	676,884
Materials and supplies	421,391	358,293
Maintenance	240,945	216,395
Heat, light and power	453,136	53,055
Transportation	-	-
General and administration	208,153	122,894
Claims and losses paid	-	-
Depreciation	863,446	224,035
Total operating expenses	<u>3,372,428</u>	<u>1,651,556</u>
Operating income (loss)	<u>(2,351,422)</u>	<u>(642,437)</u>
Nonoperating revenues (expenses):		
Operating grants-governmental agencies	821,233	-
Interest	28,179	257
Gain (loss) on retirement or transfer of capital assets	1,144	13,446
Total nonoperating revenues	<u>850,556</u>	<u>13,703</u>
Income (loss) before operating transfers	<u>(1,500,866)</u>	<u>(628,734)</u>
Capital contributions and transfers:		
Capital contributions - governmental agencies	-	-
Capital contributions - governmental funds	200,000	200,000
Transfers in (out)	623,125	480,015
Total capital contributions and transfers	<u>823,125</u>	<u>680,015</u>
Change in net position	<u>(677,741)</u>	<u>51,281</u>
Net position at beginning of year - as restated	<u>17,565,353</u>	<u>4,377,171</u>
Net position at end of year	<u>\$ 16,887,612</u>	<u>\$ 4,428,452</u>

The notes to the financial statements are an integral part of this statement.

Activities-Enterprise Funds			Governmental
Public Transit	Water Utility	Totals 2015	Activities - Internal Service Funds
\$ 135,512	\$ 12,120,776	\$ 14,252,220	\$ 14,446,830
66,568	611,869	712,630	332,872
202,080	12,732,645	14,964,850	14,779,702
879,098	2,940,283	5,681,622	590,463
195,836	1,536,767	2,512,287	10,353
199,892	635,156	1,292,388	-
49,926	918,001	1,474,118	-
123,432	-	123,432	-
1,114,502	2,289,054	3,734,603	2,708,537
-	-	-	11,094,665
377,752	1,607,949	3,073,182	3,720
2,940,438	9,927,210	17,891,632	14,407,738
(2,738,358)	2,805,435	(2,926,782)	371,964
1,482,472	-	2,303,705	-
144	198,561	227,141	113,239
-	18,690	33,280	-
1,482,616	217,251	2,564,126	113,239
(1,255,742)	3,022,686	(362,656)	485,203
555,268	246,000	801,268	-
-	-	400,000	-
845,628	-	1,948,768	2,129,606
1,400,896	246,000	3,150,036	2,129,606
145,154	3,268,686	2,787,380	2,614,809
6,534,604	61,119,133		11,167,711
\$ 6,679,758	\$ 64,387,819		\$ 13,782,520

Adjustments to reflect the consolidation of
internal service fund activities related
to enterprise funds
Change in net position of business-type activities

69,410
\$ 2,856,790

CITY OF LAKE CHARLES, LOUISIANA

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended September 30, 2015

	Civic Center
Cash flows from operating activities:	
Receipts from customers	\$ 1,062,352
Payments to employees	(1,191,664)
Payments to suppliers	(1,394,213)
Internal activity - payments from other funds	72,043
Internal activity - payments to other funds	248,495
Net cash provided by operating activities	<u>(1,202,987)</u>
Cash flow from noncapital financing activities:	
Operating subsidies	623,125
Shared revenue from governmental agencies	821,233
Net cash provided by noncapital financing activities	<u>1,444,358</u>
Cash flows from capital and related financing activities:	
Purchases/sale of capital assets	(188,885)
Contracts payable	(291,692)
Capital subsidies from governmental agencies	169,215
Capital transfers	200,000
Net cash provided (used for) capital and related financing activities	<u>(111,362)</u>
Cash flow from investing activities:	
Purchase of investment securities	(4,470,023)
Proceeds from sale and maturities of investment securities	1,450,000
Interest on investments	20,076
Net cash provided (used for) investing activities	<u>(2,999,947)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,869,938)</u>
Cash and cash equivalents at beginning of year	5,658,422
Cash and cash equivalents at end of year	<u><u>\$ 2,788,484</u></u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (2,351,422)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	863,446
(Increase) decrease in accounts receivable	41,346
(Increase) decrease in due from other funds	72,043
(Increase) decrease in inventories	(2,956)
(Increase) decrease in prepaid items	(1,067)
(Increase) decrease in deferred outflows of resources	(153,275)
Increase (Decrease) in accounts payables	(77,175)
Increase (Decrease) in miscellaneous payables	14,647
Increase (Decrease) in customer deposit account	-
Increase (Decrease) in compensated absences payable	(25,461)
Increase (Decrease) in OPEB liability	6,260
Increase (Decrease) in NP liability	194,887
Increase (Decrease) in due deferred inflows of resources	(32,755)
Increase (Decrease) in due to other funds	248,495
Total adjustments	<u>1,148,435</u>
Net cash provided (used) by operating activities	<u><u>\$ (1,202,987)</u></u>

Noncash investing and capital activities:

Assets retired/transferred cost \$240,200 and had accumulated depreciation of \$240,200, loss of \$0.

Developer/governmental agencies donated capital assets of \$246,000.

Change in the fair value of investments resulted in an unrealized gain of \$68,334 at year end 2015 and an unrealized loss of \$28,432 at year end 2014.

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
Golf Course	Transit	Water Utility	Totals 2015	
\$ 1,009,119	\$ 202,080	\$ 12,641,928	\$ 14,915,479	\$ 15,101,300
(671,867)	(826,102)	(2,866,288)	(5,555,921)	(575,083)
(770,170)	(1,656,433)	(5,477,407)	(9,298,223)	(11,692,881)
-	-	1,450	73,493	-
20,433	(32,580)	545,928	782,276	70
<u>(412,485)</u>	<u>(2,313,035)</u>	<u>4,845,611</u>	<u>917,104</u>	<u>2,833,406</u>
480,015	845,628	-	1,948,768	2,129,606
-	1,421,515	-	2,242,748	-
<u>480,015</u>	<u>2,267,143</u>	<u>-</u>	<u>4,191,516</u>	<u>2,129,606</u>
(65,965)	(13,750)	(160,907)	(429,507)	(20,292)
(17,376)	(524,412)	(6,178)	(839,658)	-
-	548,186	82,622	800,023	-
200,000	-	-	400,000	-
<u>116,659</u>	<u>10,024</u>	<u>(84,463)</u>	<u>(69,142)</u>	<u>(20,292)</u>
-	(13)	(11,031,797)	(15,501,833)	(4,930,373)
-	-	11,469,784	12,919,784	1,845,320
258	144	163,289	183,767	67,435
<u>258</u>	<u>131</u>	<u>601,276</u>	<u>(2,398,282)</u>	<u>(3,017,618)</u>
184,447	(35,737)	5,362,424	2,641,196	1,925,102
481,157	35,737	5,679,369	11,854,685	7,012,130
<u>\$ 665,604</u>	<u>\$ -</u>	<u>\$ 11,041,793</u>	<u>\$ 14,495,881</u>	<u>\$ 8,937,232</u>
 \$ (642,437)	 \$(2,738,358)	 \$ 2,805,435	 \$ (2,926,782)	 \$ 371,964
224,035	377,752	1,607,949	3,073,182	3,720
-	-	(220,123)	(178,777)	321,598
-	-	1,450	73,493	-
(8,280)	-	(3,816)	(15,052)	-
(750)	(457)	14	(2,260)	284,088
(70,877)	(123,248)	(439,924)	(787,324)	(81,701)
(12,252)	63,553	(44,610)	(70,484)	13,880
2,639	-	(34,503)	(17,217)	1,824,972
-	-	129,406	129,406	-
(4,093)	6,894	22,305	(355)	7,244
4,125	3,038	10,755	24,178	1,149
90,118	156,709	559,357	1,001,071	103,881
(15,146)	(26,338)	(94,012)	(168,251)	(17,459)
20,433	(32,580)	545,928	782,276	70
<u>229,952</u>	<u>425,323</u>	<u>2,040,176</u>	<u>3,843,886</u>	<u>2,461,442</u>
<u>\$ (412,485)</u>	<u>\$(2,313,035)</u>	<u>\$ 4,845,611</u>	<u>\$ 917,104</u>	<u>\$ 2,833,406</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

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.

The accompanying financial statements include all funds, 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 on the Statement of Net Position and Statement of Activities. 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, City Court is fiscally dependent upon the government because of the statutory requirements that the City provide and maintain the physical facilities necessary for its operation. The relationship between the City and City Court is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for the City Court component unit is from its separately audited financial statements for the fiscal year ended December 31, 2014.

Ward Three Marshal:

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, the office of Ward Three Marshal is fiscally dependent upon the government because of the statutory requirements that the City provide and maintain the physical facilities necessary for its operation. The relationship between the Marshal and the City is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for this component unit are from its separately audited financial report for the year ended December 31, 2014. Complete financial statements of the individual component units are available from the City of Lake Charles at 326 Pujos Street, Lake Charles, Louisiana 70601.

B. Government-wide and Fund Financial Statement

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and the intergovernmental revenues, are reported separately from business-type activities, which rely primarily on charges for services for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting in the Basic Financial Statement

The government-wide financial statement of net position and statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of Section N50, Nonexchange Transactions.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual so they have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflow of resources, and liabilities and deferred inflow of resources is referred to as "Fund Balance."

NOTES TO FINANCIAL STATEMENTS

The City of Lake Charles reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

Riverboat Gaming Special Revenue Fund – This fund accounts for receipt and subsequent expenditure or transfer of revenue from casino riverboat admissions taxes.

Wastewater Fund – This fund accounts for the receipt and subsequent expenditure of dedicated sales taxes, sewer use charges, and other current charges dedicated to operations, maintenance and improvement of the City's sanitary sewerage system.

Debt Service Fund – This fund is used to account for the accumulation of resources and the payments made for principal, interest, and related costs on long-term debt obligations of governmental funds. The primary source of revenue is transfers in from other funds as mandated by law or City policy.

Capital Projects Fund – This fund is 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). Revenues include 28 percent of one percent sales tax dedicated to capital improvements and various intergovernmental revenues.

The City of Lake Charles reports the following proprietary funds:

Civic Center – This fund accounts for the activities of the Lake Charles Civic Center.

Golf Course – This fund accounts for the activities of Mallard Cove Golf Course.

Transit Fund – This fund accounts for the operation of the City's transit system.

Water Fund – This fund accounts for the operation of the City's water system.

The City of Lake Charles reports the following additional fund type:

Internal Service Funds - Internal Service Funds are used to account for the insurance needs provided to other departments of the City, or to other governments, on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and are reported as program revenues.

NOTES TO FINANCIAL STATEMENTS

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investment program is authorized and limited by state statute and city ordinances to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool equivalent to a money market fund. LAMP invests in short-term instruments permitted by statute.

Investments for the government, its component units and for LAMP are reported at fair value.

2. Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables, including those for grass cutting and demolition assessments in the governmental funds and water and sewer charges in the enterprise funds, are shown net of an allowance for uncollectables. The allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances.

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 Wastewater 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.

The City property taxes must be levied by December 1 of each year. Property taxes are due by December 31 and are delinquent by January 1. 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 1. Most taxes are collected in December, January and February.

3. Inventories and Prepaid Items

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. 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. Certain payments made to vendors are for services that will benefit subsequent periods, and, using the consumption method, these expenses are recorded as prepaid items in fiscal year 2015 in both the governmental-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

4. Restricted assets

Customer deposits in the Water Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited to repayment of deposits to qualified customers or upon termination of service.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Historically, capital assets constructed during the past 30 years had been financed on a pay-as-go basis. However, the City incurred debt in 2003 for the construction of a new sewer treatment facility and issued bonds in 2007 and 2010 to fund capital improvements, such as roads, water, sewer, recreation and downtown development activities. Debt was also incurred during the past fiscal year for improvements to the City's wastewater plant.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements other than buildings	20
Public Domain infrastructure	10 – 50
System infrastructure	10 – 50
Machinery and equipment	7

6. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. There was not any amount recorded in the governmental fund statements as a payable to employees who had terminated as of the end of the fiscal year on September 30, 2015.

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

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

NOTES TO FINANCIAL STATEMENTS

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, 2015. Because there was no current liability at the end of the fiscal year, all estimated termination payment liability is recorded in the government-wide and proprietary fund financial statements.

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 government-wide and proprietary funds financial statements. There was no current portion of compensatory time recorded in the governmental fund statement at September 30, 2015.

At September 30, 2015 the total liability reported on the Statement of Net Position for accrued vacation, sick and compensatory time was \$3,403,384 for Governmental Activities, which includes \$94,346 from the Internal Service Funds. The amount recorded in Business-Type Activities equaled \$533,312.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has items that qualify for reporting in this category. It has deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the refunded debt. The \$1,090,123 balance of deferred outflows of resources related to bond refunding will be recognized as interest expense over the remaining life of the bonds. The City also has deferred outflow of resources related to net pension liability of \$10,125,146.

The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has reported deferred inflows related to the net pensions liability in the amount of \$3,577,419.

Additional information on deferred outflows/inflows of resources related to defined benefit pension plans can be found in Note 5.

8. Current Year Adoption of New Accounting Standards

The City of Lake Charles adopted Governmental Accounting Standards Board (GASB) Statement Number 68 – *Accounting for Financial Reporting and Pension – an amendment of GASB Statement No. 27*, and Statement Number 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB 68 and 71 is \$(50,541,819). For additional information on the prior year restatement, see Note 5.

NOTES TO FINANCIAL STATEMENTS

9. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize principal payments during the current period. The face amount of debt issued is reported as other financing sources.

10. Fund equity

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City of Lake Charles classifies governmental fund balances as follows:

Non-spendable– Includes fund balance amounts that cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained or due to constitutional provisions or enabling legislation. Any deviation from the specific purpose must be approved by the original third party whether that is the electorate or grantor.

Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (the City Council) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment. A separate city ordinance adopted by the City Council is required to modify a previous commitment of fund balance.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by action of the Mayor, an ordinance of the City Council, or adoption of the budget and generally only exists temporarily. A similar action or amendment is necessary to remove or revise the limitation.

Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and when applicable, negative fund balances in other governmental funds.

All of these items are included as elements of net position on the government-wide statement.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

It is the City's policy to maintain a minimum fund balance of 30 percent of operating expenditures and operating transfers in the General Fund.

2. Reconciliation of Government-wide Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

NOTES TO FINANCIAL STATEMENTS

One element of that reconciliation explains “long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$134,238,572 difference are as follows:

2007 LCDA Bonds payable	\$ 9,080,000
Premium on 2007 LCDA Bonds payable (to be amortized over the life of the debt)	256,639
2009 Revenue Refunding Bonds payable	9,535,000
Premium on 2009 Refunding Bonds payable (to be amortized over the life of the debt)	235,219
2010 LCDA Bonds payable	30,410,000
Premium on 2010 LCDA Bonds payable (to be amortized over the life of the debt)	1,169,718
2014 LCDA Refunding Bonds payable	15,775,000
Premium on 2014 LCDA Refunding Bonds payable (to be amortized over the life of the debt)	854,085
Cooperative endeavor-Sales Tax Dist. No.3	1,664,492
Compensated absences	3,309,038
Other post employee benefits (OPEB) payable	2,018,407
Net pension liability	53,389,798
Police benefits guarantee	16,528
LC City Court building project	2,590,000
DEQ loan – sewer plant rehabilitation	<u>3,934,648</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position -governmental activities	<u>\$134,238,572</u>

Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in the government funds. The details of this \$6,881,198 difference are as follows:

Deferred outflows on charges on bond refunding	\$ 1,090,123
Deferred outflows of resources – related to net pension liability	9,258,861
Deferred inflows of resources – related to net pension liability	<u>(3,467,786)</u>
Net adjustment to increase fund balance to arrive at net Position – governmental activities	<u>\$ 6,881,198</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of the \$1,618,504 are as follows:

Capital outlays	\$ 15,629,747
Depreciation expense	(13,941,625)
Loss on retirement of capital assets	<u>(69,618)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,618,504</u>

NOTES TO FINANCIAL STATEMENTS

Another element of that reconciliation states that, "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net position." The details of this \$4,004,360 are as follows:

Principal repayment:	
2007 LCDA public improvement bonds	1,490,000
2007 LCDA public improvement bonds - refunded	14,995,000
2009 Revenue refunding bonds	1,395,000
2010 LCDA public improvement bonds	1,905,000
2014 LCDA public improvement refunding bonds	(15,825,000)
2014 LCDA public improvement refunding bonds	50,000
Police benefit guarantees	20,385
Compensated absences	(217,435)
OPEB liabilities	(207,639)
Cooperative endeavor-Sales Tax Dist. No. 3	350,000
Proceeds from premium on 2007 LCDA public improvement bonds (to be amortized as interest over life of debt)	441,668
Proceeds from premium on 2009 Revenue refunding bonds (to be amortized as interest over life of debt)	39,204
Proceeds from premium on 2010 Revenue refunding bonds (to be amortized as interest over life of debt)	100,262
Proceeds from premium on 2014 public improvement refunding bonds (to be amortized as interest over life of debt)	(906,376)
Proceeds from premium on 2014 public improvement refunding bonds (to be amortized as interest over life of debt)	52,291
Lake Charles City Court building loan	110,000
DEQ loan – sewer plant improvements	<u>212,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	\$ <u>4,004,360</u>

C. Explanation of certain differences between the proprietary fund statement of net position and the governmental-wide statement of net position:

The proprietary fund statements of net position include reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the governmental-wide statements of net position. The description of the sole element of that reconciliation is "adjustment to reflect the consolidation of internal service fund activities related to enterprise funds." The details of this \$(1,238,729) are as follows:

Internal payable representing costs in excess of charges to the business-type activities – prior year	\$(1,309,020)
Internal payable representing costs in excess of charges to the business-type activities – current year	<u>69,410</u>
Net adjustment to decrease net position – enterprise funds to arrive at net position – business-type activities	\$(1,239,610)

NOTES TO FINANCIAL STATEMENTS

3. Stewardship, Compliance, and Accountability

A. Budgetary information

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 and all Special Revenue and Proprietary 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 Mayor submits the proposed operating budget for the fiscal year commencing October 1 to the City Council 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.
8. Budgeted amounts are as originally adopted or as amended by the City Council. The originally adopted General Fund expenditure budget of \$66,255,490 was amended to \$66,082,299 during the fiscal year. Sales tax revenue projections increased by \$3.3 million and allowed for the complete funding of the \$2.13 million police supplemental pay settlement; therefore the transfer to the Risk Management Fund increased by \$1.4 million. Also included in the amendment was a transfer of \$800,000 to the Capital Project Fund. Operating expenses were reduced by \$2.4 million resulting in a net decrease in budgeted expenses of \$173,191.

The originally adopted amount of all Special Revenue Funds was \$35,592,074. Amendments in the amount of (95,312) resulted in the final total Special Revenue Fund budget of \$35,425,543. An annual amendment is necessary in response to grant awards compared to actual expenditures within the fiscal year.

NOTES TO FINANCIAL STATEMENTS

B. 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 have been 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 that 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. Such balances are classified as committed fund balance in the Capital Project Fund. Significant project encumbrances are included in the "construction commitments" section of the capital asset note disclosure on page 59. The total amount reserved for encumbrances in all funds at fiscal year ended September 30, 2015 are as follows:

Major Funds:	
Capital Projects	\$6,000,118
Proprietary Funds:	
Civic Center	54,176
Water Utility	947,906
Total Proprietary Funds	<u>1,002,082</u>
Total Reserved for Encumbrances	
Fiscal Year ended September 30, 2015	<u>\$7,002,200</u>

C. Excess of Expenditures Over Appropriations and Deficit Fund Equity

There was no deficit fund equity in any fund at fiscal year ended September 30, 2015.

D. Unfavorable Revenue Variance

The miscellaneous revenue of the Central School Special Revenue Fund was \$100,272 which was \$228 less than the \$100,500 budgeted amount. These funds were down slightly from projected figures. The miscellaneous revenue of the Disaster Recovery Special Revenue Fund were \$10,315 which was \$625 less than the \$10,940 budgeted amount. The intergovernmental revenue of the Community Development Special Revenue Fund was \$718,836 which was \$1,613 less than the \$720,449 budgeted amount. These unfavorable variances are attributable to variances in grant program revenues, which are budgeted on the basis of grant awards but actual revenues received are based on annual expenditure reimbursements in those funds.

