

**CITY OF WEST MONROE, LOUISIANA**

*Financial Report  
For the Year Ended June 30, 2011*

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

Release Date **FEB 08 2012**



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FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2011

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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

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Honorable Mayor and Board of Aldermen of the  
City of West Monroe, Louisiana

We have audited the accompanying basic primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Monroe, Louisiana (which is "the City" as well as "the primary government"), as of and for the year ended June 30, 2011, which collectively comprise the basic primary government financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements do not include financial data of the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effects of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable. In addition, the amounts by which the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information are not reasonably determinable.

In our opinion, because of the omission of the discretely presented component units, as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City of West Monroe, Louisiana as of June 30, 2011, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for the effects of omitting blended component units as discussed previously, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the aggregate remaining fund information for the primary government of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011, on our consideration of the City of West Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 49 through 51, are not a required part of the basic primary government financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements of the City of West Monroe, Louisiana, taken as a whole. The accompanying financial information listed as "Schedules" and "Supplementary Information" in the table of contents, including the Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the City of West Monroe, Louisiana, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic primary government financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic primary government financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic primary government financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic primary government financial statements and, accordingly, we express no opinion on it.

*Cameron, Hines & Hartt (APAC)*

REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS

# CITY OF WEST MONROE, LOUISIANA

## Management's Discussion and Analysis Year Ended June 30, 2011

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As management of the City of West Monroe, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

### FINANCIAL HIGHLIGHTS

- The assets of the City of West Monroe, on a government-wide basis, exceeded its liabilities at the close of the fiscal year by \$57.3 million (net assets). Of this amount, \$8.8 million is unrestricted.
- The City's total net assets increased by \$8.75 million for the current fiscal year.
- At the end of the current fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$9.0 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$5.9 million, or 31% of the total general fund expenditures.
- The general fund reported a deficit of \$407,115 before transfers, and a deficit of \$487,921 after transfers.
- The City's bonded debt had a net increase of \$440,644. Total bonded debt at 6-30-11 was \$15,571,000.
- The City of West Monroe pays employees bi-weekly. Bi-weekly pay programs pay employees in 14 day increments resulting in a 364 day annual pay cycle. Since there are either 365 or 366 days in a year, every 11 years there is a year with 27 pay periods instead of the typical 26. This 27<sup>th</sup> pay period occurred during the City's 2010-2011 fiscal year. This extra pay period caused the City to end the fiscal year with a deficit.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of West Monroe's basic financial statements. The City's basic financial statements comprise three components:

- *Government-wide financial statements,*
- *Fund financial statements,*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.



The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what amounts remain for future spending.
  - Proprietary fund statements offer short-and long-term financial information about the activities the government operates like businesses, such as the public utilities (water, sewer, sewer treatment systems).
  - Fiduciary fund statements provide information about the financial relationship in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2003, the new focus is on both the City as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the City's finances. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the City's accountability.

## **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the City of West Monroe as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets and the Statement of Activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities — are one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating. Other non-financial factors such as changes in the City's property tax base and the condition of the City's roads and other infrastructure may need to be considered to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two categories:

- **Governmental activities** – Most of the City's basic services are included here, such as the activities of the police, fire, public works, social services, and parks and recreation departments, and general administration. Sales taxes and grants finance most of these activities.
- **Business-type activities** – The City charges fees to customers to cover the cost of certain services it provides. The City's water, sewer, and sewer treatment are included here.

## **FUND FINANCIAL STATEMENTS**

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting mechanisms that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has three kinds of funds:

- **Governmental funds** – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- **Proprietary funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but they provide more detail and additional information, such as cash flows. The City also uses internal service funds (another kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities – such as the Employees Health Insurance Fund.
- **Fiduciary funds** – Fiduciary funds are used to report assets held in a trustee or agency capacity for others outside the government. The City maintains a Cemetery Trust Fund and a Workers Compensation Reserve Fund. These activities are reported in a separate statement of fiduciary net assets. The City excludes this activity from its government-wide financial statements because the City cannot use these assets to finance its operations.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of or following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures.

The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the government-wide statements).

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net assets for the 2010-2011 fiscal year increased by \$8.75 million. Table 1 shows the statement of net assets for the year ending 2010 and the year ending 2011. The table also shows the net assets for governmental activities, business type activities and combines them into the total primary government.