4. Detailed Notes on All Funds

A. Deposits 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. Legal and contractual provisions with respect to deposits and investments are substantially the same for all funds and fund types.

Demand deposits of the City are maintained under a banking agreement in which account balances are collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve

NOTES TO FINANCIAL STATEMENTS

Bank in the City's name. The bank balance of such deposits at September 30, 2015 was \$85,788,447 (carrying amount \$83,617,056).

The total includes restricted cash in the amount of \$1,395,977 from customer deposits in the Water Utility Enterprise Fund. The amounts do not include petty cash of \$24,175 or \$3,959,968 that is on deposit with a third party for bond reserves and the administration of the City's insurance claims.

The carrying amounts of cash deposits for component units at their respective balance sheet dates were \$1,758,654 for City Court and \$617,044 for the Ward Three Marshal. These amounts were fully covered by federal deposit insurance or were collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve Bank in the entity's name.

Investments

As of September 30, 2015 the City had the following investments and maturities:

Investment type	Maturity	Fair Value
U.S. agencies callable	Less than 1 year	\$ 6,635,818
U.S. agencies callable	1 – 5 year	70,899,209
Louisiana Asset Management Pool		<u>6,240,108</u>
		<u>\$83,775,135</u>

Credit Risk – Investments

The City's investment program is authorized and limited by state statute and city policy to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit local government money-market type (2a-7-like) investment pool sponsored by the State of Louisiana. This pool is rated "AAA" by Standard & Poor's. Security investments are carried at fair value; investment in LAMP is carried at cost, which approximates market. With the exception of LAMP, all of the City's investments are held in the City's name by its custodial bank. The City's investment policy does not specifically limit investment maturities, except for a general requirement that funds used for operation be invested within a three-year final maturity range. This policy assumes that callable investments will not be called. The City's investment policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

The City does not directly invest in commercial paper, which are permitted by state statute. However, such investments are made by LAMP, subject to concentration and maturity limitations of its investments policy.

Investments as of September 30, 2015 were concentrated with the following issuers:

<u>Issuer</u>	<u>Fair Value</u>
Federal Home Loan Bank	\$11,338,916
Federal Home Loan Mortgage Corporation	32,984,513
Federal National Mortgage Association	15,528,280
United States Treasury Bonds	424,679
Federal Farm Credit Bank	17,258,639

The City's investments in U.S. Agency Securities were primarily rated "AAA" by Standard and Poor's and Fitch Ratings and "Aaa" by Moody's Investors Services. The City's investment policy does not specifically limit concentration with individual issuers. The policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

NOTES TO FINANCIAL STATEMENTS

Interest Rate Risk – Investments

The City's policy on investments places primary order of emphasis on 1) the safety of principal; 2) the liquidity of the investment, in order to enable the City to meet reasonably expected operating and capital funding requirements; and 3) the yield or return on investment.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment. Investments are exposed to custodial credit risk if the securities are (a) uninsured and unregistered and held by the counterparty; or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the City.

According to the City's investment policy for investment purchases, the fiscal agent bank merely executes the necessary wire-transfer services to support the City's investment transactions and is therefore not a counterpart to the investment transactions. As such, these investments are not subject to custodial credit risk since the fiscal agent bank is not a party to the original investment purchases and is only holding the book-entry securities in a securities safekeeping account in the name of the City of Lake Charles.

B. Receivables

Receivables as of year-end for the City of Lake Charles's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectable accounts are as follows:

Governmental-type Activities	General	Riverboat Gaming	Wastewater	Debt Service
Receivables:				
Accounts	\$1,716,543	\$ 0	\$1,941,783	\$ 0
Taxes	3,549,912	619,775	326,486	0
Property standards & special assessment	2,231,046	0	0	1,080,659
Interest	16,843	0	142	0
Intergovernmental	79,595	0	0	106,026
Gross receivables	7,593,939	619,775	2,268,411	1,186,685
Less: allowance for uncollectable	(1,188,811)	0	(563,540)	(540,330)
Net total receivables	\$6,405,128	\$619,775	\$1,704,871	\$646,355

Governmental-type Activities (continued)	Capital Projects	Non-major Funds	Internal Service	Total Governmental Activities
Receivables:				
Accounts	\$ 0	\$ 1,190,168	\$1,848,293	\$ 6,696,787
Taxes	571,351	163,898	0	5,231,422
Property standards & special assessment	196,865	0	0	3,508,570
Interest	79,859	67	17,101	114,012
Intergovernmental	2,033,982	233,200	0	2,452,803
Gross receivable	2,882,057	1,587,333	1,865,394	18,003,594
Less: allowance for uncollectible	0	(1,017,288)	0	(3,309,969)
Net total receivables	\$2,882,057	\$ 570,045	\$1,865,394	\$14,693,625

NOTES TO FINANCIAL STATEMENTS

Receivables as of year-end for the City of Lake Charles's individual enterprise funds in the aggregate, including the applicable allowances for uncollectable accounts are as follows:

Business-type Activities	Civic Center	Golf Course	Public Transit	Water	Total Business-Type Activities	Total Government
Receivables:						
Accounts	\$ 14,199	\$ 0	\$ 0	\$1,598,632	\$1,612,831	\$8,309,618
Taxes	0	0	0	0	0	5,231,422
Property standards & special assessment	0	0	0	0	0	3,508,570
Interest	6,640	0	0	11,527	18,167	132,179
Intergovernmental	290	0	552,028	0	552,318	3,005,121
Gross receivables	21,129	0	552,028	1,610,159	2,183,316	20,186,910
Less: allowance for uncollectable	0	0	0	(565,517)	(565,517)	(3,875,486)
Net total receivables	\$21,129	\$ 0	\$ 552,028	\$1,044,642	\$1,617,799	\$16,311,424

Intergovernmental receivables consisted of the following, net of uncollectable allowance of \$1,017,288:

Governmental-type activity:	
Calcasieu Parish Police Jury	\$ 59,530
Lake Charles City Court	113,796
U.S. Department of Justice	31,768
Community Development Grant	177,408
LA Department of Treasury	40,014
LA State Facility Planning & Control	1,473,658
LA Commission on Law Enforcement and Admin. of Criminal Justice Grant	33,435
LA Department of Environmental Quality	384,971
LA Department of Military Affairs	47,396
Housing & Urban Development Disaster Recovery Grants	23,789
Housing & Urban Development Emergency Grants	67,038
Total Governmental-type activities	2,452,803
Business-type activity:	
Mass Transit Operating Assistance Grant	50,715
LA Department of Transportation	501,313
LA Department of Military Affairs	290
Total Business-type activities	552,318
Total primary government	\$3,005,121

NOTES TO FINANCIAL STATEMENTS

C. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2015 was as follows:

Primary Government

Governmental Activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 15,889,781	\$ 0	\$ 0	\$ 15,889,781
Construction in progress	29,560,961	5,359,991	(5,115,160)	29,805,792
Total capital assets, not being depreciated	45,450,742	5,359,991	(5,115,160)	45,695,573
Capital assets being depreciated:				
Buildings	53,916,306	0	(1,534)	53,914,772
Improvements	58,806,449	3,220,784	0	62,027,233
Machinery & Equipment	33,218,513	4,233,633	(2,205,355)	35,246,791
Infrastructure	306,046,070	7,950,793	0	313,996,863
Total capital assets being depreciated	451,987,338	15,405,210	(2,206,889)	465,185,659
Less accumulated depreciation for:				
Buildings	(20,848,025)	(2,262,981)	1,534	(23,109,472)
Improvements	(26,185,758)	(2,357,768)	0	(28,543,526)
Machinery & Equipment	(23,634,384)	(2,632,879)	2,135,737	(24,131,526)
Infrastructure	(110,079,888)	(6,691,717)	0	(116,771,605)
Total accumulated depreciation	(180,748,055)	(13,945,345)	2,137,271	(192,556,129)
Total capital assets, being depreciated, net	271,239,283	1,459,865	(69,618)	272,629,530
Governmental activities capital assets, net	\$316,690,025	\$ 6,819,856	\$(5,184,778)	\$318,325,103

The assets of the Internal Service Funds are included in the table for assets related to governmental-type activities. Total assets are \$39,056 with accumulated depreciation of \$22,484. Remaining value of assets at September 30, 2015 equaled \$16,572 and this total is included in the net asset statement for the Governmental-type activities.

NOTES TO FINANCIAL STATEMENTS

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,104,506	\$ 0	\$ 0	\$ 2,104,506
Construction in progress	4,695,643	184,371	(4,695,643)	184,371
Total capital assets, not being depreciated	6,800,149	184,371	(4,695,643)	2,288,877
Capital assets being depreciated:				
Buildings	25,833,046	0	0	25,833,046
Improvements	92,459,611	4,790,878	0	97,250,489
Machinery & Equipment	8,041,924	1,102,783	(240,200)	8,904,507
Total capital assets being depreciated	126,334,581	5,893,661	(240,200)	131,988,042
Less accumulated depreciation for:				
Buildings	(19,409,023)	(237,175)	0	(19,646,198)
Improvements	(37,586,177)	(2,254,518)	0	(39,840,695)
Machinery & Equipment	(5,353,848)	(581,490)	240,200	(5,695,138)
Total accumulated depreciation	(62,349,048)	(3,073,183)	240,200	(65,182,031)
Total capital assets, being depreciated, net	63,985,533	2,820,478	0	66,806,011
Business-type activities capital assets, net	\$70,785,682	\$ 3,004,849	\$(4,695,643)	\$69,094,888

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental activities:	
General government	\$ 266,119
Public safety	1,678,905
Public works	10,094,599
Planning and development	18,186
General services	359,206
Community services	1,524,610
Capital assets held by the government's internal service funds are charges to the various functions based on their usage of the assets	3,720
Total depreciation expense – governmental activities	\$13,945,345
Business-type activities:	
Civic Center	\$ 863,446
Golf Course	224,035
Transit	377,752
Water	1,607,950
Total depreciation expense – business-type activities	\$ 3,073,183

NOTES TO FINANCIAL STATEMENTS

D. Discretely presented component units

Capital asset activity for the year ended December 31, 2014 was as follows for City Court:

	Balance 1/01/2014	Additions	Deletions	Balance 12/31/2014
Governmental activities:				
Equipment	\$576,004	\$0	\$(400,216)	\$175,788
Furniture and fixtures	67,865	0	(22,428)	45,437
Totals at historical cost	643,869	0	(422,644)	221,225
Less accumulated depreciation:				
Equipment	(431,186)	(9,773)	398,025	(42,934)
Furniture and fixtures	(23,678)	(5,218)	17,420	(11,476)
Total accumulated depreciation	(454,864)	(14,991)	415,445	(54,410)
Governmental activities capital assets, net	\$189,005	\$ (14,991)	\$ (7,199)	\$166,815

Capital asset activity for the year ended December 31, 2014 was as follows for City Marshal:

	Balance 1/01/2014	Additions	Deletions	Balance 12/31/2014
Governmental activities:				
Automobiles & equipment	\$597,307	\$ 53,059	\$(36,557)	\$613,809
Furniture and fixtures	13,763	0	0	13,763
Building & improvements	25,610	16,658	0	42,268
Totals at historical cost	636,680	69,717	(36,557)	669,840
Less accumulated depreciation:				
Equipment	(432,480)	(62,653)	36,557	(458,576)
Furniture and fixtures	(1,955)	(1,966)	0	(3,921)
Buildings & improvements	(68)	(953)	0	(1,021)
Total accumulated depreciation	(434,503)	(65,572)	36,557	(463,518)
Governmental activities capital assets, net	\$ 202,177	\$ 4,145	\$0	\$ 206,322

E. Construction commitments

The City had total commitments of \$6,412,563 with contractors for unfinished construction projects as of September 30, 2015 categorized as follows:

Project type	Expended to Date	Remaining Commitment
Streets and storm drainage	\$1,128,694	\$1,932,889
Waterlines	0	377,132
Sanitary sewer rehabilitation	1,117,079	3,470,266
Water Facilities	2,396	321,000
Recreation / community facilities	125,282	42,759
Downtown Development	540,495	8,811
Public Safety Facilities	0	182,200
Civic Center Improvements	126,358	54,176
Other governmental facilities	0	23,330
Total	\$3,040,304	\$6,412,563

NOTES TO FINANCIAL STATEMENTS

All remaining commitments are financed from City revenues previously received.

F. Interfund receivables, payables and transfers

The composition of interfund balances as of September 30, 2015 is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Wastewater Fund	\$ 514,293
	Civic Center Fund	248,495
	Non-major Governmental Funds	21,488
	Risk Management Fund	118
	Transit Fund	98,258
	Golf Course	170,219
	Water Fund	550,473
Capital Projects Fund	General Fund	800,000
Debt Service Fund	General Fund	18,096
Non-major Governmental Funds	General Fund	1,407,701
	Riverboat Fund	129,197
	Non-Major Governmental Funds	1,712
Total		\$3,960,050

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and the payments between funds are made.

Interfund transfers:

Transfer out:	General Fund	Riverboat Fund	Wastewater Fund	Capital Project Fund	Other Special Revenue Funds	Debt Service Funds
Transfer in:						
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
Debt Service	223,001	3,388,675	3,334,575	2,130,021	0	0
Capital Projects	844,000	5,050,000	4,000,000	0	0	0
Non-major Governmental	2,178,760	671,550	0	0	55,576	0
Civic Center	623,125	200,000	0	0	0	0
Golf Course	480,015	200,000	0	0	0	0
Transit	845,628	0	0	0	0	0
Water	0	0	0	0	0	0
Internal Service	2,129,606	0	0	0	0	0
Total	\$ 7,324,135	\$9,510,225	\$7,334,575	\$2,130,021	\$ 55,576	\$0

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due. Unrestricted general fund revenues are transferred to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and proprietary fund operations.

NOTES TO FINANCIAL STATEMENTS

Amounts recorded in the Capital Project Fund to the Water Fund are a transfer of capital assets that were paid for with bond proceeds and then transferred to the Proprietary Funds where they are recorded as capital contributions from the governmental funds. Excess reserves in the Employee Insurance Internal Service Fund were transferred to the General Fund to offset health insurance costs.

G. Long-Term Debt

Bonds payable as of September 30, 2015 are comprised of the following individual issues and are entirely related to governmental activities:

<u>\$34,480,000</u> 2007 Fixed rate Revenue Bonds – LCDA for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in annual amounts of \$1,110,000 to \$2,555,000 through 2027; interest rates of 4% to 5%.	\$ 9,080,000
<u>\$17,735,000</u> 2009 Revenue Refunding Bonds – LCDA Original issue was for construction of sewer treatment facility due in amounts of \$1,270,000 to \$1,750,000 through 2021; interest rates of 2% to 4%.	9,535,000
<u>\$39,280,000</u> 2010 Fixed rate Revenue Bonds – LCDA for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in annual amounts of \$1,575,000 to \$3,200,000 through 2027; interest rates of 2% to 4.125%.	30,410,000
<u>\$15,825,000</u> 2014 Fixed rate Revenue Refunding Bonds - LCDA Original issue was for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in annual amounts of \$50,000 to \$2,450,000 through 2027; interest rates of 2% to 5%.	<u>15,775,000</u>
Total bonds payable	<u>\$64,800,000</u>

The Revenue Bonds are subject to arbitrage rules. An arbitrage rebate in the amount of \$493,061 was paid in fiscal year 2012 for the 2007 bond issue. Additional calculations will be done in the future as required.

Annual debt service requirements to maturity of the bonds are as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2016	\$5,120,000	\$ 2,707,919	\$ 7,827,919
2017	5,325,000	2,506,519	7,831,519
2018	5,410,000	2,268,969	7,678,969
2019	5,635,000	2,041,894	7,676,894
2020	6,025,000	1,801,362	7,826,362
2021	6,295,000	1,538,862	7,833,862
2022	4,590,000	1,264,412	5,854,412
2023	4,975,000	1,034,913	6,009,913
2024	5,045,000	805,525	5,850,525
2025	5,275,000	576,100	5,851,100
2026	5,455,000	399,900	5,854,900
2027	5,650,000	205,500	5,855,500
Total	\$ 64,800,000	\$ 17,151,875	\$ 81,951,875

NOTES TO FINANCIAL STATEMENTS

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2015 was as follows:

	Balance 10/01/2014	Additions	Reductions	Balance 9/30/2015	Due within one year
Governmental activities:					
Bonds payable:					
Revenue Bonds LC Public Imp 2007	\$25,565,000	\$ 0	\$(16,485,000)	\$ 9,080,000	1,550,000
Deferred amount of revenue bonds	698,307	0	(441,668)	256,639	32,080
Revenue Refunding Bonds	10,930,000	0	(1,395,000)	9,535,000	1,435,000
Deferred amount of revenue bonds	274,422	0	(39,203)	235,219	39,203
Revenue Bonds LC Public Imp 2010	32,315,000	0	(1,905,000)	30,410,000	1,965,000
Deferred amount of revenue bonds	1,269,979	0	(100,262)	1,169,717	100,262
Revenue Refunding Bonds LC Public Imp 2014	0	15,825,000	(50,000)	15,775,000	170,000
Deferred amount of revenue bonds	0	906,376	(52,291)	854,085	69,721
Total bonds payable	\$71,052,708	16,731,376	(20,468,424)	67,315,660	5,361,266
Compensated absences	3,178,705	729,032	(504,353)	3,403,384	200,000
Other post-employment benefits	1,830,976	531,328	(322,540)	2,039,764	0
Net pension liability	43,338,643	13,589,147	(3,537,992)	53,389,798	0
Police Benefit Guarantee	36,913	0	(20,385)	16,528	16,528
Lake Charles City Court building loan	2,700,000		(110,000)	2,590,000	115,000
DEQ loan	4,146,649	0	(212,001)	3,934,648	201,000
Cooperative endeavor-Sales Tax Dist 3	2,014,492	0	(350,000)	1,664,492	350,000
Long-term liabilities	\$128,299,086	\$31,580,883	\$(25,525,695)	\$134,354,274	\$6,243,794
Business-type activities:					
Compensated absences	\$ 533,667	\$ 79,283	\$ (79,638)	\$ 533,312	\$ 5,000
Other post-employment benefits	241,514	69,820	(45,642)	265,692	0
Net pension liability	2,205,219	1,257,082	(256,011)	3,206,290	0
Long-term liabilities	\$ 2,980,400	\$1,406,185	\$ (381,291)	\$4,005,294	\$ 5,000

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$94,346 of internal service compensated absences; \$21,357 OPEB liabilities and \$332,715 in Net Pension liabilities are included in the above statement.

In the current year compensated absences were paid from the following governmental funds:

General Fund	Wastewater Fund	Other Special Revenue Funds
\$448,820	\$ 42,158	\$ 13,375

NOTES TO FINANCIAL STATEMENTS

In the current year other post-employment benefits are paid primarily from the General Fund.

Refunding of Bonds

On December 5, 2014 the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) authorized on the behalf of the City of Lake Charles the issue of \$15,825,000 in Revenue Refunding Bonds, Series 2014. The proceeds of the bonds will be used by the City for the purpose of 1) advance refunding portions of the Authority's \$34,380,000 Revenue Bonds Series 2007 maturing May 1, 2018; May 1, 2019; May 1, 2022; May 1, 2024 and May 1, 2027 (collectively, the "Refunded Series 2007 bonds"); 2) paying the cost of issuance of the Series 2014 bonds. The Bonds mature on May 1, of each year beginning 2015 through 2027 with interest of 2% to 5%. The reacquisition price exceeded the net carrying amount of the old debt by \$1,180,966. This amount is being reported as a deferred outflow of resources and amortized over the life of the new debt, which is the same as the old debt. Amortization for 2015 was \$90,843.

As a result of the refunding, the cash flow difference between the old debt service and new debt service amounted to \$1,133,812. The present value difference between the old debt service cash flows and new debt service cash flows amounted to an economic gain of \$922,361. The City recognized a reoffering premium on refunding of \$906,376 related to these bonds. As of September 30, 2015, \$52,291 of the deferred amount on this refunding was amortized, resulting in a deferred amount on refunding of \$854,085.

Defeasance of Debt

The City of Lake Charles defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2015 \$14,995,000 of bonds outstanding are considered defeased.