### Statement of Net Assets

The following table reflects the condensed statement of net assets:

TABLE 1  
NET ASSETS OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

|                            | (in Millions)              |          |                             |          |                             |          |
|----------------------------|----------------------------|----------|-----------------------------|----------|-----------------------------|----------|
|                            | GOVERNMENTAL<br>ACTIVITIES |          | BUSINESS TYPE<br>ACTIVITIES |          | TOTAL PRIMARY<br>GOVERNMENT |          |
|                            | 2010                       | 2011     | 2010                        | 2011     | 2010                        | 2011     |
| <b>ASSETS:</b>             |                            |          |                             |          |                             |          |
| Current and other assets   | \$ 10.87                   | \$ 9.89  | \$ 0.53                     | \$ 1.15  | \$ 11.40                    | \$ 11.04 |
| Capital Assets             | 42.39                      | 42.18    | 14.08                       | 23.59    | 56.47                       | 65.77    |
| Total Assets               | \$ 53.26                   | \$ 52.07 | \$ 14.61                    | \$ 24.74 | \$ 67.87                    | \$ 76.81 |
| <b>LIABILITIES:</b>        |                            |          |                             |          |                             |          |
| Long-term debt outstanding | \$ 17.78                   | \$ 18.13 | \$ 0.14                     | \$ 0.15  | \$ 17.92                    | \$ 18.28 |
| Other liabilities          | 1.25                       | 0.49     | 0.13                        | 0.13     | 1.38                        | 0.62     |
| Total Liabilities          | \$ 19.03                   | \$ 18.62 | \$ 0.27                     | \$ 0.28  | \$ 19.30                    | \$ 18.90 |
| <b>NET ASSETS:</b>         |                            |          |                             |          |                             |          |
| Invested in Capital Assets |                            |          |                             |          |                             |          |
| Net of debt                | \$ 26.30                   | \$ 25.65 | \$ 14.08                    | \$ 23.59 | \$ 40.38                    | \$ 49.24 |
| Restricted                 | -                          | -        | -                           | -        | -                           | -        |
| Unrestricted               | 7.92                       | 7.80     | 0.27                        | \$ 0.27  | 8.19                        | \$ 8.07  |
| Total Net Assets           | \$ 34.22                   | \$ 33.45 | \$ 14.35                    | \$ 23.86 | \$ 48.57                    | \$ 57.31 |

Net assets (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$57.31 million at the close of the fiscal year. The largest portion of the City's net assets (86%) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, less accumulated depreciation and less any related outstanding debt used to acquire those assets). The city uses these assets to provide services to its citizens and these assets are not available for spending. The resources needed to repay any debt related to these capital assets will be provided from other sources.

None of the City's net assets are subject to restrictions. The unrestricted net assets \$8.07 million may be used to meet the City's ongoing obligations.

### Governmental Activities

Net assets of the City's governmental activities decreased from \$34.22 million to \$33.45 million. This decrease is mainly due to expenses related to the Sparta Reuse project which is associated with the Waste Water Treatment Plant.

### Business-type Activities

Net assets of the City's business-type activities increased from \$14.35 million to \$23.86 million. This increase is associated with the additions to construction in progress related to the Sparta Reuse project.

### Statement of Activities

The following table shows the revenues and expenses of the governmental and business-type activities:

|   | GOVERNMENTAL<br>ACTIVITIES |                  | BUSINESS TYPE<br>ACTIVITIES |                 | TOTAL PRIMARY<br>GOVERNMENT |                 |
|---|----------------------------|------------------|-----------------------------|-----------------|-----------------------------|-----------------|
|   | 2010                       | 2011             | 2010                        | 2011            | 2010                        | 2011            |
| <b>REVENUES:</b>                        |                            |                  |                             |                 |                             |                 |
| Program Revenues                        |                            |                  |                             |                 |                             |                 |
| Charges for services                    | \$ 4.27                    | \$ 4.50          | \$ 3.03                     | \$ 3.06         | \$ 7.30                     | \$ 7.56         |
| Operating grants and contributions      | 2.40                       | 2.58             |                             |                 | 2.40                        | 2.58            |
| Capital grants and contributions        | 1.37                       | 10.65            |                             |                 | 1.37                        | 10.65           |
| General Revenues                        |                            |                  |                             |                 |                             |                 |
| Property Taxes                          | 1.16                       | 1.19             |                             |                 | 1.16                        | 1.18            |
| Other taxes                             | 15.85                      | 17.08            |                             |                 | 15.85                       | 17.08           |
| Intergovernmental                       | 0.28                       | 0.34             |                             |                 | 0.28                        | 0.34            |
| Franchise                               | 0.80                       | 0.83             |                             |                 | 0.80                        | 0.83            |
| Miscellaneous                           | 0.12                       | 0.32             |                             |                 | 0.12                        | 0.32            |
| Sale of Assets                          | 0.27                       | 0.28             |                             |                 | 0.27                        | 0.26            |
| Interest earned                         | 0.09                       | 0.05             |                             |                 | 0.09                        | 0.05            |
| Capital contributions                   | -                          | -                | 7.74                        | 10.10           | 7.74                        | 10.10           |
| <b>Total Revenues</b>                   | <b>\$ 26.61</b>            | <b>\$ 37.79</b>  | <b>\$ 10.77</b>             | <b>\$ 13.16</b> | <b>\$ 37.38</b>             | <b>\$ 50.95</b> |
| <b>EXPENSES:</b>                        |                            |                  |                             |                 |                             |                 |
| General government                      | \$ 6.23                    | \$ 6.61          |                             |                 | \$ 6.23                     | \$ 6.61         |
| Public safety                           | 8.56                       | 10.94            |                             |                 | 8.56                        | 10.94           |
| Public works                            | 10.91                      | 13.11            |                             |                 | 10.91                       | 13.11           |
| Culture and recreations                 | 4.23                       | 4.33             |                             |                 | 4.23                        | 4.33            |
| Urban Development                       | 0.75                       | 0.86             |                             |                 | 0.75                        | 0.86            |
| Health and welfare                      | 2.16                       | 2.16             |                             |                 | 2.16                        | 2.16            |
| Interest on long-term debt              | 0.53                       | 0.48             |                             |                 | 0.53                        | 0.48            |
| Utilities                               | -                          | -                | 3.28                        | 3.49            | 3.28                        | 3.49            |
| <b>Total Expenses</b>                   | <b>\$ 33.37</b>            | <b>\$ 38.49</b>  | <b>\$ 3.28</b>              | <b>\$ 3.49</b>  | <b>\$ 36.65</b>             | <b>\$ 41.98</b> |
| Increase in net assets before transfers | \$ (6.76)                  | \$ (0.70)        | \$ 7.49                     | \$ 9.67         | \$ 0.73                     | \$ 8.97         |
| Transfers                               | 0.21                       | (0.07)           | (0.30)                      | (0.16)          | (0.90)                      | (0.23)          |
| <b>Increase/decrease in assets</b>      | <b>\$ (6.55)</b>           | <b>\$ (0.77)</b> | <b>\$ 7.19</b>              | <b>\$ 9.51</b>  | <b>\$ 0.64</b>              | <b>\$ 8.74</b>  |

### **Governmental Activities**

The City's total revenues from governmental activities increased from \$26.61 million (year end 2010) to \$37.79 million (year end 2011). West Monroe's largest source of general revenue (\$18.26 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Sixty-four percent of the City's revenue from governmental activities comes from these taxes. Capital grants and contributions (\$10.65 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year ended June 30, 2011 were \$38.49 million, an increase of approximately \$5.12 million from year end 2010. These expenses cover a wide range of services with the largest being public works \$13.11 million or 34%, public safety \$10.94 million or 28%, and general government \$6.61 million or 17%.

### **Business-Type Activities**

The total revenues from business-type activities were \$13.16 million for the fiscal year ended June 30, 2011. This is an increase of approximately \$2.39 million from last year. This change is the result of capital contributions from the capital fund in the amount \$10.10 million for the Sparta Reuse Project. Charges for services increased by approximately \$300,000. Expenses for the City's business-type activities were \$3.49 million. The business-type activities had a net gain of approximately \$9.51 million for the fiscal year ended June 30, 2011.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City of West Monroe uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Government Funds**

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.0 million. This \$9.0 million constitutes unreserved fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unreserved fund balance of the general fund was \$5.94 million, a decrease of \$46,000 from year end June 30, 2010. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unreserved fund balance represents 24% of the total general fund expenditures. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$7.1 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount increased by \$3.31 million from last year. The fund transferred out \$1.54 million to pay for debt service.

### Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Utilities Enterprise Fund at the end of the year were \$23.86 million. The fund had an operating profit for the year of \$9.51 million after depreciation and transfers.

Net assets of the Internal Service fund (Employees Health Insurance Fund) at the end of the year were \$392.863.

### General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget twice. The difference between the original expenditure budget and the actual amount of expenditures was an increase of \$735. Actual total revenues were over the original budget by \$1,047.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The following table shows the Capital Assets (net of depreciation) of the governmental and business type activities:

TABLE 3  
CAPITAL ASSETS  
(NET OF DEPRECIATION in millions)

|                          | GOVERNMENTAL<br>ACTIVITIES |          | BUSINESS TYPE<br>ACTIVITIES |          | TOTAL    |          |
|--------------------------|----------------------------|----------|-----------------------------|----------|----------|----------|
|                          | 2010                       | 2011     | 2010                        | 2011     | 2010     | 2011     |
| Land                     | \$ 6.12                    | \$ 6.12  | \$ 0.06                     | \$ 0.06  | \$ 6.18  | \$ 6.18  |
| Construction in progress | 0.25                       | 0.25     | 7.86                        | 15.56    | 8.11     | 15.81    |
| Buildings                | 15.62                      | 14.99    | -                           | -        | 15.62    | 14.99    |
| Improvements             | 2.08                       | 1.97     | -                           | -        | 2.08     | 1.97     |
| Equipment                | 0.58                       | 0.63     | 0.55                        | 0.40     | 1.13     | 0.63     |
| Vehicles                 | 0.58                       | 0.82     | -                           | -        | 0.58     | 0.82     |
| Infrastructure           | 17.16                      | 17.39    | -                           | -        | 17.16    | 17.39    |
| Water Plant              |                            |          | 2.40                        | 4.15     | 2.40     | 4.15     |
| Treatment Plant          |                            |          | 3.17                        | 3.42     | 3.17     | 3.42     |
| Total                    | \$ 42.39                   | \$ 42.17 | \$ 14.94                    | \$ 23.59 | \$ 56.43 | \$ 65.76 |

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$65.76 million (net of depreciation). This is up \$9 million from last year. This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant.

## Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4  
OUTSTANDING DEBT AT YEAR END

|  | YR END<br>6/30/10 | YR END<br>6/30/11 |
|--|-------------------|-------------------|
| Bond Payable Series 2003                               | \$ 3,495,000      | \$ 2,670,000      |
| Bond Payable Series 2005                               | \$ 165,000        | \$ 135,000        |
| Bond Payable Series 2006                               | \$ 460,000        | \$ 395,000        |
| Bond Payable Series 2007                               | \$ 4,205,000      | \$ 4,050,000      |
| Bond Payable Series 2009                               | \$ 2,910,000      | \$ 2,635,000      |
| Bond Payable Series 2009                               | \$ 3,452,572      | \$ 4,450,082      |
| Bond Payable Series 2010                               | \$ 295,373        | \$ 1,235,690      |
| Community Dev. Block Grant<br>for Economic Development | \$ 403,657        | \$ 378,637        |
| Firefighters Retirement System                         | \$ 702,525        | \$ 580,362        |
| Heart and Lung Disability                              | \$ 833,566        | \$ 668,154        |
| Vacation, Sick and Comp. Time                          | \$ 929,642        | \$ 954,126        |
| Total  | \$ 17,852,335     | \$ 18,152,051     |

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$15.57 million. This is an increase of \$.59 million in total bond debt. In 2011 the City had \$1.94 million in debt issues. The proceeds of the debt issue will be used to finance capital projects. Under the terms of the Bond agreement, a \$4.75 million portion of the City's obligation to repay will be forgiven with installment payments by DEQ of the full purchase price (see Note 14 in the Notes to the Financial Statements). An additional issue in the amount of \$1.25 million will be repaid over twenty years from funds generated by sewer revenue. All of the debt is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund and the City's sales tax.

The City of West Monroe's total long-term debt obligations at year end were \$18.15 million.