5. Other Information

A. Risk Management

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 uses a third party administrator 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 that 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. Any remaining fund equity is reserved for subsequent workmen's compensation and liability claims on an aggregate basis.

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. Under this program, the City's retained risk for all auto liability and general liability is generally limited to a maximum of \$500,000 per claim or loss. The City's self insured retention for workmen's compensation is \$550,000 for all employees.

Total net position at September 30, 2015 was \$7,413,915. 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.

NOTES TO FINANCIAL STATEMENTS

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. Total net position of that fund at September 30, 2015 was \$6,368,605. The amount of risk retained by the fund during 2015 was limited to \$135,000 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 2014:	\$4,837,062	\$1,550,000	\$6,368,062
Incurred and adjusted claims	4,040,751	4,851,423	8,892,174
Claim payments	(3,723,677)	(5,001,423)	(8,725,100)
Unpaid claims, beginning of fiscal year 2015:	5,154,136	1,400,000	6,554,136
Incurred and adjusted claims	6,306,966	6,612,671	12,919,637
Claim payments	(4,781,994)	(6,312,671)	(11,094,665)
Total unpaid claims September 30, 2015:			
Current claims due within one year	4,487,907	1,700,000	6,187,907
Long-term claims due one year or more	2,191,201	0	2,191,201
Total unpaid claims September 30, 2015	\$6,679,108	\$1,700,000	\$8,379,108

B. 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. All millages except the General Alimony tax were reauthorized in 2006 for an additional 10 years. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2015 and 2014:

Tax	Fiscal year 2015	Fiscal year 2014
General Alimony	6.07	6.07
Special recreation	1.70	1.70
Employee salary	5.27	5.27
Special street improvement	2.31	2.31
Totals	15.35	15.35

C. Contingencies and Commitments

The City has a number of outstanding 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, 2015, if any, is not estimable.

NOTES TO FINANCIAL STATEMENTS

D. Joint Service Agreements

The City of Lake Charles and the Calcasieu Parish Police Jury entered into a joint service agreement, with an effective date of January 1, 2010, regarding operational responsibility for a consolidated animal services and shelter program. The term of the agreement was for the calendar year 2010 through 2012, with an optional renewal period of three years. The City agreed to fund one-half of the operating budget, after the reduction for self-generated revenue and other specified grant revenue. The fifty percent amount is based on the average service call breakdown between the City and the Parish. The 2015 payment was \$504,502.

The City of Lake Charles and the Calcasieu Parish Police Jury are statutorily required to fund the operations of the Ward Three Court and Marshal's Office. The Parish paid the City \$229,210 in 2015 under this agreement.

On July 20, 2004, the City and the Calcasieu Parish Police Jury entered into a joint services agreement regarding the management of Fire Protection District 2 of Ward 3. In that agreement, the Parish dissolved the existing board of directors and assumed that responsibility. The City of Lake Charles assumed the day to day management of those operations, which would be inclusive of any budgetary decision making requirements. The Parish would continue to collect the property tax revenue on behalf of the District while paying the City for their management services. The ownership of the District's assets would not be transferred under this joint services agreement, and any costs associated with major improvements or capital expenditures would remain the responsibility of the District. The fee for the management services provided is the full amount of the property tax collections and the state revenue sharing collections paid to the District. In 2015, the Parish remitted \$ 1,915,866 to the City. The activity of this District is presented as a blended component unit of the Parish since the Police Jury's and the District's governing board are the same.

E. Gaming Activity and Agreements

In 2007, the City of Lake Charles and the Calcasieu Parish Police Jury entered into a cooperative endeavor agreement thereby creating the Calcasieu Parish Gaming Revenue District which is responsible for collecting fees and assessments related to gaming activity conducted within the boundaries of the Parish and the City of Lake Charles and then distributing those collections to participating entities. The entities eligible for participation in this distribution are currently the Parish, the City of Lake Charles, the City of Sulphur, the City of Dequincy, the Town of Vinton and the Town of Iowa. Specifically excluded from the definition of gaming revenues to be collected by the new district is the annual cash payment received by the Parish from the Isle of Capri. The City received \$11,054,210 during fiscal year 2015 as a result of this agreement.

F. Other Postemployment Benefits Other than Pensions (OPEB)

For the fiscal year ended September 30, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement addresses the fact that certain postemployment benefits other than pensions, which for the City consist of healthcare benefits only, are related to employee services and salaries received presently but that will benefit the employee in the future, upon retirement, and whose costs will be borne by the City in the future. This statement attempts to quantify the future "retirement" costs that have been earned by the employee during his active years of employment. The City will finance the postemployment benefits on a "pay-as-you-go" basis. Accordingly, a liability is recognized in the financial statements for the actuarial determined amount of postemployment benefits that are associated with the normal costs of benefits attributable to service in the current year as well as an amortization of any unfunded actuarial accrued liability for costs of benefits associated with prior years of employment.

The notes to the financial statements contain other required disclosure information such as the estimated costs today of providing the postemployment benefits to all of our current employees once they retire, not just the liability referred to above that is actually recognized in the statements of net position. The City contracted with a third party consultant to perform the actuarial valuation required by GASB Statement No. 45 for the fiscal year ended September 30, 2015. GASB Statement No. 45 requires biennially valuations for plans with memberships exceeding 200. The projected unit credit actuarial cost method was used for the September 30,

NOTES TO FINANCIAL STATEMENTS

2008, September 30, 2010, September 30, 2012, and September 30, 2014 actuarial valuations. The schedule of funding progress is presented immediately following the financial statements as required supplementary information. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Valuation Reports for the City of Lake Charles – GASB 45 Actuarial Valuation – is available at City of Lake Charles, 326 Pujo Street, Lake Charles, LA 70601.

Plan Description: The City OPEB Plan is a single employer defined benefit plan. Employees are eligible for retiree health benefits if they are eligible for a pension from their respective retirement system, and they are enrolled in the City of Lake Charles health plan at the time of retirement. City employees may retire upon attaining 1) age 60 with 10 years of service; or 2) at any age with 30 years of service. Police employees may retire upon attaining 1) age 55 with 12 years of service; or 2) at any age with 20 years of service. Fire employees may retire upon attaining 1) age 55 with 12 years of service; 2) age 50 with 20 years of service; or 3) at any age with 25 years of service. In addition, if an employee becomes disabled under the terms of his retirement system, he shall be eligible for medical benefits. City employees must have 10 years of service at time of disability. Police and fire employees must have 5 years of service at time of disability.

Upon election, spouses and children are eligible for coverage. In the event of death after satisfying the criteria for retirement, but prior to actual retirement, a surviving spouse and dependants are eligible for benefits. Participants over 65 are covered under a retiree-pay-all Medicare Advantage plan.

The City does offer dental and vision benefits to its retirees. However, those benefits are fully insured and retiree-pay-all, so the City has no liability for those benefits. A life benefit of \$10,000 is available at retirement. The current cost of the life insurance is \$7.10 per month and is completely paid by the retirees. Therefore, there is no liability to the City for life insurance benefits.

Funding Policy: The contribution requirements of the retirees and the participating employees are established in the annual operating budget and may be amended in the subsequent year by City management. As stated previously, the required contribution is based on projected pay-as-you-go financing requirements. The employer contribution to the OPEB plan for 2015 was \$232,255. For coverage under the plan prior to age 65, retirees pay the active premium. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly which for 2015 consisted of \$556 per month for retiree only and \$1,112 for retiree and dependent coverage. Retirees over age 65 pay a range between \$137 and \$220 per month, depending on their age, for Medicare Supplements Part B and D. After age 65, retirees may participate in a retiree-pay-all Medicare Advantage plan. The cost of the Medicare Advantage plan is completely paid by the retiree. Therefore, there is no post-retirement benefit increase/liability to the City after age 65.

Actuarial Methods and Assumptions: All calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of such valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial valuations for the OPEB plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial calculations of the OPEB plan also reflect a long-term perspective and liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Projections of benefits for financial reporting purposes include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members. The actuarial cost method and assumptions used for determining the benefit obligation is the Projected Unit Credit Cost Method for the October 1, 2014 actuarial valuations. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for current actives and retirees and is calculated based on the assumptions and census data as stated. The Actuarial Accrued Liability

NOTES TO FINANCIAL STATEMENTS

(AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service to date over service to expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. Since retirees are not accruing any more service, their normal cost is zero. The initial Unfunded Actuarial Accrued Liability (UAAL) was amortized over a closed 30 year amortization period commencing October 1, 2008. For each subsequent valuation, the re-measured UAAL will be amortized the remaining amortization years. In determining the Annual Required Contribution, the Unfunded AAL is amortized as a level dollar over 24 years beginning October 1, 2014. Because the City currently finances OPEB using a "pay-as-you-go" approach, the discount rate of 4 percent was based on the historical and future investment yields that are expected to be used in financing the payment of benefits. The actuarial assumptions for all valuations included a 4 percent investment rate of return, compounded annually. Life expectancies for the 2015 actuarial valuation report were based on the RP 2000 Male and Females Tables which is consistent with the 2008, 2010, 2012, and 2014 valuation reports. Turnover rates for the valuation reports were based on the City's historical data and modified based on years of employment.

For Municipal Employees, demographic assumptions regarding retirement, turnover and disability are based on statistics taken from the Municipal Employees' Retirement System of Louisiana (MERSLA) pension valuation. For Police and Fire, demographic assumptions are based on statistics taken from the Louisiana Municipal Police Employees' Retirement System (LAMPERS) valuation.

To determine the future trend rate assumptions, the Actuarial Valuation considered both near term and long term expectations of healthcare inflation. For the near term, the Actuarial selected trend rates within the range of factors included in Milliman's Health Cost Guidelines for 2014 based on industry data. For the long term, the Actuarial used trend rates from the Getzen model for projecting long term healthcare trends. The Getzen model was developed by the Society of Actuaries (SOA) as a resource for the estimation of reportable liabilities for retiree healthcare benefits.

Inflation Rate Assumptions: The 2015 actuarial valuation assumed a healthcare cost inflation rate of 4.4 percent decreasing to an ultimate rate of 4.5 percent in 2091 and beyond. A one percent inflation factor was utilized each year. The actuarial assumptions for all valuations included a 4 percent investment rate of return, compounded annually. The 2015 actuarial valuation also assumes that 1) the discount rate for valuing liabilities without prefunding is 4 percent per annum, compounded annually; 2) the pre-retirement and post-retirement mortality rates were based on the sex distinct RP 2000 with projection scale AA and the post-disablement mortality rates were based on the sex distinct RP 2000 disabled with projection scale AA; 3) for Municipal Employees, demographic assumptions regarding retirement, turnover, and disability were based on statistics taken from the Municipal Employees' Retirement System of Louisiana (MERSLA) 2014 City pension valuation; 4) for Police and Fire, demographic assumptions regarding retirement, turnover, and disability were based on statistics taken from the Louisiana Municipal Police Employees' Retirement System (LAMPERS) 2014 Police/Fire pension valuation; 5) the disability rates used at age 35 for Municipal Employees (from MERSLA report) was at .034 percent to .404 percent at age 55 and Police/Fire Employees (from LAMPERS report) at age 35 at .068 percent to age 55 at .808 percent; 6) the withdrawal rates for Municipal Employees (from MERSLA report-Plan B) from 0-1 year of service were at a rate of 26 percent to over 20 years of service at a rate of 2 percent. The withdrawal rate for Police and Fire (from LAMPERS report) from age 20-23 was 8.5 percent and age 50-63 was 5 percent. For the Police and Fire, during the first four years of employment, the probability of terminating was 125 percent, 120 percent, 115 percent, and 110 percent respectively, of the attained age rate; 7) the retirement rates for Municipal Employees (from MERSLA report for Plan B) for age 46-54 was 6 percent and to over age 66, the retirement rate was 100 percent. The Police and Fire (from LAMPERS report) retirement rate for age 47-54 was 8 percent and over age 66 was 100 percent; 8) 25 percent of members are assumed to elect coverage at retirement; 9) it was assumed that husbands are three years older than their wives for active employees. Also, it was assumed that 25 percent of active participants making it to retirement are married and elect spouse coverage; 10) the trend assumptions for medical and pharmacy costs and retiree premiums are 6.2 percent pre-65 for fiscal year 2015 to 4.4 percent for fiscal year 2098 and beyond. The cost of the OPEB plan was derived by making certain specific assumptions as to rates of interest, mortality, turnover, which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long term assumptions, the costs

NOTES TO FINANCIAL STATEMENTS

determined by the valuation must be regarded as estimates of the true costs of the Plan. The actuarial liabilities and comparative costs were computed using the unit credit actuarial cost method. The normal cost is the actuarial present value of benefits allocated to the valuation year. The actuarial accrued liability is the actuarial present value of benefits accrued as of the valuation date.

In determining the Annual Required Contribution, the Unfunded Actuarial Accrued Liability (AAL) is amortized as a level dollar over 24 years as of October 1, 2014. The unfunded actuarial liability as of October 1, 2008 was amortized over the maximum permissible period under GASB 45 of a closed 30 year amortization period. The valuation assets are equal to the market value of assets as of the valuation date. Unfunded actuarial accrued liability is the difference between the Actuarial Accrued Liability and the Valuation Assets.

Annual OPEB Cost and Net OPEB Obligation: The City annual OPEB costs were calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding, which if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the October 1, 2014 actuarial valuation performed by an outside actuary consultant. The following table shows the components of the City's annual OPEB costs for the year and the amount estimated to have been contributed to the plan during the year:

Determination of Net OPEB Obligation	Governmental Activities	Business-Type Activities	Total
Annual required contribution (ARC)	\$ 458,055	\$ 60,193	\$ 518,248
Interest on prior year Net OPEB Obligation	73,272	9,628	82,900
Adjustment to ARC	(120,140)	(15,787)	(135,927)
Annual OPEB Cost	411,187	54,034	465,221
City contributions made	(202,399)	(29,856)	(232,255)
Increase in Net OPEB Obligation	208,788	24,178	232,966
Net OPEB Obligation – beginning of year	1,830,976	241,514	2,072,490
Net OPEB Obligation – end of year	\$ 2,039,764	\$ 265,692	\$2,305,456

Trend Information for OPEB Plan:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$642,116	34%	\$ 424,116
9/30/2010	\$642,116	41%	\$ 805,231
9/30/2011	\$697,183	37%	\$1,243,413
9/30/2012	\$697,183	43%	\$1,642,596
9/30/2013	\$481,922	55%	\$1,857,865
9/30/2014	\$481,922	55%	\$2,072,490
9/30/2015	\$465,221	50%	\$2,305,456

Funding Status and Funding Progress: The following is a Schedule of Funding Status and Funding Progress for the OPEB Plan based on the current actuarial valuation:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/01/2008	\$0	\$6,063,254	\$6,063,254	0%	\$23,558,095	25.74%
10/01/2010	\$0	\$6,402,679	\$6,402,679	0%	\$23,900,000	26.79%
10/01/2012	\$0	\$4,928,516	\$4,928,516	0%	\$25,311,382	19.47%
10/01/2014	\$0	\$4,668,177	\$4,668,177	0%	\$26,619,735	17.54%

G. Other Postemployment Benefits – Police Benefit Guarantee

In connection with a 1983 merger of the former Lake Charles Police Pension and Relief Fund into the state-administered Municipal Police Employees Retirement System (MPERS), the City contractually guaranteed the continued availability of early retirement benefits to merged police employees with twenty or more years of service, for transitional benefit payments to those electing to terminate employment prior to attainment of the then-existing normal retirement age for commencement of MPERS pension benefits. As a result of subsequent liberalization of MPERS benefits, relatively few of the eligible participants have elected to receive the temporary City benefit prior to normal retirement under MPERS.

As of September 30, 2015, the City was paying post-employment benefits to one participant who will be eligible to receive benefits from MPERS at age 60 so the maximum liability is known and reported below. Total payments during the year then ended were \$20,385; the maximum liability for subsequent payments was established at \$16,528 that is recorded as a long-term liability. Payments are funded on a cash basis through a related debt service fund, which is supported by periodic General Fund transfers. The balance available in the Debt Service Fund as of September 30, 2015 was \$32,459, which exceeds the maximum future liability.

H. Retirement Commitments

Effective September 30, 2015, the City implemented Governmental Accounting Standards Board Statement No. 68, *Accounting for Financial Reporting and Pension – an amendment of GASB Statement No. 27*, and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements required the City to recognize its proportionate share of the net pension liability for the four defined benefit plans in which its employees participate. The effects of the implementation were applied directly to net position, resulting in a reduction of \$50.5 million from the previously stated balance for September 30, 2014. The increase in long term liabilities is directly related to the addition of the net pension liability.

Plan Descriptions

The City participates in four state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City's full-time employees: Municipal Employees' Retirement System (MERS), Municipal Police Employees' Retirement System (MPERS), Firefighters' Retirement System (FRS) and Louisiana State Employees' Retirement System (LASERS) of the State of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly-available financial reports that include financial statements and required supplementary information for the systems. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. The City of Lake Charles implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. Additional disclosures with respect to GASB 68 to the City's participation in these systems are provided below. Municipal Employees Retirement System of Louisiana (MERS) or Municipal Police Employees Retirement System of Louisiana (MPERS). The reports for MERS, MPERS, FRS, and LASERS may be obtained at www.mersla.com, www.lampers.org, www.lafirefightersret.com and www.lasersonline.org respectively. The Municipal Employees' Retirement System (MERS) issues a publicly available financial report, which may be obtained by writing to that system at 9737 Office Park Boulevard, Baton Rouge, LA 70809. The financial report for the Municipal Police Employees' Retirement System (MPERS) may be obtained by writing to that system at 8401 United Plaza Boulevard Suite 270, Baton Rouge, LA 70809-7017. The financial report for the Firefighters' Retirement System (FRS) may be obtained by writing to that system at P.O. Box 94095, Capitol Station, Baton Rouge,

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LA 70804-9095. The financial report for LASERS may be obtained by writing to that system at 8401 United Plaza Blvd #100, Baton Rouge, LA 70809.

Plan Description- MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City of Lake Charles are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in MERS.

Plan Description- MPERS

All full-time police department employees engaged in law enforcement are required to participate in MPERS providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Plan Description- FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Plan Description- LASERS

The City of Lake Charles has two Judges participating in LASERS. The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LRS 11:401,

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as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of total pension liability includes all benefits to be provided to current active and inactive employees through LASERS in accordance with benefit terms and any legal agreements in force at the measurement date.

Benefits Provided

Retirement Benefits- MERS (plan B)

Any member of Plan B hired before January 1, 2013 may retire at any age with 30 years of creditable service or at age 60 with at least 10 years of creditable service. Any member of Plan B hired on or after January 1, 2013 may retire at age 67 with at least 7 years of creditable service, at age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service. Members hired on or after January 1, 2013 are also eligible to retire at any age with at least 25 years of creditable service, but their benefit will be actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any of the previously-mentioned provisions, if the member had continued in service to that age. Members are entitled to a retirement benefit, payable monthly for life, equal to 2% of the member's final compensation (defined below) multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Final compensation is the employee's average salary over the 36 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system on or before June 30, 2006. Final compensation is the employee's average salary over the 60 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system after June 30, 2006. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Retirement Benefits- MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined

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months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 36 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Retirement Benefits- FRS

Members of the FRS, which covers full-time employees who are not members of other retirement systems, as the same contribution requirements and major benefits provisions as the Municipal Police Employees' Retirement System described above. This system covers full-time municipal employees who are not eligible to participate in other state-administered defined benefit plans. Membership is generally mandatory for such employees of participating municipalities. The City of Lake Charles participates in "Plan B" of this system, in which employees are subject to federal social security coverage. Prior to January 1, 2013 a member of Plan B could retire at any age with 30 years of creditable service or at age 60 with 10 years of service. Benefits vest after 10 years of service and have historically been equal to two percent of the member's final three-year average salary times the number of years of creditable service.

Retirement legislation effective January 1, 2013 changed the eligibility requirement as follows:

- 7 years or more of service credit, at age 67
- 10 years or more of service credit, at age 62
- 30 years or more of service credit, at age 55
- 25 years of service credit at any age but shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section.

For those members retiring or entering DROP on or after January 1, 2013, and on or before December 31, 2014, and whose first employment making them eligible for membership in the system began on or before June 30, 2006, the period used to calculate the monthly earning average final compensation shall be thirty-six (36) months plus the number of whole months since January 1, 2013. Beginning January 1, 2015, the final compensation will be the average monthly earnings during the highest sixty (60) consecutive or joined months.

Active plan members are required to contribute 5 percent of regular earnings, and the City is required to contribute at an actuarially determined rate, which was at 8 percent of covered payroll from July 1, 2011 through June 30, 2013. Effective July 1, 2013 the employer share was increased to 8.75 percent; effective July 1, 2014 the employer share was increased to 9.5 percent.

Retirement Benefits- LASERS

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Members may also choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a

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reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement is ten years of service.

Deferred Retirement Options

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. A MERS member may participate in DROP only once. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. Interest is earned when the MPERS member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account or a true annuity based on the account balance.

A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires. Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

A member of LASERS is eligible to enter DROP when he or she is eligible for regular retirement based on service requirements. The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the

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member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors. Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. The monthly maximum retirement benefit under Plan B of MERS is the lesser of an amount equal to two percent of member's final compensation multiplied by years of service (not less than 30% of member's final compensation) or an amount equal to what the member's normal retirement benefit would be based on final compensation at time of disability, but assuming continuous service until member's earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

A member of FRS disability benefit or any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has a least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60% of final compensation for an injury received in the line of duty; or 75% of his accrued retirement benefit with a minimum of 25% of average salary for any injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled from an injury sustained in the line of duty is entitled to a disability benefit equal to the greater of 60% of final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of any injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25% of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of \$200 per month. When the member takes disability retirement, he may in addition take an actuarially reduced benefit in which case the member's surviving spouse receives 50% of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

A member of LASERS with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by

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reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefit

The surviving spouse (defined as someone married to the deceased member for at least 12 months immediately preceding the member's death) of a MERS Plan B member (not eligible for retirement at the time of death) will receive a survivor benefit, provided that the member had 5 or more years of creditable service. The surviving spouse will be paid either a monthly benefit equal to 30% of member's final compensation, payable when surviving spouse attains the age of 60 or becomes disabled, or a monthly benefit equal to actuarial equivalent of the benefit described previously (not less than 15% of member's final compensation), payable upon the death of the member. A MERS Plan B member who is eligible for normal retirement at the time of death will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse upon the date of death. Benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40% or more than 60% of the deceased member's final average compensation. There is no requirement for minimum years of creditable service. If the MPERS member is killed in the line of duty, the surviving spouse shall receive a benefit equal to 100% of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10% of deceased member's final average compensation or \$200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation.

Certain eligible LASERS surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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Cost of Living Increases

MERS is authorized under state law to grant an annual cost of living adjustment to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit and may only be granted if sufficient funds are available. The cost of living increase must be paid from investment income in excess of normal requirements.

MPERS is authorized to provide annual cost of living adjustments to members who have been retired for at least one full fiscal year. The adjustment cannot exceed 3% in any given year. MPERS members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

The present value of future FRS and LASERS retirement benefits are based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved.

Contributions

The MERS, MPERS, FRS, and LASERS employer contribution rates are established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. For the year ending September 30, 2015 the employer contribution rate for MERS Plan B was 9.50% ; MPERS was 29.50%; LASERS was 38.10% & 39.30% hired after January 1, 2011; FRS was 27.25%. Employer contributions to MERS, MPERS, FRS, and LASERS were \$1,399,446; \$2,438,032; \$2,335,851; and \$13,162 respectively, for the year ended September 30, 2015. Employees participating in MERS are required to contribute 5.00%; employees participating in MPERS are required to contribute 10.00%; employees participating in the FRS are required to contribute 10.00%; employees participating in LASERS are required to contribute 11.50% & 13% hired after January 1, 2011.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. FRS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The City of Lake Charles recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended September 30, 2015, the City of Lake Charles recognized revenue as a result of support received from non-employer contributing entities of \$502,774 for its participation in MERS; \$522,598 for its participation in MPERS; \$847,776 for its participation in the FRS; and \$2,147 for its participation in LASERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2015, the City of Lake Charles reported a liability for MERS, MPERS, FRS, and LASERS of \$14,218,580, \$23,124,753, \$19,124,954, and \$127,800, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of September 30, 2015 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The City of Lake Charles's proportion of the net pension liability for each retirement system was based on a projection of the City of Lake Charles's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the

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City of Lake Charles's proportion for MERS, MPERS, FRS, and LASERS was 20.920534%, 2.951862%, 3.543553%, and 0.00188%, respectively. This reflects an increase for MERS, MPERS, FRS, and LASERS of 20.829217%, 2.991097%, 3.805176%, and 0.00191%, respectively, from its proportion measured as of September 30, 2014.

For the year ended September 30, 2015, the City of Lake Charles recognized pension expense, for which there were no forfeitures, as follows:

	<u>Pension Expense</u>
MERS	\$ 2,103,976
MPERS	2,195,352
FRS	3,086,332
LASERS	<u>7,997</u>
Total	\$ 7,393,657

At September 30, 2015, the City of Lake Charles reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>				
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual	\$ 0	\$ 0	\$ 0	\$ 171	\$ 171
Changes in assumptions	1,296,195	2,017,797	239,700	-	3,553,692
Net difference between projected and					
Actual earnings on pension plan investments	2,138,662	-	2,051,292	-	4,189,954
Changes in					
Proportion and differences between employer contributions and proportionate share of					
Contributions	35,809	523,135	327,438	-	886,382
Employer contributions subsequent to measurement date	<u>370,952</u>	<u>605,380</u>	<u>515,991</u>	<u>2,624</u>	<u>1,494,947</u>
Total	\$3,841,618	\$3,146,312	\$3,134,421	\$2,795	\$10,125,146

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Deferred Inflows of Resources

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual	\$405,612	\$424,911	\$874,072	\$ 1,047	\$1,705,642
Changes in assumptions	-	3,332	8,073	-	11,405
Actual earnings on pension plan investments	-	439,158	-	116	439,274
Changes in					
Proportion and differences between employer contributions and proportionate share of					
Contributions	80,563	229,040	1,111,495	-	1,421,098
Employer contributions subsequent to measurement date	-	-	-	-	-
Total	<u>\$486,175</u>	<u>\$1,096,441</u>	<u>\$1,993,640</u>	<u>\$1,163</u>	<u>\$3,577,419</u>

During the year ended September 30, 2015, employer contributions totaling \$370,952; \$605,380; \$515,991; and \$2,624 were made subsequent to the measurement date for MERS, MPERS, FRS, and LASERS respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
2016	\$ 724,729	\$ 307,446	\$ 187,522	(\$ 1,919)
2017	724,730	307,446	187,522	(872)
2018	824,547	155,810	187,522	(958)
2019	<u>710,485</u>	<u>673,789</u>	<u>537,417</u>	<u>2,758</u>
Total	<u>\$2,984,491</u>	<u>\$1,444,491</u>	<u>\$1,099,983</u>	<u>(\$ 991)</u>

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of MERS, MPERS, FRS, and LASERS employers as of September 30, 2015 are as follows:

	<u>MERS Plan B</u>	<u>MPERS</u>
Total pension liability	\$ 217,233,707	\$ 2,676,472,766
Plan fiduciary net position	<u>149,268,996</u>	<u>1,893,077,295</u>
Total net pension liability	<u>\$ 67,964,711</u>	<u>\$ 783,395,471</u>
	<u>FRS</u>	<u>LASERS</u>
Total pension liability	\$ 1,958,850,006	\$ 18,216,660,456
Plan fiduciary net position	<u>1,419,138,769</u>	<u>11,415,150,926</u>
Total net pension liability	<u>\$ 539,711,237</u>	<u>\$ 6,801,509,530</u>

NOTES TO FINANCIAL STATEMENTS

The City of Lake Charles's allocation is 20.920534% of the Total Net Pension Liability for MERS; 2.951862% of the Total Net Pension Liability for MPERS; 3.543553% of the Total Net Pension Liability for the FRS, and 0.00188% of the Total Net Pension Liability for LASERS.

The total pension liabilities for MERS, MPERS, FRS, and LASERS in the September 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	MERS	MPERS								
Actuarial cost method	Entry Age Normal	Entry Age Normal Cost								
Expected remaining service lives	4 years for Plan B	4 years								
Investment rate of return	7.50%, net of investment expense	7.5%, net of investment expense								
Inflation rate	2.875%	2.875%								
Projected salary increases	5.00% (2.875% inflation, 2.125% merit)	<table><tr><td>Years of Service</td><td>Salary Growth Rate</td></tr><tr><td>1-2</td><td>9.75%</td></tr><tr><td>3-23</td><td>4.75%</td></tr><tr><td>24 & over</td><td>4.25%</td></tr></table>	Years of Service	Salary Growth Rate	1-2	9.75%	3-23	4.75%	24 & over	4.25%
Years of Service	Salary Growth Rate									
1-2	9.75%									
3-23	4.75%									
24 & over	4.25%									
Cost of living adjustments	None	None								
Mortality	For Annuitant and beneficiary mortality tables used were: RP-2000 Healthy Annuitant Sex Distinct Mortality tables (set forward 2 years for males and set forward 1 year for females) for employees, the RP-2060 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) was selected for disabled annuitants	Based on an experience study for the period July 1, 2010-June 30, 2014. The RP-200 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set-back 1 year for females) were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employee table set back 4 years for males and set back 3 years for females were selected for disabled annuitants.								

	FRS	LASERS	
Actuarial cost method	Entry Age Normal	Entry Age Normal Cost	
Expected remaining service lives	7 years	3 years	
Investment rate of return	7.50%, net of investment expense	7.75%, net of investment expense	
Inflation rate	2.875%	3.0%	
Projected salary increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years	Member Type	Lower to Upper Range
		Regular	4.0%-13.0%
		Judges	3.0%-5.5%
		Corrections	3.6%-14.5%
		Hazardous Duty	3.6%-14.5%
		Wildlife	3.6%-14.5
Cost of living adjustments	Only those previously granted	Only those previously granted	

NOTES TO FINANCIAL STATEMENTS

Mortality	<p>The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.</p>	<p>Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 for Non-disabled members. Mortality rates based on the RP-2000 Disabled Retiree mortality Table, with no projection for mortality improvement for Disabled members. Termination, disability, and retirement assumptions were projected based on a five year (2009-2013) experience study of the System's members.</p>
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The MERS actuarial assumptions used were based on the results of an experience study for the period July 1, 2009 through June 30, 2014. The MPERS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2014.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for MERS is 8.30%, MPERS is 8.28%, FRS is 8.24%, and LASERS is 8.66% for the year ended June 30, 2015.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS and MPERS as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>MERS</u>	<u>MPERS</u>	<u>MERS</u>	<u>MPERS</u>
Equity	50%	52%	2.95%	3.47%
Fixed income	15%	20%	0.89%	.46%
Alternatives	35%	23%	2.06%	1.15%
Other	0%	5%	0.00%	.20%
Subtotal	100%	100%	5.90%	5.28%
Inflation adjustment			2.40%	3.00%
Total			8.30%	8.28%

NOTES TO FINANCIAL STATEMENTS

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for FRS and LASERS as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>FRS</u>	<u>LASERS</u>	<u>FRS</u>	<u>LASERS</u>
Equity	51%	57%	6.50%	10.23%
Fixed income	24%	12%	1.84%	5.88%
Alternatives	15%	24%	6.96%	7.82%
Other	10%	7%	4.36%	3.94%
Subtotal	100%	100%	5.24%	5.66%
Inflation adjustment			3.00%	3.00%
Total			8.24%	8.66%

Discount Rates

The discount rate used to measure the total pension liability for MERS was 7.50%, MPERS was 7.50%, and FRS was 7.50%. The discount rate used to measure the total pension liability for LASERS was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of MERS, MPERS, FRS, and LASERS were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following table presents the City of Lake Charles's proportionate share of the net pension liability using the discount rate of 7.50% for MERS, 7.50% for MPERS, 7.50% for FRS, and 7.75% for LASERS as well as what the City of Lake Charles's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50% for MERS, 6.50% for MPERS, 6.50% for FRS, and 6.75% for LASERS) or one percentage-point higher (8.50% for MERS, 8.50% for MPERS, 8.50% for FRS, and 8.75% for LASERS) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
MERS	\$ 19,182,009	\$ 14,218,580	\$ 9,990,933
MPERS	32,152,437	23,152,437	15,559,710
FRS	27,130,630	19,124,954	12,395,343
LASERS	161,312	127,800	99,341
Total	\$ 78,626,388	\$ 56,623,771	\$ 38,045,327

NOTES TO FINANCIAL STATEMENTS

Payables to the Pension Plans

At September 30, 2015, payables to MERS, MPERS, FRS, and LASERS were \$112,634, \$171,998, \$239,967, and (130) respectively, for September 30, 2015 employee and employer legally-required contributions.

I. 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, the Department of Housing and Urban Development, Environmental Protection Agency, and the U.S. Department of Military Affairs. 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, 2015 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.

Federal and state governmental units represent an important source of supplemental funding used to finance housing, construction and infrastructure programs, and other activities beneficial to the City. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, Capital Project 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.

During fiscal year 2015 the following amounts were recorded in the accompanying financial statements under various federal and state pass-through entitlements:

Fund	Fiscal year 2015
General Fund	\$ 54,357
Community Development	718,836
Grant Fund	1,011,256
Capital Projects Fund	3,442,368
Transit Enterprise Fund	1,917,963

J. Dedication of Proceeds and Flow of Funds - Two and One-Quarter 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 (2015 collections \$24,233,672; 2014 collections \$22,309,909; 2013 collections \$20,638,460;) are collected by the General Fund and may be used for virtually any operating or capital needs of the City of Lake Charles. This tax levy was originally authorized in 1965 and was recently re-authorized for an additional 25 years from March 1, 2015.

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 then for ten years through 2006. This tax was re-authorized in 2006 for an additional 10 years through 2016. Proceeds of this additional one percent sales tax levied by the City of Lake Charles (2015 collections \$24,233,672; 2014

NOTES TO FINANCIAL STATEMENTS

collections \$22,309,909; 2013 collections \$20,638,460) were deposited directly to the funds for which they are dedicated on a percentage basis as follows:

General Fund	
Public safety purposes	20%
Public works purposes	28%
Wastewater Special Revenue Fund	
Wastewater or sanitary sewerage services or facilities	16%
Recreation Special Revenue Fund	
Recreation	8%
Capital Project Fund	
Certain types of capital improvements	28%

Additional One-Quarter Percent Sales Tax:

The voters approved an additional sales tax levy of one-quarter of one percent in January 1995 for the purpose of maintaining the salaries and benefits of City employees. This tax levy is authorized for a period of ten years from its effective date of April 1, 1995. This tax has been reauthorized for ten years, extending through 2025. The revenues from this tax are recorded exclusively in the General Fund. Collections for September 30, 2015 totaled \$6,058,540; \$5,577,484 in fiscal year 2014 and \$5,159,621 in 2013.

K. Schedule of Compensation Paid to Governing Board

Compensation paid to Governing Board:

	Salary	Per Diem	Mileage Reimbursement	Total
Mayor:				
Randy Roach	\$125,000	\$ 0	\$ 0	\$125,000
Councilmen:				
Luvertha August	12,000	0	0	12,000
Mark Eckard	12,000	0	0	12,181
Rodney Geyen	12,000	64	86	12,150
John Ieyoub	12,000	0	0	12,000
Dana Carl Jackson	12,000	0	0	12,189
Mary Morris	12,000	0	0	12,000
Stuart Weatherford	12,000	88	0	12,088
Total	\$209,000	\$ 152	\$86	\$209,238

L. Subsequent Events

On October 24, 2015, the voters of the City of Lake Charles approved a new one-quarter percent sales tax for 15 years that with Tax proceeds dedicated to funding the City's operational, maintenance, debt service and capital needs. As stated in the Covenant Ordinance, 25% of the funds collected will be deposited to a bond reserve fund and held for the duration of the then current fiscal year as security for the City's primary obligation to fund bond payments in the event there was a shortfall in primary sources of revenue pledged for repayment of the 2007, 2010 or 2014 Public Improvement Bonds. In subsequent fiscal years, those funds would be available for appropriation by the City for capital expenditures. The balance of the funds not deposited to the bond reserve fund shall be deposited to the City General Fund to pay for salaries, operational, maintenance and capital needs.

NOTES TO FINANCIAL STATEMENTS

As a result of the tax, pay raises for all City employees were given effective January 1, 2016. Career and non-career employees and received an 8% across the board pay raise. All part time and temporary employees received a 3% across the board raise.

All Fire department employees receive an increase of approximately 10% of City base pay and Police department employees received an increase of approximately 8% of City base pay. Entry level pay job classifications in both of these departments were adjusted accordingly.

The City authorized that the tax was to begin being collected on January 1, 2016 and estimates that \$6 million will be collected per year.

M. Prior Period Adjustments

The City of Lake Charles adopted Governmental Accounting Standards Board (GASB) Statement Number 68 – *Accounting for Financial Reporting and Pension – an amendment of GASB Statement No. 27*, and Statement Number 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB 68 and 71 is \$(50,541,819). For additional information on the prior year restatement, see Note 5.

The City reported a prior period adjustment in fiscal year ended September 30, 2015 as follows:

Statement of Net Positions	Governmental Activities	Business-Type Activities	Total
Total Net Position, September 30, 2014 As previously reported	\$365,276,471	\$90,691,383	\$455,967,854
Effects of GASB's 68 implementation:			
Deferred outflows of resources at Sept 30, 2014	2,669,199	78,961	2,748,160
Net Pension Liability at September 30, 2014	43,338,643	2,205,219	45,543,862
Deferred Inflows of resources	7,468,234	277,884	7,746,118
Net effects of GASB's 68 implementation	(48,137,678)	(2,404,142)	(50,541,820)
Total Net Position, September 30, 2014, Restated	\$317,138,793	\$88,287,241	\$405,426,034

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REQUIRED SUPPLEMENTAL INFORMATION



CITY OF LAKE CHARLES, LOUISIANA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$50,068,341	\$53,608,341	\$53,299,314	(\$309,027)
Licenses and permits	6,195,250	6,430,250	6,657,120	226,870
Intergovernmental	2,578,478	2,693,478	2,742,913	49,435
Charges for services	2,500,102	2,315,102	2,451,991	136,889
Fines and forfeitures	240,000	205,000	195,139	(9,861)
Miscellaneous	640,150	840,150	921,564	81,414
Total revenues	<u>62,222,321</u>	<u>66,092,321</u>	<u>66,268,041</u>	<u>175,720</u>
Expenditures:				
Current:				
General government	3,200,375	3,110,375	3,016,207	94,168
Finance	1,712,891	1,649,891	1,610,407	39,484
Human Resources	383,033	373,033	367,152	5,881
Fire	15,040,391	14,770,391	14,493,469	276,922
Police	17,887,337	17,601,254	17,457,178	144,076
Public works	16,047,001	14,472,001	13,825,071	646,930
Planning	2,154,344	1,984,344	1,760,152	224,192
General services	4,852,012	4,777,012	4,415,871	361,141
Total expenditures	<u>61,277,384</u>	<u>58,738,301</u>	<u>56,945,507</u>	<u>1,792,794</u>
Excess (deficiency) of rev over exp	<u>944,937</u>	<u>7,354,020</u>	<u>9,322,534</u>	<u>1,968,514</u>
Other financing sources (uses):				
Transfers in	1,180,000	0	0	0
Transfers out	(4,978,106)	(7,343,998)	(7,324,135)	19,863
Total other financing sources (uses)	<u>(3,798,106)</u>	<u>(7,343,998)</u>	<u>(7,324,135)</u>	<u>19,863</u>
Net change in fund balances	(2,853,169)	10,022	1,998,399	1,988,377
Fund balance at beginning of year	<u>29,374,978</u>	<u>29,374,978</u>	<u>29,374,978</u>	<u>-</u>
Fund balance at end of year	<u>\$26,521,809</u>	<u>\$29,385,000</u>	<u>\$31,373,377</u>	<u>\$1,988,377</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA
Riverboat Gaming Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 9,800,000	9,800,000	11,054,210	\$ 1,254,210
Miscellaneous	2,000	2,000	9,035	7,035
Total revenues	9,802,000	9,802,000	11,063,245	1,261,245
Expenditures:				
Other services and charges	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	9,802,000	9,802,000	11,063,245	1,261,245
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(10,562,775)	(10,562,775)	(9,510,225)	1,052,550
Total other financing sources (uses)	(10,562,775)	(10,562,775)	(9,510,225)	1,052,550
Excess (deficiency) of rev and other sources over exp and other uses	(760,775)	(760,775)	1,553,020	2,313,795
Fund balance at beginning of year	2,614,687	2,614,687	2,614,687	-
Fund balance at end of year	\$1,853,912	\$1,853,912	\$4,167,707	\$2,313,795

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA
Wastewater Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Sales tax revenue	\$ 3,600,000	\$ 3,600,000	\$ 3,877,387	\$ 277,387
Charges for services	12,701,500	12,701,500	13,418,686	717,186
Miscellaneous	9,500	9,500	34,745	25,245
Total revenues	<u>16,311,000</u>	<u>16,311,000</u>	<u>17,330,818</u>	<u>1,019,818</u>
Expenditures:				
Personal services	3,064,560	3,070,400	2,996,148	74,252
Contractual and operational services	3,105,569	3,350,914	2,949,410	401,504
Materials & supplies	1,423,050	1,230,035	1,006,914	223,121
Special Current Charges	1,401,000	1,409,908	1,316,404	93,504
Capital outlay	823,500	756,422	683,722	72,700
Total expenditures	<u>9,817,679</u>	<u>9,817,679</u>	<u>8,952,598</u>	<u>865,081</u>
Excess (deficiency) of rev over exp	6,493,321	6,493,321	8,378,220	1,884,899
Other financing sources (uses):				
Transfers out	<u>(7,334,575)</u>	<u>(7,334,575)</u>	<u>(7,334,575)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,334,575)</u>	<u>(7,334,575)</u>	<u>(7,334,575)</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	(841,254)	(841,254)	1,043,645	1,884,899
Fund balance at beginning of year	<u>7,080,063</u>	<u>7,080,063</u>	<u>7,080,063</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,238,809</u>	<u>\$ 6,238,809</u>	<u>\$ 8,123,708</u>	<u>\$ 1,884,899</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAKE CHARLES, LOUISIANA

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
For Fiscal Year Ended September 30, 2015**

Budget to Actual schedules that are included in the RSI Section are reported on the same basis as GAAP.