Additional information of the City's long-term debt can be found in Note 12 in the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's management and elected officials considered many factors when preparing the 2011-2012 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 44% of the total Governmental Activities revenue. With current economic conditions, sales tax revenue is projected to increase by 1.1% for the 2011-2012 fiscal year. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2010-2011 fiscal year is \$18.5 million compared to \$17.1 million last year.

During the 2010-2011 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.

The budgeted expenses for the 2010-2011 fiscal year are \$18.9 million, an increase of \$1.6 million over the prior year. The City gave all employees a 2% pay raise for the 2010-2011 year. The largest expense for the City is personnel cost. The City's administration has taken steps to reduce all overtime to minimal levels in the current year's budget.

Most of the City's expenses have remained fairly constant except for fuel and energy cost. Fuel and energy cost have stabilized and started to decline during the current fiscal year. The City's matching contributions to the pension systems have increased significantly for the 2010-2011 fiscal year. However, the current condition of the investment markets may cause the City's contribution to the pension systems to rise during this fiscal year or the next. The City's administration will closely monitor all revenues and expenses to ensure the City maintains a positive fund balance. The projected General Fund balance for the year ending June 30, 2012 is \$5.3 million.

#### OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2011, the City of West Monroe has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations. The disclosure of these amounts is presented in more detail in the Notes to the Financial Statements.

#### REQUEST FOR INFORMATION

The financial report is designed to provide citizens, taxpayer, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Finance Director, City of West Monroe, 2305 North 7<sup>th</sup> Street, West Monroe, Louisiana 71291.



PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

| <u>ASSETS</u>                           | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>                |
|---|------------------------------------|-------------------------------------|-----------------------------|
| Cash and Cash Equivalents               | \$ 4,850,773                       | \$ 146,102                          | \$ 4,996,875                |
| Cash with Fiscal Agent                  | 16,800                             | -                                   | 16,800                      |
| Accounts Receivable                     | 2,660,686                          | 591,311                             | 3,251,997                   |
| Minimum Lease Payments Receivable (Net) | 969,816                            | -                                   | 969,816                     |
| Due From Other Governments              | 1,172,114                          | -                                   | 1,172,114                   |
| Internal Balances                       | 183,880                            | (181,880)                           | 2,000                       |
| Inventories                             | 32,624                             | -                                   | 32,624                      |
| Capital Assets:                         |                                    |                                     |                             |
| Non-Depreciable                         | 6,376,049                          | 15,559,848                          | 21,935,897                  |
| Depreciable                             | <u>35,801,693</u>                  | <u>8,030,905</u>                    | <u>43,832,598</u>           |
| <b><u>TOTAL ASSETS</u></b>              | <b><u>\$ 52,064,435</u></b>        | <b><u>\$ 24,146,286</u></b>         | <b><u>\$ 76,210,721</u></b> |
| <br><b><u>LIABILITIES</u></b>           |                                    |                                     |                             |
| Accounts Payable                        | \$ 399,982                         | \$ 23,410                           | \$ 423,392                  |
| Deposits Payable                        | 87,401                             | 130,089                             | 217,490                     |
| Non-Current Liabilities                 |                                    |                                     |                             |
| Due Within One Year                     |                                    |                                     |                             |
| Bonds Payable                           | 1,405,014                          | -                                   | 1,405,014                   |
| Notes Payable                           | 155,714                            | -                                   | 155,714                     |
| Compensated Absences                    | 871,289                            | 131,050                             | 1,002,339                   |
| Due in More Than One Year               |                                    |                                     |                             |
| Bonds Payable                           | 14,165,758                         | -                                   | 14,165,758                  |
| Notes Payable                           | 803,285                            | -                                   | 803,285                     |
| Compensated Absences                    | 619,933                            | -                                   | 619,933                     |
| Unfunded Postretirement Benefits        | <u>105,147</u>                     | <u>-</u>                            | <u>105,147</u>              |
| <b><u>TOTAL LIABILITIES</u></b>         | <b>18,613,523</b>                  | <b>284,549</b>                      | <b>18,898,072</b>           |
| <br><b><u>NET ASSETS</u></b>            |                                    |                                     |                             |
| Invested in Capital Assets,             |                                    |                                     |                             |
| Net of Related Debt                     | 25,647,971                         | 23,590,753                          | 49,238,724                  |
| Unrestricted, Capital Projects          | (352,320)                          | -                                   | (352,320)                   |
| Unrestricted, Debt Service              | (405,756)                          | -                                   | (405,756)                   |
| Unrestricted, Unreserved                | <u>8,561,017</u>                   | <u>270,984</u>                      | <u>8,832,001</u>            |
| <b><u>TOTAL NET ASSETS</u></b>          | <b><u>\$ 33,450,912</u></b>        | <b><u>\$ 23,861,737</u></b>         | <b><u>\$ 57,312,649</u></b> |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