CITY OF LAKE CHARLES, LOUISIANA**Other Postemployment Benefits -****Schedule of Funding Progress****For Fiscal Year Ended September 30, 2015**

Schedule of Funding Progress for the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/01/2008	\$0	\$ 6,063,254	\$ 6,063,254	0%	\$ 23,558,095	25.74%
10/01/2010	\$0	\$ 6,402,679	\$ 6,402,679	0%	\$ 23,900,000	26.79%
10/01/2012	\$0	\$ 4,928,516	\$ 4,928,516	0%	\$ 25,311,382	19.47%
10/01/2014	\$0	\$ 4,668,177	\$ 4,668,177	0%	\$ 26,619,735	17.54%

Only four years of trend information is available for presentation since 2009 was the first year for implementation of Governmental Accounting Standards Board (GASB) Statement No. 45 "Accounting and Financial reporting by Employers for Postemployment Benefits Other Than Pension". and actuarial valuations are only required every two years.

CITY OF LAKE CHARLES, LOUISIANA

Schedule of Employer's Proportionate Share Of Net Pension Liability

For Fiscal Year Ended September 30, 2015

<u>Fiscal Year</u>	<u>Employer Proportionate of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of It's Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<u>MERS:</u>					
2015	20.920534%	\$ 14,218,580	\$ 14,730,952	96.5%	68.7%
2014	20.829217%	9,779,242	14,268,318	68.5%	76.9%
<u>MPERS:</u>					
2015	2.951862%	23,124,753	7,867,402	293.9%	70.7%
2014	2.991097%	18,712,548	7,754,805	241.3%	75.1%
<u>FRS:</u>					
2015	3.543553%	19,124,954	7,518,430	254.4%	72.5%
2014	3.805176%	16,932,704	7,531,809	224.8%	76.0%
<u>LASERS:</u>					
2015	0.001880%	127,800	34,344	372.1%	62.7%
2014	0.001910%	119,368	34,344	347.6%	65.0%

* This schedule will contain ten years of historical information once such information becomes available.

CITY OF LAKE CHARLES, LOUISIANA

Schedule of Employer's Pension Contributions

For Fiscal Year Ended September 30, 2015

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions As a Percent of Covered Employee Payroll</u>
<u>MERS:</u>					
2015	\$ 1,399,446	\$ 1,399,446	\$ -	\$ 14,730,952	9.5%
2014	1,276,122	1,276,122	-	14,268,318	9.0%
<u>MPERS:</u>					
2015	2,438,032	2,438,032	-	7,867,402	31.0%
2014	2,415,255	2,415,255	-	7,754,805	31.0%
<u>FRS:</u>					
2015	2,161,180	2,161,180	-	7,518,430	29.0%
2014	2,148,278	2,148,278	-	7,531,809	29.0%
<u>LASERS:</u>					
2015	13,162	13,162	-	34,344	38.0%
2014	12,467	12,467	-	34,344	36.0%

* This schedule will contain ten years of historical information once such information becomes available.

OTHER SUPPLEMENTAL INFORMATION



CITY OF LAKE CHARLES, LOUISIANA
Schedule of Total Compensation for Mayor, City of Lake Charles
For Fiscal Year ended September 30, 2015

Compensation for Mayor of City of Lake Charles fiscal year 2015:

Randy Roach, Mayor	Amount
Purpose:	
Salary	\$125,000
Benefits - health insurance	9,158
Benefits - FICA & Medicare	9,072
Benefits - retirement	11,875
Benefits-wellness	240
Travel	0
Total	\$155,345

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Grant Fund – Accounts for funds received and expended for various categorical grant programs, including law enforcement grants and summer food service program.

Recreation Fund – Accounts 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.

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

Special Event Fund – Accounts for receipt and subsequent expenditure of funds for special events and exhibit costs.

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

Disaster Recovery Fund – Accounts for the receipt of intergovernmental and miscellaneous revenue and subsequent expenditure of such funds necessary to recover from disasters.

Community Development – This fund accounts 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.

CITY OF LAKE CHARLES, LOUISIANA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

								Total Nonmajor Governmental Funds
ASSETS	Grants	Recreation	Central School	Special Events	Facility Renewal	Disaster Recovery	Community Development	
Cash (Note 1-G)	\$ 205,429	\$ 166,458	\$ 75,909	\$ 65,303	\$ 2,396,147	\$ 2,753,277	\$ 72,219	\$ 5,734,742
Investments (Note 1-G)	58,504	77,572	54,117	-	1,094,482	-	-	1,284,675
Receivable (net of allowance for uncollectable)								
Accounts (Note 1-I)	129	163,898	13,269	-	-	109,282	50,200	336,778
Accrued interest	-	-	-	-	67	-	-	67
Intergovernmental (Note 7-C)	140,319	-	-	-	-	-	92,881	233,200
Due from other funds (Note 7-B)	26,062	461,273	-	-	1,032,048	13,047	6,180	1,538,610
Prepaid items	-	5,685	-	-	-	-	-	5,685
Total assets	<u>\$ 430,443</u>	<u>\$ 874,886</u>	<u>\$ 143,295</u>	<u>\$ 65,303</u>	<u>\$ 4,522,744</u>	<u>\$ 2,875,606</u>	<u>\$ 221,480</u>	<u>\$ 9,133,757</u>
LIABILITIES								
Accounts payable	\$ 14,787	\$ 91,750	\$ 4,554	\$ 3,340	\$ -	\$ 106,673	\$ 16,270	\$ 237,374
Contracts payable	-	-	-	-	-	-	19,200	19,200
Escrow	-	-	-	-	-	-	1,908	1,908
Due to other funds	23,156	-	-	11	-	-	33	23,200
Deferred revenues	-	-	-	6,000	-	-	50,200	56,200
Total liabilities	<u>37,943</u>	<u>91,750</u>	<u>4,554</u>	<u>9,351</u>	<u>-</u>	<u>106,673</u>	<u>87,611</u>	<u>337,882</u>
FUND BALANCES								
Nonspendable	-	5,685	-	-	-	-	-	5,685
Committed (subsequent yrs and fund 12)	-	75,000	95,963	16,343	4,522,744	-	-	4,710,050
Assigned (grant funds and disaster reco)	392,500	702,451	42,778	39,609	-	2,768,933	133,869	4,080,140
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>392,500</u>	<u>783,136</u>	<u>138,741</u>	<u>55,952</u>	<u>4,522,744</u>	<u>2,768,933</u>	<u>133,869</u>	<u>8,795,875</u>
Total liabilities and fund balances	<u>\$ 430,443</u>	<u>\$ 874,886</u>	<u>\$ 143,295</u>	<u>\$ 65,303</u>	<u>\$ 4,522,744</u>	<u>\$ 2,875,606</u>	<u>\$ 221,480</u>	<u>\$ 9,133,757</u>

CITY OF LAKE CHARLES, LOUISIANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended September 30, 2015

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Grants	Recreation	Central School	Special Events	Facility Renewal	Disaster Recovery	Community Development	
Revenues:								
Taxes	\$ -	\$ 2,948,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,948,335
Intergovernmental	1,107,723	-	-	-	-	266,820	718,836	2,093,379
Charges for services	-	146,048	-	-	-	-	-	146,048
Miscellaneous	3,249	598	100,272	49,977	21,304	10,315	17,400	203,115
Total revenues	<u>1,110,972</u>	<u>3,094,981</u>	<u>100,272</u>	<u>49,977</u>	<u>21,304</u>	<u>277,135</u>	<u>736,236</u>	<u>5,390,877</u>
Expenditures:								
Current operating:								
Police	639,739	-	-	-	-	-	-	639,739
Planning and development	-	-	-	-	-	13,047	906,162	919,209
Community services	691,000	4,261,171	169,921	266,982	-	-	-	5,389,074
Total expenditures	<u>1,330,739</u>	<u>4,261,171</u>	<u>169,921</u>	<u>266,982</u>	<u>-</u>	<u>13,047</u>	<u>906,162</u>	<u>6,948,022</u>
Excess (deficiency) of revenues over expenditures	<u>(219,767)</u>	<u>(1,166,190)</u>	<u>(69,649)</u>	<u>(217,005)</u>	<u>21,304</u>	<u>264,088</u>	<u>(169,926)</u>	<u>(1,557,145)</u>
Other financing sources (uses):								
Transfers in	309,839	1,099,350	-	210,000	1,032,048	68,623	186,026	2,905,886
Transfers out	-	-	-	-	-	(55,576)	-	(55,576)
Total other financing sources (uses)	<u>309,839</u>	<u>1,099,350</u>	<u>-</u>	<u>210,000</u>	<u>1,032,048</u>	<u>13,047</u>	<u>186,026</u>	<u>2,850,310</u>
Net change in fund balances	90,072	(66,840)	(69,649)	(7,005)	1,053,352	277,135	16,100	1,293,165
Fund balance at beginning of year	<u>302,428</u>	<u>849,976</u>	<u>208,390</u>	<u>62,957</u>	<u>3,469,392</u>	<u>2,491,798</u>	<u>117,769</u>	<u>7,502,710</u>
Fund balance at end of year	<u>\$ 392,500</u>	<u>\$ 783,136</u>	<u>\$ 138,741</u>	<u>\$ 55,952</u>	<u>\$ 4,522,744</u>	<u>\$ 2,768,933</u>	<u>\$ 133,869</u>	<u>\$ 8,795,875</u>

CITY OF LAKE CHARLES, LOUISIANA
Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental:	\$ 1,461,594	\$ 1,097,232	\$ 1,107,723	\$ 10,491
Miscellaneous	-	3,159	3,249	90
Total revenues	<u>1,461,594</u>	<u>1,100,391</u>	<u>1,110,972</u>	<u>10,581</u>
Expenditures:				
Current:				
Public safety	668,863	641,975	639,739	2,236
Community services	<u>1,008,121</u>	<u>697,055</u>	<u>691,000</u>	<u>6,055</u>
Total expenditures	<u>1,676,984</u>	<u>1,339,030</u>	<u>1,330,739</u>	<u>8,291</u>
Excess of revenues over expenditures	<u>(215,390)</u>	<u>(238,639)</u>	<u>(219,767)</u>	<u>18,872</u>
Other financing source(uses):				
Transfers in	<u>215,390</u>	<u>315,367</u>	<u>309,839</u>	<u>(5,528)</u>
Total other financing sources (uses)	<u>215,390</u>	<u>315,367</u>	<u>309,839</u>	<u>(5,528)</u>
Excess (deficiency) of rev and other sources over exp and other uses	-	76,728	90,072	13,344
Fund balance at beginning of year	<u>302,428</u>	<u>302,428</u>	<u>302,428</u>	<u>-</u>
Fund balance at end of year	<u>\$ 302,428</u>	<u>\$ 379,156</u>	<u>\$ 392,500</u>	<u>\$ 13,344</u>

CITY OF LAKE CHARLES, LOUISIANA
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 2,789,903	\$ 2,789,903	\$ 2,948,335	\$ 158,432
Charges for services	141,000	141,000	146,048	5,048
Miscellaneous	800	800	598	(202)
Total revenues	<u>2,931,703</u>	<u>2,931,703</u>	<u>3,094,981</u>	<u>163,278</u>
Expenditures:				
Personal services	2,456,760	2,391,055	2,282,483	108,572
Contractual and operational	1,075,560	1,277,039	1,192,094	84,945
Materials and supplies	606,000	549,719	438,415	111,304
Special charges	14,500	18,000	12,251	5,749
Capital outlay	640,800	557,807	335,928	221,879
	<u>4,793,620</u>	<u>4,793,620</u>	<u>4,261,171</u>	<u>532,449</u>
Excess (deficiency) of rev over exp	<u>(1,861,917)</u>	<u>(1,861,917)</u>	<u>(1,166,190)</u>	<u>695,727</u>
Other financing sources (uses):				
Transfers in	1,717,917	1,717,917	1,099,350	(618,567)
Total other financing sources (uses)	<u>1,717,917</u>	<u>1,717,917</u>	<u>1,099,350</u>	<u>(618,567)</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(144,000)</u>	<u>(144,000)</u>	<u>(66,840)</u>	<u>77,160</u>
Fund balance at beginning of year	<u>849,976</u>	<u>849,976</u>	<u>849,976</u>	<u>-</u>
Fund balance at end of year	<u>\$ 705,976</u>	<u>\$ 705,976</u>	<u>\$ 783,136</u>	<u>\$ 77,160</u>

CITY OF LAKE CHARLES, LOUISIANA

Central School Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	\$ 94,500	\$ 100,500	\$ 100,272	\$ (228)
Total revenues	94,500	100,500	100,272	(228)
Expenditures:				
Materials and supplies	14,500	29,220	25,712	3,508
Other services and charges	142,643	148,923	144,209	4,714
Total expenditures	157,143	178,143	169,921	8,222
Excess of revenue over expenditures	(62,643)	(77,643)	(69,649)	7,994
Fund balance at beginning of year	208,390	208,390	208,390	-
Fund balance at end of year	<u>\$ 145,747</u>	<u>\$ 130,747</u>	<u>\$ 138,741</u>	<u>\$ 7,994</u>

CITY OF LAKE CHARLES, LOUISIANA

Special Event Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For Fiscal Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>2015</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Miscellaneous	\$ 60,000	\$ 49,500	\$ 49,977	\$ 477
Total revenues	<u>60,000</u>	<u>49,500</u>	<u>49,977</u>	<u>477</u>
Expenditures:				
Materials and supplies	11,700	8,888	5,612	3,276
Other services and charges	270,608	264,420	261,370	3,050
Total expenditures	<u>282,308</u>	<u>273,308</u>	<u>266,982</u>	<u>6,326</u>
Excess of revenue over expenditures	<u>(222,308)</u>	<u>(223,808)</u>	<u>(217,005)</u>	<u>6,803</u>
Other financing sources:				
Transfers in	210,000	210,000	210,000	-
Total other financing sources	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(12,308)</u>	<u>(13,808)</u>	<u>(7,005)</u>	<u>6,803</u>
Fund balance at beginning of year	<u>62,957</u>	<u>62,957</u>	<u>62,957</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,649</u>	<u>\$ 49,149</u>	<u>\$ 55,952</u>	<u>\$ 6,803</u>

CITY OF LAKE CHARLES, LOUISIANA
Facility Renewal Fund
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Years Ended September 30, 2015

	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Interest on investments	\$ 6,000	\$ 6,000	\$ 21,304	\$ 15,304
Total revenues	6,000	6,000	21,304	15,304
Expenditures:	-	-	-	-
Excess (deficiency) of rev over exp	6,000	6,000	21,304	15,304
Other financing sources (uses):				
Transfers in	-	-	1,032,048	1,032,048
Transfers out	(200,000)	(200,000)	-	200,000
Total other financing sources (uses)	(200,000)	(200,000)	1,032,048	200,000
Excess (deficiency) of rev and other sources over exp and other uses	(194,000)	(194,000)	1,053,352	215,304
Fund balance at beginning of year	3,469,392	3,469,392	3,469,392	-
Fund balance at end of year	\$ 3,275,392	\$ 3,275,392	\$ 4,522,744	\$ 215,304

CITY OF LAKE CHARLES, LOUISIANA

Disaster Recovery Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For Fiscal Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>2015</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Intergovernmental				
(net of allowance for uncollectable)	\$ -	\$ 266,820	\$ 266,820	\$ -
Miscellaneous	-	10,940	10,315	(625)
Total revenues	-	277,760	277,135	(625)
Expenditures:				
Current:				
Contractual and operational	-	13,047	13,047	0
Total expenditures	-	13,047	13,047	0
Excess (deficiency) of rev over exp	-	264,713	264,088	(625)
Other financing sources (uses):				
Transfers in	-	13,047	68,623	55,576
Transfers out	-	-	(55,576)	55,576
Total other financing sources (uses)	-	13,047	13,047	111,152
Excess (deficiency) of rev and other sources over exp and other uses	-	277,760	277,135	110,527
Fund balance at beginning of year	2,491,798	2,491,798	2,491,798	-
Fund balance at end of year	<u>\$ 2,491,798</u>	<u>\$ 2,769,558</u>	<u>\$ 2,768,933</u>	<u>\$ 110,527</u>

CITY OF LAKE CHARLES, LOUISIANA
Community Development Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended September 30, 2015

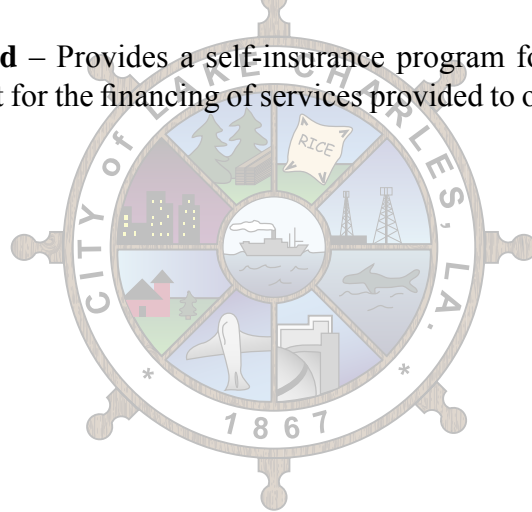
	Budgeted Amounts		2015	Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 592,723	\$ 720,449	\$ 718,836	\$ (1,613)
Miscellaneous	-	17,400	17,400	\$ -
Total revenues	<u>592,723</u>	<u>737,849</u>	<u>736,236</u>	<u>(1,613)</u>
Expenditures:				
Current:				
Personal services	128,800	132,975	132,667	308
Contract and operational	18,696	14,787	13,681	1,106
Material and supplies	7,050	3,485	2,956	529
Special current	393,832	442,583	442,529	54
Capital outlay	218,612	319,536	314,329	5,207
Total expenditures	<u>766,990</u>	<u>913,366</u>	<u>906,162</u>	<u>7,204</u>
Excess (deficiency) of revenues over expenditures	<u>(174,267)</u>	<u>(175,517)</u>	<u>(169,926)</u>	<u>5,591</u>
Other financing sources:				
Transfers in	<u>174,267</u>	<u>186,108</u>	<u>186,026</u>	<u>(82)</u>
Total other financing sources	<u>174,267</u>	<u>186,108</u>	<u>186,026</u>	<u>(82)</u>
Excess (deficiency) of rev and other sources over exp and other uses	-	10,591	16,100	5,509
Fund balance at beginning of year	<u>117,769</u>	<u>117,769</u>	<u>117,769</u>	<u>-</u>
Fund balance at end of year	<u>\$ 117,769</u>	<u>\$ 128,360</u>	<u>\$ 133,869</u>	<u>\$ 5,509</u>

The notes to the financial statements are an integral part of this statement.

INTERNAL SERVICE FUNDS

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.

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 Statement of Net Position September 30, 2015

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2015</u>
ASSETS			
Current assets:			
Cash	\$ 6,920,093	\$ 2,017,139	\$ 8,937,232
Investments	5,045,858	6,068,644	11,114,502
Receivables:			
Accounts	1,847,560	733	1,848,293
Accrued interest	12,622	4,479	17,101
Due from other funds	-	-	-
Prepaid expenses	641,964	-	641,964
Total current assets	<u>14,468,097</u>	<u>8,090,995</u>	<u>22,559,092</u>
Noncurrent assets:			
Capital assets (at cost):			
Machinery & equipment	39,056	-	39,056
Less accumulated depreciation	<u>(22,484)</u>	<u>-</u>	<u>(22,484)</u>
Total capital assets (net of accum. depr.)	<u>16,572</u>	<u>-</u>	<u>16,572</u>
Total assets	<u>14,484,669</u>	<u>8,090,995</u>	<u>22,575,664</u>
Deferred Outflows of resources	<u>89,894</u>	<u>-</u>	<u>89,894</u>
LIABILITIES			
Current liabilities:			
Accounts payable	21,629	22,389	44,018
Due to other funds	117	1	118
Total current liabilities	<u>21,746</u>	<u>22,390</u>	<u>44,136</u>
Long-term liabilities:			
Accrued leave benefits	94,346	-	94,346
OPEB payable	21,357	-	21,357
Net pension liability	332,715	-	332,715
Accrued insurance claims	4,312,907	1,550,000	5,862,907
Incurred-not reported claims	175,000	150,000	325,000
Accrued insurance claims - noncurrent	2,191,201	-	2,191,201
Total long-term liabilities	<u>7,127,526</u>	<u>1,700,000</u>	<u>8,827,526</u>
Total liabilities	<u>7,149,272</u>	<u>1,722,390</u>	<u>8,871,662</u>
Deferred Inflows of resources	<u>11,376</u>	<u>-</u>	<u>11,376</u>
NET POSITION			
Investment in capital assets	16,572	-	16,572
Unrestricted	7,397,343	6,368,605	13,765,948
Total net position	<u>\$ 7,413,915</u>	<u>\$ 6,368,605</u>	<u>\$ 13,782,520</u>

CITY OF LAKE CHARLES, LOUISIANA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2015

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2015</u>
Operating revenues:			
Charges for services	\$ 7,156,546	\$ 7,290,284	\$ 14,446,830
Other revenues	120,956	211,916	332,872
Total operating revenues	<u>7,277,502</u>	<u>7,502,200</u>	<u>14,779,702</u>
Operating expenses:			
Personal services	510,305	80,158	590,463
Materials and supplies	8,500	1,853	10,353
General and administration	1,670,597	1,037,940	2,708,537
Depreciation	3,720	-	3,720
Claims and losses paid	4,781,994	6,312,671	11,094,665
Total operating expenses	<u>6,975,116</u>	<u>7,432,622</u>	<u>14,407,738</u>
Operating income (loss)	<u>302,386</u>	<u>69,578</u>	<u>371,964</u>
Nonoperating revenues:			
Interest	44,451	68,788	113,239
Total nonoperating revenues	<u>44,451</u>	<u>68,788</u>	<u>113,239</u>
Income (loss) before transfers	<u>346,837</u>	<u>138,366</u>	<u>485,203</u>
Transfer in (out)	<u>2,129,606</u>	<u>-</u>	<u>2,129,606</u>
Change in net position	2,476,443	138,366	2,614,809
Net position - beginning of fiscal year - as restated	4,937,472	6,230,239	11,167,711
Net position - ending of fiscal year	<u>\$ 7,413,915</u>	<u>\$ 6,368,605</u>	<u>\$ 13,782,520</u>

CITY OF LAKE CHARLES, LOUISIANA

Internal Service Fund

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 2015

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Totals 2015</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 7,599,138	\$ 7,502,162	\$ 15,101,300
Payments to employees	(496,691)	(78,392)	(575,083)
Payments to suppliers and claimants	(4,644,013)	(7,048,868)	(11,692,881)
Internal activity - payments to other funds	69	1	70
Net cash provided by operating activities	<u>2,458,503</u>	<u>374,903</u>	<u>2,833,406</u>
Cash flow from noncapital financing activities:			
Operating subsidies	2,129,606	-	2,129,606
Net cash provided by noncapital financing activities	<u>2,129,606</u>	<u>-</u>	<u>2,129,606</u>
Cash flow from capital and related financing activities:			
Purchase of capital assets	(20,292)	-	(20,292)
Net cash used for capital and related financing activities	<u>(20,292)</u>	<u>-</u>	<u>(20,292)</u>
Cash flow from investing activities:			
Purchase of investment securities	(2,980,027)	(1,950,346)	(4,930,373)
Proceeds from sale and maturities of investment securities	895,320	950,000	1,845,320
Interest on investments	26,956	40,479	67,435
Net cash provided (used for) investing activities	<u>(2,057,751)</u>	<u>(959,867)</u>	<u>(3,017,618)</u>
Net increase (decrease) in cash and cash equivalents	2,510,066	(584,964)	1,925,102
Cash and cash equivalents at beginning of year	4,410,027	2,602,103	7,012,130
Cash and cash equivalents at end of year	<u>\$ 6,920,093</u>	<u>\$ 2,017,139</u>	<u>\$ 8,937,232</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 302,386	\$ 69,578	\$ 371,964
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	3,720	-	3,720
(Increase) decrease in accounts receivable	321,636	(38)	321,598
(Increase) decrease in prepaid items	284,088	-	284,088
(Increase) decrease in deferred outflows of resources	(81,700)		(81,700)
Increase (Decrease) in accounts payables	8,518	5,362	13,880
Increase (Decrease) in accrued insurance claims	1,524,972	300,000	1,824,972
Increase (Decrease) in compensated absences payable	7,244	-	7,244
Increase (Decrease) in OPEB liability	1,149	-	1,149
Increase (Decrease) in NP liability	103,881		103,881
Increase (Decrease) in due to other funds	69	1	70
Increase (Decrease) in due deferred inflows of resources	(17,460)	-	(17,460)
Total adjustments	<u>2,156,117</u>	<u>305,325</u>	<u>2,461,442</u>
Net cash provided by operating activities	<u>\$ 2,458,503</u>	<u>\$ 374,903</u>	<u>\$ 2,833,406</u>

Noncash investing, capital and financing activities:

Assets retired cost \$2,400 and had accumulated depreciation of \$2,400, loss of \$0.

Change in the fair value of investments resulted in an unrealized gain of \$35,736 at year-end 2015 and an unrealized loss of \$20,915 at year-end 2014.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS



CITY OF LAKE CHARLES, LOUISIANA
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Governmental funds capital assets		
Land	\$ 15,889,781	\$ 15,889,781
Buildings	53,914,772	53,916,306
Improvements other than buildings	62,027,233	58,806,449
Machinery and Equipment	35,207,734	33,188,350
Infrastructure	313,996,863	306,046,070
Construction in progress	<u>29,805,792</u>	<u>29,560,961</u>
Total general capital assets	<u>\$ 510,842,175</u>	<u>\$ 497,407,917</u>
Property acquired prior to October 1, 1985, excluding infrastructure	\$ 23,674,538	\$ 23,674,538
Property acquired after September 30, 1985 from:		
Federal grants	21,956,628	19,343,356
State grants	644,432	644,432
General fund revenues	85,424,222	127,601,591
Capital projects funds	341,264,842	289,521,487
Donations	<u>37,877,513</u>	<u>36,622,513</u>
Total investments in general capital assets	<u>\$ 510,842,175</u>	<u>\$ 497,407,917</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$39,056 at 9/30/2015 and \$30,163 at 9/30/2014 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF LAKE CHARLES, LOUISIANA
Schedule of Capital Assets - Governmental Funds
By Function and Activity
September 30, 2015

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
GENERAL GOVERNMENT							
Legislative	\$ -	\$ -	\$ -	\$ 70,671	\$ -	\$ -	\$ 70,671
Executive	-	-	-	50,049	-	-	50,049
Judicial	-	5,129,852	-	38,967	-	-	5,168,819
Total general government	-	5,129,852	-	159,687	-	-	5,289,539
STAFF AGENCIES							
Finance	-	-	-	19,390	-	-	19,390
Planning and development	-	-	-	66,629	-	-	66,629
Human Resources	-	-	-	28,692	-	-	28,692
Public works	214,700	926,986	77,918	1,492,990	-	-	2,712,594
Information Services	-	-	-	336,176	-	-	336,176
General government buildings	5,091,549	6,127,362	1,660,359	585,052	-	-	13,464,322
Total staff agencies	5,306,249	7,054,348	1,738,277	2,528,929	-	-	16,627,803
PUBLIC SAFETY							
Police	67,715	850,375	1,208,395	6,474,803	-	514,089	9,115,377
Fire	203,900	7,731,916	910,248	12,159,820	-	2,255	21,008,139
Permit Center	-	-	-	234,778	-	-	234,778
Total public safety	271,615	8,582,291	2,118,643	18,869,401	-	516,344	30,358,294
Streets	-	6,995	-	3,917,317	263,274,163	8,739,684	275,938,159
Recreation	9,308,960	3,804,033	26,441,474	1,999,717	-	231,122	41,785,306
Community service	5,000	2,549,579	432,631	2,471	-	2,275,908	5,265,589
Sanitation and waste	997,957	26,787,674	31,296,208	7,730,212	50,722,700	18,042,734	135,577,485
	10,311,917	33,148,281	58,170,313	13,649,717	313,996,863	29,289,448	458,566,539
Total capital assets allocated to functions	\$ 15,889,781	\$53,914,772	\$62,027,233	\$35,207,734	\$ 313,996,863	\$ 29,805,792	\$ 510,842,175

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$39,056, at 9/30/2015 and at \$30,163 in 9/30/2014 that are reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF LAKE CHARLES, LOUISIANA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2015

Function and Activity	General Capital Assets 9/30/2014	Additions	Deletions	General Capital Assets 9/30/2015
GENERAL GOVERNMENT				
Legislative	\$ 70.671	\$ -	\$ -	\$ 70.671
Executive	32.174	20.073	(2.198)	50.049
Judicial	5,168,819	-	-	5,168,819
Total general government	<u>5,271,664</u>	<u>20,073</u>	<u>(2,198)</u>	<u>5,289,539</u>
STAFF AGENCIES				
Finance	19,390	-	-	19,390
Planning and Development	66,629	-	-	66,629
Human Resources	23,487	14,300	(9,095)	28,692
Public Works	2,620,304	165,916	(73,626)	2,712,594
Information Services	292,354	52,043	(8,222)	336,175
General Government	<u>13,411,077</u>	<u>68,783</u>	<u>(15,538)</u>	<u>13,464,322</u>
Total staff agencies	<u>16,433,241</u>	<u>301,042</u>	<u>(106,481)</u>	<u>16,627,802</u>
PUBLIC SAFETY				
Police	7,931,714	1,387,834	(204,171)	9,115,377
Fire	19,197,378	2,031,041	(220,278)	21,008,141
Permit Center	<u>221,762</u>	<u>39,068</u>	<u>(26,052)</u>	<u>234,778</u>
Total public safety	<u>27,350,854</u>	<u>3,457,943</u>	<u>(450,501)</u>	<u>30,358,296</u>
Streets	271,908,788	5,341,426	(1,312,056)	275,938,158
Recreation	41,430,909	489,438	(345,466)	41,574,881
Community service	5,382,165	279,934	(186,085)	5,476,014
Sanitation and waste	<u>129,630,296</u>	<u>10,855,052</u>	<u>(4,907,863)</u>	<u>135,577,485</u>
	<u>448,352,158</u>	<u>16,965,850</u>	<u>(6,751,470)</u>	<u>458,566,538</u>
Total capital assets allocated to functions	<u>\$ 497,407,917</u>	<u>\$ 20,744,908</u>	<u>\$ (7,310,650)</u>	<u>\$ 510,842,175</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued on 9/30/2015 at \$39,056 and \$30,163 at 9/30/2014 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

STATISTICAL SECTION

This part of the City of Lake Charles' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess government's more significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

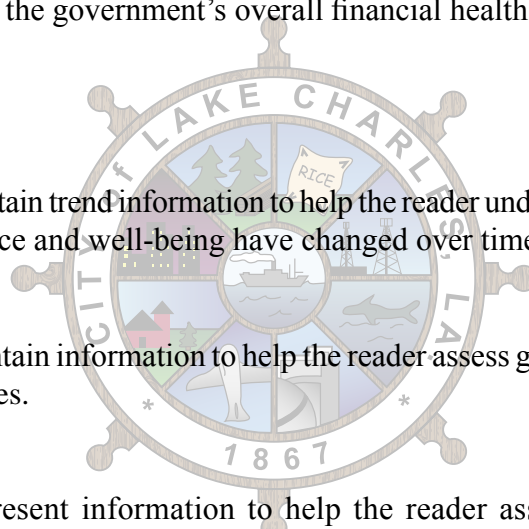
Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Except where noted, the information in these schedules is derived from the City of Lake Charles' comprehensive annual financial reports for the relative year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning that year.



CITY OF LAKE CHARLES, LOUISIANA

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 185,082	\$ 160,853	\$ 200,193	\$ 204,550
Restricted	10,597	48,485	42,220	30,622
Unrestricted	60,816	64,136	48,188	62,216
Total governmental activities net assets	<u>\$ 256,495</u>	<u>\$ 273,474</u>	<u>\$ 290,601</u>	<u>\$ 297,388</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 51,436	\$ 59,165	\$ 66,241	\$ 67,502
Assigned	14,134	5,716	555	2,363
Total governmental activities net assets	<u>\$ 65,570</u>	<u>\$ 64,881</u>	<u>\$ 66,796</u>	<u>\$ 69,865</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 236,518	\$ 220,018	\$ 266,434	\$ 272,052
Restricted	10,597	48,485	42,220	30,622
Unrestricted	74,950	69,852	48,743	64,579
Total governmental activities net assets	<u>\$ 322,065</u>	<u>\$ 338,355</u>	<u>\$ 357,397</u>	<u>\$ 367,253</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 216,618	\$ 223,583	\$ 228,301	\$ 230,614	\$ 240,382	\$ 243,940
60,553	51,978	31,734	23,169	22,757	24,596
31,362	44,864	72,112	90,900	54,000	72,792
<u>\$ 308,533</u>	<u>\$ 320,425</u>	<u>\$ 332,147</u>	<u>\$ 344,683</u>	<u>\$ 317,139</u>	<u>\$ 341,328</u>
\$ 68,319	\$ 66,627	\$ 68,959	\$ 68,562	\$ 70,785	\$ 69,095
2,851	5,584	7,909	11,729	17,502	22,049
<u>\$ 71,170</u>	<u>\$ 72,211</u>	<u>\$ 76,868</u>	<u>\$ 80,291</u>	<u>\$ 88,287</u>	<u>\$ 91,144</u>
\$ 284,937	\$ 290,210	\$ 297,260	\$ 299,176	\$ 311,167	\$ 313,035
60,553	51,978	31,734	23,169	22,757	24,596
34,213	50,448	80,021	102,629	71,502	94,841
<u>\$ 379,703</u>	<u>\$ 392,636</u>	<u>\$ 409,015</u>	<u>\$ 424,974</u>	<u>\$ 405,426</u>	<u>\$ 432,472</u>

CITY OF LAKE CHARLES, LOUISIANA

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 4,024,194	\$ 4,102,319	\$ 4,158,299	\$ 4,428,106	\$ 4,565,486	\$ 4,585,082	\$ 4,644,212	\$ 4,567,288	\$ 4,778,135	\$ 5,316,267
Public safety	29,515,842	28,708,138	28,400,481	30,691,441	29,211,079	28,681,562	30,667,312	31,412,865	32,257,586	33,401,455
Public works	28,642,450	24,449,739	26,341,091	26,204,810	24,948,706	30,294,422	29,047,659	28,841,269	30,295,303	32,980,130
Planning and development	2,325,223	2,729,542	3,011,317	2,420,483	2,855,462	3,195,533	2,981,902	2,991,321	2,663,000	2,672,381
General services	6,975,121	5,901,532	5,201,297	7,819,930	7,327,977	4,384,287	5,428,845	5,687,941	5,659,656	6,021,391
Community services	10,314,122	5,814,605	5,658,398	6,101,747	5,699,264	6,936,038	6,730,143	6,174,061	6,350,062	6,668,047
Interest in long-term debt	1,324,532	1,997,185	2,850,831	2,703,667	3,396,559	3,935,479	4,053,332	3,409,036	3,203,842	3,138,628
Total governmental activities	83,121,484	73,703,060	75,621,714	80,370,184	78,004,533	82,012,403	83,553,405	83,083,781	85,207,584	90,198,299
Business-type activities										
Civic center	2,813,459	3,101,741	3,274,154	3,265,481	3,734,478	3,575,028	3,356,078	3,014,670	3,091,611	3,365,531
Golf course	1,192,880	1,299,432	1,247,986	1,480,511	1,432,343	1,495,425	1,489,217	1,539,186	1,612,629	1,648,783
Transit	1,662,242	1,996,952	2,540,820	2,359,228	2,038,547	2,215,223	2,298,862	2,354,540	2,714,383	2,917,813
Water	7,757,623	8,144,570	8,829,630	9,139,256	8,645,421	8,948,287	8,980,994	9,181,423	9,622,826	9,890,095
Total business-type activities	13,426,204	14,542,695	15,892,590	16,244,476	15,850,789	16,233,963	16,125,151	16,089,819	17,041,449	17,822,222
Total primary government	\$ 96,547,688	\$ 88,245,755	\$ 91,514,304	\$ 96,614,660	\$ 93,855,322	\$ 98,246,366	\$ 99,678,556	\$ 99,173,600	\$ 102,249,033	\$ 108,020,521
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,431,182	\$ 4,874,140	\$ 4,855,947	\$ 5,126,923	\$ 5,091,090	\$ 5,432,955	\$ 5,067,281	\$ 5,497,834	\$ 5,423,120	\$ 5,730,156
Public works	5,618,552	5,691,800	8,066,296	8,215,969	9,006,678	10,317,926	11,146,171	11,767,500	12,706,586	13,459,995
Other activities	886,296	1,221,578	1,165,914	911,091	1,030,878	1,123,347	1,106,880	1,108,756	996,480	744,123
Operating grants and contributions	15,728,027	3,968,837	5,920,889	3,801,382	4,426,140	4,505,960	5,037,836	5,237,139	4,428,311	4,675,984
Capital grants and contributions	5,076,055	4,472,089	2,917,678	4,913,193	5,685,329	5,843,875	2,991,355	3,949,165	7,243,043	5,516,540
Total govmntl activity prgrm	31,740,112	20,228,444	22,926,724	22,968,558	25,240,115	27,224,063	25,349,523	27,560,394	30,797,540	30,126,798
Business-type activities:										
Charges for services:										
Civic center	533,072	932,746	915,970	1,047,163	930,113	968,296	975,050	941,963	968,322	1,000,078
Golf course	1,009,908	1,046,555	985,883	1,126,764	905,153	928,512	844,392	974,094	1,046,272	1,012,359
Transit	62,086	80,615	83,792	62,810	81,418	98,804	115,597	111,750	189,754	184,332
Water	6,379,993	6,286,427	6,936,227	7,586,073	8,925,396	10,333,108	10,657,748	11,327,208	12,066,695	12,687,985
Operating grants and contributions	1,287,219	1,272,010	1,157,412	1,198,730	1,307,484	1,411,923	1,422,853	1,515,747	1,647,581	2,303,705
Capital grants and contributions	5,293,304	256,761	1,213,667	1,510,505	1,698,748	736,314	3,184,780	541,173	7,795,194	801,268
Total busnss-type prgrm revens	14,565,582	9,875,114	11,292,951	12,532,045	13,848,312	14,476,957	17,200,420	15,411,935	23,713,818	17,989,727
Total primary govrnment program revenues	\$ 46,305,694	\$ 30,103,558	\$ 34,219,675	\$ 35,500,603	\$ 39,088,427	\$ 41,701,020	\$ 42,549,943	\$ 42,972,329	\$ 54,511,358	\$ 48,116,525

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/revenue										
Governmental activities	\$ (51,381,372)	\$ (53,474,616)	\$ (52,694,990)	\$ (57,401,626)	\$ (52,764,418)	\$ (54,788,340)	\$ (58,203,882)	\$ (55,523,387)	\$ (54,410,044)	\$ (60,071,501)
Business-type activities	1,139,378	(4,667,581)	(4,599,639)	(3,712,431)	(2,002,477)	(1,757,006)	1,075,269	(677,884)	6,672,369	167,505
Total primary government net expenses	<u>\$ (50,241,994)</u>	<u>\$ (58,142,197)</u>	<u>\$ (57,294,629)</u>	<u>\$ (61,114,057)</u>	<u>\$ (54,766,895)</u>	<u>\$ (56,545,346)</u>	<u>\$ (57,128,613)</u>	<u>\$ (56,201,271)</u>	<u>\$ (47,737,675)</u>	<u>\$ (59,903,996)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 5,953,207	\$ 6,536,673	\$ 6,612,603	\$ 7,348,241	\$ 7,489,471	\$ 7,923,348	\$ 7,707,653	\$ 8,176,273	\$ 8,631,895	\$ 9,163,826
Sales taxes	47,667,615	44,710,221	45,584,783	45,149,671	41,685,781	43,127,692	45,659,894	46,717,755	50,519,838	54,786,123
Franchise taxes	6,038,709	5,821,514	6,842,265	5,446,301	5,702,863	5,787,057	4,873,591	5,420,601	5,952,906	5,736,856
Riverboat taxes	3,024,702	6,961,367	8,399,666	9,099,020	8,959,034	9,113,904	9,713,282	9,691,942	9,664,375	11,054,210
Grants and contributions not restricted to specific programs	205,557	284,017	195,018	201,846	198,471	190,806	3,462,831	181,836	185,172	180,867
Interest and investment earnings	3,465,720	5,258,465	4,781,799	2,638,358	1,728,068	1,089,127	575,503	62,044	671,283	965,038
Miscellaneous	2,652,685	2,902,648	3,717,359	859,064	1,206,950	2,194,144	1,479,307	1,922,170	3,024,050	4,722,125
Gain (loss) on sales of capital assets	28,100	102,703	67,296	-	-	-	-	-	-	-
Transfers	(5,767,780)	(2,124,636)	(6,378,347)	(6,554,391)	(3,060,758)	(2,746,015)	(3,545,790)	(4,113,925)	(3,645,582)	(2,348,768)
Total governmental activities	<u>63,268,515</u>	<u>70,452,972</u>	<u>69,822,442</u>	<u>64,188,110</u>	<u>63,909,880</u>	<u>66,680,063</u>	<u>69,926,271</u>	<u>68,058,696</u>	<u>75,003,937</u>	<u>84,260,277</u>
Business-type activities:										
Grants and contributions not restricted to specific programs	190,000	200,000	200,000	200,000	200,000	-	-	-	-	-
Interest and investment earnings	362,990	589,768	181,262	26,597	46,565	52,549	35,695	(12,505)	81,712	227,141
Miscellaneous	640,010	1,064,948	252,500	-	-	-	-	-	-	113,376
Gain (loss) on sales of capital assets	(1,577,138)	-	(497,393)	-	-	-	-	-	-	-
Transfers	5,767,780	2,124,636	6,378,347	6,554,391	3,060,758	2,746,015	3,545,790	4,113,925	3,645,582	2,348,768
Total business type activities	<u>5,383,642</u>	<u>3,979,352</u>	<u>6,514,716</u>	<u>6,780,988</u>	<u>3,307,323</u>	<u>2,798,564</u>	<u>3,581,485</u>	<u>4,101,420</u>	<u>3,727,294</u>	<u>2,689,285</u>
Total primary government	<u>\$ 68,652,157</u>	<u>\$ 74,432,324</u>	<u>\$ 76,337,158</u>	<u>\$ 70,969,098</u>	<u>\$ 67,217,203</u>	<u>\$ 69,478,627</u>	<u>\$ 73,507,756</u>	<u>\$ 72,160,116</u>	<u>\$ 78,731,231</u>	<u>\$ 86,949,562</u>
Change in Net Assets										
Governmental activities	\$ 11,887,143	\$ 16,978,356	\$ 17,127,452	\$ 6,786,484	\$ 11,145,462	\$ 11,891,723	\$ 11,722,389	\$ 12,535,309	\$ 20,593,893	\$ 24,188,776
Business-type activities	6,523,020	(688,229)	1,915,077	3,068,557	1,304,846	1,041,558	4,656,754	3,423,536	10,399,663	2,856,790
Total primary government	<u>\$ 18,410,163</u>	<u>\$ 16,290,127</u>	<u>\$ 19,042,529</u>	<u>\$ 9,855,041</u>	<u>\$ 12,450,308</u>	<u>\$ 12,933,281</u>	<u>\$ 16,379,143</u>	<u>\$ 15,958,845</u>	<u>\$ 30,993,556</u>	<u>\$ 27,045,566</u>

CITY OF LAKE CHARLES, LOUISIANA

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>One Percent Sales Tax (1965)</u>	<u>Additional One Percent Sales Tax (1987)</u>	<u>Employee's Pay Quarter cent Sales Tax (1995)</u>
2006	\$ 5,953,207	\$ 21,069,476	\$ 21,069,476	\$ 5,267,376
2007	6,536,673	19,604,922	19,604,747	4,901,540
2008	6,612,603	20,048,716	20,048,779	5,012,194
2009	7,348,241	19,767,418	19,767,417	4,932,015
2010	7,489,471	18,382,454	18,382,454	4,595,619
2011	7,923,348	18,994,509	18,994,509	4,750,340
2012	7,707,653	19,940,426	19,940,425	4,985,113
2013	8,176,273	20,638,460	20,638,461	5,159,621
2014	8,631,895	22,309,909	22,309,909	5,577,484
2015	9,163,826	24,233,672	24,233,672	6,318,779

Notes:

Beginning fiscal year 2007, the City has entered into a Cooperative Endeavor Agreement with the Calcasieu Parish Policy Jury to pool gaming on a parish-wide basis.

A new cable television franchise agreement was entered into at the beginning of fiscal year 2008.

2009 property tax revenues reflect the reassessment of property in 2008.

2013 property tax revenues reflect the reassessment of property in 2012.

Riverboat Gaming Tax	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise
\$ 3,024,702	\$ 4,854,764	\$ 659,837	\$ 524,107
6,961,367	4,521,714	671,183	628,617
8,399,666	5,215,659	632,849	993,758
9,099,020	3,964,234	588,931	893,136
8,959,034	4,183,356	590,275	929,232
9,113,904	4,346,623	483,307	957,127
9,713,282	3,463,387	405,302	1,004,902
9,691,942	4,009,040	396,650	1,014,911
9,664,375	4,442,183	474,212	1,036,511
11,054,210	4,339,524	420,979	976,353

CITY OF LAKE CHARLES, LOUISIANA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 864,493	\$ 1,999,645	\$ 3,289,392	\$ 230,186	\$ 297,834					
Unreserved	26,835,936	29,486,833	28,820,688	28,007,800	25,483,998					
Nonspendable						\$ 486,580	\$ 543,389	\$ 478,983	\$ 525,480	\$ 621,486
Committed						2,895,603	2,567,929	2,363,360	2,853,169	2,413,358
Unassigned						21,932,680	22,245,646	23,053,203	25,996,329	28,338,533
Total General Fund	27,700,429	31,486,478	32,110,080	28,237,986	25,781,832	25,314,863	25,356,964	25,895,546	29,374,978	31,373,377
All other governmental funds										
Reserved	6,437,907	14,060,057	23,285,955	19,013,569	16,022,853					
Unreserved, reported in:										
Special revenue funds	10,774,273	10,620,548	8,778,666	12,922,418	14,598,101					
Capital projects funds	28,477,469	59,084,997	51,085,939	43,174,593	77,320,653					
Nonspendable						27,460	51,623	50,925	30,840	46,917
Restricted						44,338,979	31,731,731	23,962,211	22,754,774	24,595,560
Committed						51,269,454	50,934,223	57,358,834	57,603,158	65,108,250
Assigned						8,388,325	12,033,195	7,674,979	10,491,959	13,392,519
Total all other governmental funds	45,689,649	83,765,602	83,150,560	75,110,580	107,941,607	104,024,218	94,750,772	89,046,949	90,880,731	103,143,246
Total all governmental funds	\$ 73,390,078	\$ 115,252,080	\$ 115,260,640	\$ 103,348,566	\$ 133,723,439	\$ 129,339,081	\$ 120,107,736	\$ 114,942,495	\$ 120,255,709	\$ 134,516,623

* The increases in fund balance in fiscal years 2007 and 2010 are due primarily to unspent bond proceeds from issues during the period for capital projects.

* Note GASB 54 adopted in 2011.

* GASB 68 adopted in 2015

CITY OF LAKE CHARLES, LOUISIANA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues:										
Taxes	\$ 58,915,721	\$ 60,340,385	\$ 62,863,828	\$ 63,906,886	\$ 60,681,304	\$ 62,638,371	\$ 65,208,410	\$ 67,508,949	\$ 71,638,915	\$ 77,964,674
Licenses and permits	6,760,340	6,710,807	7,635,503	6,104,766	6,357,695	6,633,096	5,526,807	6,349,383	6,686,060	6,657,120
Intergovernmental	18,151,628	5,636,828	9,417,429	8,851,035	10,830,886	10,759,547	8,264,523	9,752,774	12,275,671	10,364,017
Charges for services	7,497,818	8,334,042	10,232,457	10,440,834	11,300,612	13,134,106	13,680,453	14,375,194	15,290,879	16,016,725
Fines and forfeitures	257,462	276,359	306,694	322,461	338,073	383,267	311,388	247,061	253,920	195,139
Miscellaneous	8,508,921	9,886,132	6,600,618	4,582,043	2,708,846	2,826,993	2,351,245	1,888,663	1,695,540	3,064,934
Total revenues	100,091,890	91,184,553	97,056,529	94,208,025	92,217,416	96,375,380	95,342,826	100,122,024	107,840,985	114,262,609
Expenditures:										
Current operating:										
General government	2,280,837	2,298,225	2,449,791	2,598,746	2,727,390	2,857,662	2,876,353	2,892,999	2,945,962	3,016,207
Finance	1,383,033	1,392,804	1,352,358	1,389,805	1,496,010	1,488,859	1,498,360	1,524,491	1,594,704	1,610,407
Human Resources	308,001	292,767	288,724	317,809	352,726	313,428	312,168	309,113	339,091	367,152
Fire	12,577,995	12,579,653	12,634,153	13,074,636	12,729,943	12,940,071	13,293,542	13,523,625	14,481,544	14,493,469
Police	15,026,989	14,371,715	14,094,524	14,196,539	15,775,008	16,200,141	17,108,345	18,311,542	17,911,230	18,096,917
Public works	23,015,679	18,974,532	20,648,106	20,039,183	20,272,640	20,324,226	21,183,964	21,449,006	22,045,127	22,093,947
Planning and development	2,095,331	2,515,448	2,805,009	2,305,258	2,596,371	3,028,735	2,785,459	2,793,690	2,535,761	2,679,361
Community services	9,707,729	5,046,085	4,662,889	4,545,957	4,780,142	4,721,208	4,913,007	5,516,244	5,343,835	5,389,074
General services	6,254,807	3,901,466	5,554,769	4,254,079	4,096,854	4,168,195	4,127,074	4,453,969	4,253,097	4,415,871
Capital projects	23,238,997	16,341,943	19,136,059	28,093,724	24,458,504	25,022,530	27,249,392	21,031,285	18,090,669	14,829,729
Debt service:										
Principal retirement	2,566,162	2,500,302	3,637,281	3,991,176	6,427,242	5,449,519	5,836,224	6,947,090	6,790,771	20,400,386
Bond issuance costs	42,978	621,817	-	-	1,414,680	147,128	-	-	-	-
Interest and fiscal charges	1,281,554	1,393,744	2,905,960	2,758,796	2,109,632	3,982,945	4,247,927	3,603,630	3,398,436	4,862,176
Total expenditures	99,780,092	82,230,501	90,169,623	97,565,708	99,237,142	100,644,647	105,431,815	102,356,684	99,730,227	112,254,696
Excess (deficiency) of revenues over expenditures	311,798	8,954,052	6,886,906	(3,357,683)	(7,019,726)	(4,269,267)	(10,088,989)	(2,234,660)	8,110,758	2,007,913
Other financing sources (uses):										
Transfers in	12,016,568	15,728,775	17,610,913	17,216,245	14,552,013	15,153,082	19,551,176	21,967,386	21,798,979	21,876,158
Transfers out	(19,084,348)	(18,403,411)	(24,489,260)	(25,770,636)	(18,612,300)	(18,982,135)	(22,915,600)	(25,731,311)	(24,694,561)	(26,354,532)
Issuance of debt	700,000	34,480,000	-	-	57,015,000	3,713,962	-	833,344	98,037	16,731,376
Premium on issuance of debt	-	1,102,586	-	-	2,174,886	-	4,222,067	-	-	-
Payment to refunded bonds	-	-	-	-	(17,735,000)	-	-	-	-	-
Total other financing sources(uses)	(6,367,780)	32,907,950	(6,878,347)	(8,554,391)	37,394,599	(115,091)	857,643	(2,930,581)	(2,797,545)	12,253,002
Net change in fund balances	\$ (6,055,982)	\$ 41,862,002	\$ 8,559	\$ (11,912,074)	\$ 30,374,873	\$ (4,384,358)	\$ (9,231,346)	\$ (5,165,241)	\$ 5,313,213	\$ 14,260,915
Debt service as a percentage of noncapital expenditures	5.11%	6.19%	9.59%	9.37%	11.18%	12.29%	13.53%	13.24%	12.90%	26.14%

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	One Percent Sales Tax ('65)	Additional One Percent Sales Tax ('87)	Employee's Pay Quarter cent Sales Tax ('95)	Riverboat Gaming Tax	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise
2006	\$ 5,953,207	\$ 21,069,476	\$ 21,069,476	\$ 5,267,376	\$ 3,024,702	\$ 4,854,764	\$ 659,837	\$ 524,107
2007	6,536,673	19,604,922	19,604,747	4,901,540	6,961,367	4,521,714	671,183	628,617
2008	6,612,603	20,048,716	20,048,779	5,012,194	8,399,666	5,215,659	632,849	993,758
2009	7,348,241	19,767,418	19,767,417	4,932,015	9,099,020	3,964,234	588,931	893,136
2010	7,489,471	18,382,454	18,382,454	4,595,619	8,959,034	4,183,356	590,275	929,232
2011	7,923,348	18,994,509	18,994,509	4,750,340	9,113,904	4,346,623	483,307	957,127
2012	7,707,653	19,940,426	19,940,425	4,985,113	9,713,282	3,463,387	405,302	1,004,902
2013	8,176,273	20,638,460	20,638,461	5,159,621	9,691,942	4,009,040	396,650	1,014,911
2014	8,631,895	22,309,909	22,309,909	5,577,484	9,664,375	4,442,183	474,212	1,036,511
2015	9,163,826	24,233,672	24,233,672	6,318,779	11,054,210	4,339,524	420,979	976,353

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

Fiscal Year Ended	Tax Year	Real Property and Mobile		Personal, Business Industry	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	2005	\$ 261,268,194	\$ 2,612,681,940	\$ 98,723,970	\$ 658,159,800
2007	2006	286,848,080	2,869,480,800	105,860,810	705,738,733
2008	2007	295,823,700	2,958,237,000	114,102,720	760,684,800
2009	2008	352,041,171	3,520,411,710	116,471,700	776,478,000
2010	2009	362,072,150	3,620,721,500	109,775,460	731,836,400
2011	2010	368,075,460	3,680,756,600	113,615,250	757,435,000
2012	2011	371,813,160	3,718,131,600	111,831,890	745,545,933
2013	2012	408,917,100	4,089,171,000	106,665,010	711,100,067
2014	2013	432,041,780	4,320,417,800	148,418,710	989,458,067
2015	2014	483,192,030	4,831,920,800	168,282,760	1,121,835,067

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 1996, 2000, 2004, 2008, and 2012.

Source: Calcasieu Parish Sheriff & Tax Collector

Public Utilities		Total all Property		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 17,693,580	\$ 70,774,320	\$ 377,685,744	\$ 3,341,616,060	16.09	11.30%
18,358,980	73,435,920	411,067,870	3,648,622,453	16.09	11.27%
18,450,920	73,803,680	428,377,340	3,792,725,480	16.09	11.29%
18,738,980	74,955,920	487,251,851	4,371,845,630	15.35	11.00%
18,833,580	75,334,320	490,681,190	4,427,892,220	15.35	11.08%
19,094,820	76,379,280	500,785,530	4,514,570,880	15.35	11.09%
16,539,480	66,157,920	500,184,530	4,529,835,453	15.35	11.04%
17,706,110	70,824,440	533,288,220	4,871,095,507	15.35	10.95%
18,114,470	72,457,880	598,574,960	5,382,333,747	15.35	11.12%
17,272,840	71,272,840	669,293,050	6,025,078,707	15.35	11.11%

CITY OF LAKE CHARLES, LOUISIANA

Property Tax Millage Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles			Calcasieu Parish School Board			Calcasieu Parish							
		General and Special Revenue Funds	Debt Service Funds	Total	General Fund	Debt Service Funds	Total	Parish Police Jury	Road Districts	Gravity Drainage	Recreation and Com Centers	Fire Protection	Airport Harbor & Terminal	Parish Water & Sewer	Parish Total
2005	2006	16.09	0.00	16.09	18.72	25.00	43.72	44.99	3.88	5.77	7.85	12.60	8.80	18.39	102.28
2006	2007	16.09	0.00	16.09	18.72	25.50	44.22	47.21	3.88	5.79	7.40	11.54	8.80	20.39	105.01
2007	2008	16.09	0.00	16.09	18.72	27.50	46.22	41.5	3.88	5.79	7.00	11.54	8.80	18.14	96.95
2008	2009	15.35	0.00	15.35	18.72	24.00	42.72	39.28	3.67	5.29	7.00	11.08	8.34	18.46	93.12
2009	2010	15.35	0.00	15.35	18.72	24.00	42.72	33.02	3.67	5.79	5.65	11.08	8.34	15.59	83.14
2010	2011	15.35	0.00	15.35	18.72	24.00	42.72	33.02	3.67	5.79	4.79	11.08	8.34	15.59	82.28
2011	2012	15.35	0.00	15.35	18.72	24.00	42.04	33.82	3.53	5.57	5.77	10.85	8.14	15.37	83.05
2012	2013	15.35	0.00	15.35	18.04	22.60	40.64	34.01	3.53	5.57	5.77	10.85	8.14	15.37	83.24
2013	2014	15.35	0.00	15.35	18.04	22.20	40.24	34.78	4.06	5.57	5.32	10.85	8.14	15.37	84.09
2014	2015	15.35	0.00	15.35	18.04	22.20	40.24	35.46	4.06	5.57	7.40	10.85	8.19	15.37	86.90

Source: Information obtained from Calcasieu Parish Tax Assessor

Note: Overlapping rates are those of local governmental entities that apply to property owners within the City of Lake Charles. Not all overlapping rates apply to all property owners.

CITY OF LAKE CHARLES, LOUISIANA

Principal Property Taxpayers

Tax Year December 31, 2014 and December 31, 2004
for Fiscal Year Ended September 30, 2015 and September 30, 2005

Taxpayer	Type of Business	2015		Percentage of Total Valuation	2005		Percentage of Total Valuation
		Assessed Valuation 2014	Rank		Assessed Valuation 2004	Rank	
Golden Nugget Lake Charles LLC	Hotel and Casino	\$53,485,200	1	7.99 %	-	-	-
PNK (Lake Charles) LLC	Hotel and Casino	45,086,810	2	6.74 %	-	-	-
Crowley Marine Services		15,882,920	3	2.37 %	-	-	-
Pressure Pumping		12,784,310	4	1.91 %	-	-	-
Entergy Gulf States Inc.	Electric utility	9,347,910	5	1.40 %	4,880,910	5	1.19 %
Wal-Mart Stores	Retail	4,380,130	6	0.65 %	9,186,860	2	2.23 %
JP Morgan Chase Bank NA * Bank One in 2001	Bank	4,156,390	7	0.62 %	3,614,450	7	0.88 %
Bell South Telecommunications	Telephone	4,113,880	8	0.61 %	9,097,510	3	2.21 %
Carboline Company	Wholesale	3,538,270	9	0.53 %	-	-	-
Women's & Children's Hospital	Hospital	3,436,730	10	0.51 %	2,807,900	9	0.68 %
Harrah's Entertainment Inc * Players in 1998	Riverboat Casino	-	-	-	14,599,330	1	3.55 %
Capital One NA * Hibernia in 2002	Bank	-	-	-	6,902,840	4	1.68 %
Simon Debartolo Group *Simon, Melvin & Associates in 2001	Real Estate Agent	-	-	-	4,413,870	6	1.07 %
Cameron State Bank	Bank	-	-	-	3,384,120	8	0.82 %
Banc One Management Group	Bank	-	-	-	2,698,660	10	0.66 %
		<u>\$156,212,550</u>		<u>23.33%</u>	<u>\$61,586,450</u>		<u>14.97%</u>

2015 Total city valuation: \$ 669,293,050

2005 Total city valuation: \$ 411,274,490

Source: Calcasieu Parish Tax Collector

CITY OF LAKE CHARLES, LOUISIANA

Property Tax Levies and Collections

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Less: Cancellations and Reductions</u>	<u>Net Tax Levy</u>
2006	2005	\$ 6,081,102	\$ 200,513	\$ 5,880,589
2007	2006	6,617,407	47,920	6,569,487
2008	2007	6,896,377	83,620	6,812,757
2009	2008	7,483,466	144,030	7,339,436
2010	2009	7,534,395	46,098	7,488,297
2011	2010	7,692,549	60,903	7,631,646
2012	2011	7,648,874	44,979	7,603,895
2013	2012	8,150,758	48,846	8,101,912
2014	2013	8,613,145	47,999	8,565,146
2015	2014	9,142,203	58,897	9,083,306

Source: Calcasieu Parish Sheriff & Tax Collector

Note: Property damage reductions in 2006 related to Hurricane Rita.

Less: Outstanding Delinquent Taxes	Net Total Taxes Collected	Percent of Net Taxes Collected	Percent of Delinquent Taxes to Net Levy
\$ 57,162	\$ 5,823,427	99.03 %	0.97 %
89,299	6,480,188	98.64	1.36
79,015	6,733,742	98.84	1.16
58,377	7,281,059	99.20	0.80
48,697	7,439,600	99.35	0.65
35,458	7,596,188	99.54	0.46
18,208	7,585,687	99.76	0.24
21,530	8,080,382	99.73	0.27
24,951	8,540,195	99.71	0.29
20,265	9,063,041	99.78	0.22

CITY OF LAKE CHARLES, LOUISIANA

Sales Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles							Calcasieu Parish			State of Louisiana		
		General Fund	Dedicated 1%				Employee's Pay	School Board		Law Enforcement	Tourism			
			General Fund		Waste Water	Recreation		Capital Project	General		Salaries	Promotion	Total	
			Public Safety	Public Works										
2006	2007	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.50%	3.97%	0.03%	8.75%
2007	2008	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2008	2009	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2009	2010	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2010	2011	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2011	2012	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2012	2013	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2013	2014	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2014	2015	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2015	2016	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	*1.00%	0.75%	3.97%	0.03%	9.25%

*Rate increased from 0.50% to 1.00% July 1, 2015

†Rate increased from 0.25% to 0.50% January 1, 2016

Source: Information obtained from Calcasieu Parish Sales and Use Tax office.

CITY OF LAKE CHARLES, LOUISIANA

Principal Sales Taxpayers

Tax Year June 30, 2015 and June 30, 2006

for Fiscal Year Ended September 30, 2015 and September 30, 2006

2015				2006		
Type of Business	Tax Paid	Rank	Percentage of Total Valuation	Tax Paid	Rank	Percentage of Total Valuation
Retail	\$5,871,138	1	10.89%	\$6,049,738	1	13.45%
Government	3,014,979	2	5.59%	3,064,819	2	6.81%
Hotel and Casino	1,307,587	3	2.43%	-	-	-
Hotel and Casino	1,145,652	4	2.12%	1,063,499	4	2.36%
Grocery	885,024	5	1.64%	737,204	7	1.64%
Building Supply	836,987	6	1.55%	1,397,662	3	3.11%
Health Care	691,291	7	1.28%	629,180	9	1.40%
Retail	683,035	8	1.27%	677,889	8	1.51%
Health Care	616,346	9	1.14%	-	-	-
Grocery	590,641	10	1.10%	483,195	10	1.07%
Building Supply	-	-	-	956,912	5	2.13%
Building Supply	-	-	-	855,809	6	1.90%
	<u>\$15,642,680</u>		<u>29.01%</u>	<u>\$15,915,907</u>		<u>35.38%</u>

2015 Total sales tax: \$ 53,917,165

2006 Total sales tax: \$ 44,983,422

CITY OF LAKE CHARLES, LOUISIANA

Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Bonded Debt																Loans				Total Loans	Lake Charles City Court Building	Percentage of Personal Income		
	Pension Refunding Bonds		LCDA Sewer Refunding Bonds		LCDA Sewer Refunding Bonds		Deferred Amount		2007		Deferred Amount		2010		Deferred Amount		2014		Deferred Amount					Total Bonded Debt	
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds				Bonds	Bonds
2006	\$ 7,585,000	\$ 22,715,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1.37%	
2007	6,775,000	21,880,000	-	-	-	34,480,000	1,084,210	1,084,210	-	-	1,084,210	-	-	-	-	-	-	-	-	-	65,303,420	-	-	2.75%	
2008	5,915,000	21,010,000	-	-	-	33,370,000	1,029,081	1,029,081	-	-	1,029,081	-	-	-	-	-	-	-	-	-	62,353,162	-	-	2.63%	
2009	5,005,000	20,100,000	-	-	-	32,195,000	973,952	973,952	-	-	973,952	-	-	-	-	-	-	-	-	-	59,247,904	-	-	2.50%	
2010	4,035,000	-	16,175,000	431,234	918,823	30,870,000	918,823	918,823	39,280,000	1,671,027	-	-	-	-	-	-	-	-	-	-	93,481,084	-	-	3.65%	
2011	3,005,000	-	14,905,000	392,031	863,694	29,695,000	863,694	863,694	37,705,000	1,570,765	-	-	-	-	-	-	-	-	-	-	88,136,490	918,201	3,000,000	3.60%	
2012	1,930,000	-	13,010,000	352,828	808,565	28,370,000	808,565	808,565	35,960,000	1,470,503	-	-	-	-	-	-	-	-	-	-	82,501,896	5,140,268	2,905,000	3.45%	
2013	805,000	-	12,290,000	313,625	753,436	26,995,000	753,436	753,436	34,165,000	1,370,241	-	-	-	-	-	-	-	-	-	-	76,692,302	5,015,612	2,805,000	3.17%	
2014	-	-	10,930,000	274,422	698,307	25,565,000	698,307	698,307	32,315,000	1,269,979	-	-	-	-	-	-	-	-	-	-	71,052,708	4,146,649	2,700,000	2.92%	
2015	-	-	9,535,000	235,219	256,639	9,080,000	256,639	256,639	30,410,000	1,169,717	15,775,000	854,085	-	-	-	-	-	-	-	-	67,315,660	3,934,648	2,500,000	2.75%	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

None of this debt is General Obligation Debt.

See the Schedule of Demographics and Economic Statistics for personal income and population data.

CITY OF LAKE CHARLES, LOUISIANA

Direct and Overlapping Governmental Activities Debt

As of September 30, 2015

Jurisdiction	Direct Debt	Percentage Applicable to City of Lake Charles	Amount Applicable to Lake Charles
Direct:			
City of Lake Charles	\$ 73,840,308	100%	\$ 73,840,308
Total direct debt	73,840,308		73,840,308
Overlapping:			
Calcasieu Parish School Board	191,990,000	32%	61,210,852
Calcasieu Parish Police Jury	9,110,000	79%	7,197,430
Total overlapping debt	201,100,000		68,408,282
Total Direct and Overlapping Debt	\$ 274,940,308		\$ 142,248,590

Sources: Assessed value data used to estimate applicable percentages provided by Calcasieu Parish Tax Collector.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Charles. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden is borne by the residents, and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the parish's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

CITY OF LAKE CHARLES, LOUISIANA

Computation of Legal Debt Margin

Last Ten Fiscal Years

(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 47,601	\$ 44,185	\$ 51,710	\$ 56,732	\$ 49,305	\$ 50,314	\$ 50,258	\$ 53,554	\$ 60,093	\$ 67,169
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 47,601</u>	<u>\$ 44,185</u>	<u>\$ 51,710</u>	<u>\$ 56,732</u>	<u>\$ 49,305</u>	<u>\$ 50,314</u>	<u>\$ 50,258</u>	<u>\$ 53,554</u>	<u>\$ 60,093</u>	<u>\$ 67,169</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2015

(amounts expressed in thousands)

Assessed value	\$ 669,293
Add back: exempt real property	2,409
Total assessed value	<u>\$ 671,702</u>
Debt limit (10% of total assessed value)	\$ 67,169
Total outstanding General Obligation Bonds of City of Lake Charles	-
Legal capacity of City of Lake Charles for General Obligation Bonds	<u>\$ 67,169</u>

Note:

Under state finance law, the City of Lake Charles' outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. The City of Lake Charles had \$73,372,761 outstanding bonded debt at September 30, 2015. None of this debt is General Obligation Debt secured by ad valorem taxes, and the amount applicable to the legal debt limitation is therefore zero. All City of Lake Charles general obligation debt was paid in fiscal year 1997.

CITY OF LAKE CHARLES, LOUISIANA

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar		Personal	Per		Public	Private	Total	Unemployment
		Income	Capita	Median	City School	City School	City School	Percentage
Year	Population	(amts in	Personal	Age	Enrollment	Enrollment	Enrollment	Rate
		thousands)	Income (1)		(K-12 Grades)	(K-12 Grades)	(K-12 Grades)	
2005	71,757	\$ 2,208,250	\$ 30,774	35.3	13,054	2,541	15,595	3.3 %
2006	71,757	2,371,425	33,048	36.4	12,952	2,556	15,508	3.0
2007	71,757	2,371,425	33,048	35.3	12,735	2,407	15,142	3.4
2008	71,757	2,371,425	33,048	34.5	12,783	2,741	15,524	5.9
2009	71,757	2,371,425	33,048	35.3	12,566	2,575	15,141	7.3
2010	71,993	2,558,631	35,540	35.3	12,034	2,465	14,499	6.3
2011	72,177	2,621,757	36,324	35.9	12,399	3,482	15,881	6.8
2012	73,474	2,668,282	36,316	35.0	13,375	3,099	16,474	6.1
2013	74,024	2,663,458	35,981	35.0	13,539	3,974	17,513	5.6
2014	74,889	2,683,273	35,830	34.1	13,333	4,435	17,768	5.8

Notes:

- (1) Estimates for population, income age and unemployment provided by the Bureau of Labor Statistics, Imperial Calcasieu Regional Planning and Development and the US Census Bureau
- (2) School enrollment includes public and state approved private schools only as provided by the Calcasieu Parish School Board and the Louisiana Department of Education

CITY OF LAKE CHARLES, LOUISIANA

Principal Employers in the MSA

Calendar Year 2015 and 2005

Employer	Type of Business	2015			2005		
		Number of Employees	Rank	Percentage of Total MSA	Number of Employees	Rank	Percentage of Total MSA
Calcasieu Parish School Board	Education	4,840	1	5.0%	4,000	1	4.7%
L'Auberge Du Lac	Gaming	2,400	2	2.5%	-	-	-
Axiall Corporation (formerly PPG)	Basic Chemical	1,700	3	1.7%	1,625	5	1.9%
Turner Industries	Fabrication	1,650	4	1.7%	2,000	2	2.4%
Lake Charles Memorial Hospital	Health Care	1,470	5	1.5%	1,700	4	2.0%
Citgo Petroleum	Oil Products	1,200	6	1.2%	1,206	8	1.4%
Isle of Capri Casino	Gaming	1,155	7	1.2%	2,000	3	2.4%
City of Lake Charles	Government	1,093	8	1.1%	-	-	-
Christus St. Patrick's Hospital	Health Care	939	9	1.0%	1,500	6	1.8%
Calcasieu Parish Sheriff's Office	Police Protection	864	10	0.9%	-	-	-
Player's Casino (closed 2005)	Gaming	-	-	-	1,450	7	1.7%
Conoco	Oil Products	-	-	-	1,200	9	1.4%
Delta Downs	Gaming	-	-	-	1,000	10	1.2%
		<u>17,311</u>		<u>17.8%</u>	<u>17,681</u>		<u>20.9%</u>

Source: SWLA Economic Development Alliance and Imperial Calcasieu Regional Planning and Development (Major Employers in Southwest Louisiana with 100+ full-time, non-contract employees)

MSA: Metropolitan Statistical Area includes all of Calcasieu and Cameron Parish. All top ten employers are in Calcasieu Parish

	2015	2005
Total employment: Calcasieu Parish	97,261	84,398

CITY OF LAKE CHARLES, LOUISIANA

Full-time Equivalent City Employees by Function
Last Ten Fiscal Years

Functions/Programs	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	46	46	46	47	48.5	46.5	46.5	46.5	46.5	46.5
Finance (includes										
Water business office)	30	30	30	30	30	30	30	30	30	30
Human Resources	5	5	5	5	5	4	4	4	4	4
Public safety										
Fire	190	190	190	190	190	182	182	182	182	182
Police	194	194	194	192	192	189	189	189	189	196
Public works	167	166	166	166	167	157	157	157	157	165.5
Waste water	64	64	64	64	65	65	65	65	65	65.5
Transit	19	19	19	19	19	19	19	19	19	19.5
Water utility	57	57	57	57	56	56	56	56	56	58.5
Planning and development	25	27	24	24	25	24	24	24	24	25
General services	29	30	33	33	30.5	27.5	27.5	27.5	27.5	29
Community Services	78	78	78	77	77	71	71	71	71	86.5
Total	<u>904</u>	<u>906</u>	<u>906</u>	<u>904</u>	<u>905</u>	<u>871</u>	<u>871</u>	<u>871</u>	<u>871</u>	<u>908</u>

Source: City budget reports

Note: Personnel count includes full time and regular part-time positions. Temporary and seasonal employees are not included.

CITY OF LAKE CHARLES, LOUISIANA

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
* Legal: request for legal action				239	199	90	51	96	102	103
Printing/communication:										
* Number of mail pieces metered				67,550	72,701	130,336	175,019	100,651	121,273	85,851
Risk Management										
Accident reports/investigations	607	595	626	544	632	443	377	415	457	503
Claims	307	302	277	178	289	208	186	205	226	249
Finance/includes Water Business										
Checks issued	15,235	15,553	15,356	15,543	14,760	14,927	23,699	19,750	12,025	11,652
Occupational licenses processed	6,132	5,917	5,431	6,273	6,031	6,027	5,845	5,382	5,134	5,193
Purchase orders processed	3,589	4,064	3,738	3,290	2,881	2,785	2,800	2,825	2,653	2,694
Water: number of customers	26,889	28,422	28,147	28,124	28,886	28,775	28,926	29,704	30,042	29,980
Water: Average daily consumption (millions of gallons per day)	11.35	9.53	10.79	9.33	8.87	9.05	9.03	8.65	8.42	8.75
Human Resources										
Applications received	926	725	711	961	1,000	1,327	1,250	1,328	1,100	971
New hires	374	436	483	462	425	432	364	436	325	416
Employee Health Fair Participation	250	238	268	285	300	320	325	375	450	530
Public safety										
Fire: Calls for service	2,755	2,503	2,571	2,588	2,790	2,863	2,768	2,807	2,996	3,299
* Fire: Code inspections	4,671	3,194	2,775	3,594	4,465	7,305	4,000	7,386	2,929	2,929
Police: Calls for service	108,232	96,659	93,886	90,995	96,732	107,100	108,064	125,161	121,384	106,110
Public works										
Solid Waste										
* Tons garbage collected		29,320	26,324	26,320	25,814	24,515	23,951	25,018	25,563	25,855
* Tons incinerated		2,146	3,338	2,322	2,905	4,857	4,163	4,340	8,343	4,920
* Tons trash collected		18,869	10,682	9,583	7,930	5,957	6,208	6,212	7,053	7,032
* Streets: Work orders		960	647	1,289	1,863	2,708	1,234	1,370	1,734	1,556
* Transit: Bus riders		188,175	178,889	175,875	190,834	219,802	223,407	228,068	267,126	265,459
* Vehicle Maintenance: Work orders		5,815	3,530	4,291	5,867	5,689	5,841	5,877	5,498	6,078
* Waste water: Work orders		4,584	3,337	9,508	11,100	5,490	6,000	12,371	11,898	11,787
Planning and development										
Building permits issued	6,384	9,438	6,287	4,162	6,395	6,073	4,356	4,762	4,122	4,603
Community Development										
* Down Payment Assistance	9	21	22	17	22	15	24	17	14	17
* Rehab/Reconstruction	7	15	8	8	9	12	13	12	8	5
* Street Projects	2	6	6	3	0	1	2	2	1	0
Community Services										
Recreation and parks										
* Athletic teams				279	292	311	313	877	913	823
* Summer camp attendance		460	470	219	480	472	447	425	430	355
* Civic Center: Events		309	356	377	358	368	353	352	340	356
Golf Course: Rounds of golf	39,498	34,221	32,969	36,464	23,852	31,900	30,318	36,317	36,641	33,000
Art Center/museum										
* Art exhibits			13	9	11	16	16	15	15	16
* Concerts/Events			43	35	100	119	25	24	19	28

Source: Various city departments

* Prior year statistics not available.
+ Includes tournament teams

CITY OF LAKE CHARLES, LOUISIANA

Capital Assets Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public safety										
Fire Stations in City limits	8	8	8	8	8	8	8	8	8	8
Fire Stations outside City limits					2	2	2	2	2	2
Police:										
Stations	4	4	4	4	4	4	4	4	4	3
Patrol Units	90	90	92	92	92	92	98	94	111	87
Public works										
Solid Waste/Recycling										
Collection trucks	22	33	32	30	34	32	32	32	33	33
Streets										
Streets (miles)	483	460	460	460	460	460	503	534	534	535
* Streetlights	9,229	9,285	9,285	9,285	9,285	9,285	14,000	10,000	10,000	11,000
* Traffic Signals	64	64	66	66	66	66	68	66	62	64
Transit										
Public Buses	8	7	7	7	7	7	4	5	4	4
Para-transit buses	2	2	2	4	4	4	2	2	2	2
Trolley	0	0	0	0	1	1	1	1	1	1
Waste water										
Sanitary sewers (miles)	600	600	600	600	600	600	600	600	600	600
Storm sewers (miles)	425	425	425	425	425	425	425	425	425	425
* Maximum daily treatment capacity (millions of gallons per day)			13.1	13.1	18	18	18	18	18	18
Water utility										
* Water mains (miles)	410	450	455	458	458	460	465	430	470	473
* Fire hydrants	2,500	2,800	2,820	2,850	2,850	2,900	2,954	3,000	3,000	3050
* Maximum daily capacity (millions of gallons per day)	23	22	22	22	22	22	22	22	22	22
Community Services										
Recreation and parks										
** Park acreage	256	256	256	466	466	466	465	502	502	502
Parks	34	34	34	34	34	34	33	33	33	33
Swimming Pools	2	2	2	2	2	2	2	2	2	2
*** Spray parks	1	1	1	3	2	2	2	2	2	2
Tennis courts	6	6	17	17	17	17	15	11	11	11
Community Centers	12	12	12	12	12	12	12	13	13	13
Civic Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Art Center/museum	2	2	2	2	2	2	2	2	2	2

Source: Various city departments

* Prior year statistics not available.

**In 2009 the addition of Riverside Park increased total acreage to 466.

***One spray park donated to Ward 3 Recreation District.