|  | <u>Expenses</u>      | <u>Program Revenues</u>     |   |   |
|--|----------------------|-----------------------------|---|---|
|  |                      | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>Function/Program Activities</b>     |                      |                             |   |   |
| <b><u>Primary Government:</u></b>      |                      |                             |   |   |
| <b>Government Activities:</b>          |                      |                             |   |   |
| General Government                     | \$ 6,610,630         | \$ 1,555,508                | \$ -                                      | \$ -                                    |
| Public Safety                          | 10,942,999           | 223,440                     | 246,071                                   | -                                       |
| Public Works                           | 13,105,623           | 1,196,092                   | -   | 10,651,917                              |
| Culture and Recreation                 | 4,327,114            | 1,438,144                   | 339,787                                   | -                                       |
| Urban Redevelopment                    | 857,044              | -                           | -   | -                                       |
| Health and Welfare                     | 2,164,106            | 85,830                      | 1,989,572                                 | -                                       |
| Interest on Long-Term Debt             | 480,050              | -                           | -   | -                                       |
| <b>Total Governmental Activities</b>   | <u>38,487,566</u>    | <u>4,499,014</u>            | <u>2,575,430</u>                          | <u>10,651,917</u>                       |
| <b>Business-Type Activities:</b>       |                      |                             |   |   |
| Utilities                              | <u>3,490,881</u>     | <u>3,063,097</u>            | <u>-</u>                                  | <u>-</u>                                |
| <b><u>Total Primary Government</u></b> | <u>\$ 41,978,447</u> | <u>\$ 7,562,111</u>         | <u>\$ 2,575,430</u>                       | <u>\$ 10,651,917</u>                    |

**General Revenues:**

Taxes:

Property Taxes Levied for General Purposes  
Property Taxes Levied for Street Maintenance  
Sales Taxes  
Insurance Premium Taxes

Intergovernmental Revenues  
Franchise Revenue  
Miscellaneous  
Special Item - Sale of Assets  
Interest Earned  
Capital Contributions  
Transfers

Total General Revenues, Special Items and Transfers

**Changes in Net Assets**

**Net Assets - Beginning**

**Net Assets - Ending**

Net (Expense) Revenue and  
Changes in Net Assets  
Primary Government

| Governmental<br>Activities | Business-Type<br>Activities | Total                  |
|----------------------------|-----------------------------|------------------------|
| \$ (5,055,122)             | \$ -                        | \$ (5,055,122)         |
| (10,473,488)               | -                           | (10,473,488)           |
| (1,257,614)                | -                           | (1,257,614)            |
| (2,549,183)                | -                           | (2,549,183)            |
| (857,044)                  | -                           | (857,044)              |
| (88,704)                   | -                           | (88,704)               |
| (480,050)                  | -                           | (480,050)              |
| <u>(20,761,205)</u>        | -                           | <u>(20,761,205)</u>    |
| -                          | <u>(427,784)</u>            | <u>(427,784)</u>       |
| <u>\$ (20,761,205)</u>     | <u>\$ (427,784)</u>         | <u>\$ (21,188,989)</u> |
| 952,393                    | -                           | 952,393                |
| 224,730                    | -                           | 224,730                |
| 16,635,057                 | -                           | 16,635,057             |
| 440,433                    | -                           | 440,433                |
| 335,043                    | -                           | 335,043                |
| 834,663                    | -                           | 834,663                |
| 322,852                    | -                           | 322,852                |
| 261,684                    | -                           | 261,684                |
| 54,392                     | -                           | 54,392                 |
| -                          | 10,099,048                  | 10,099,048             |
| (66,406)                   | (158,450)                   | (224,856)              |
| <u>19,994,841</u>          | <u>9,940,598</u>            | <u>29,935,439</u>      |
| (766,364)                  | 9,512,814                   | 8,746,450              |
| <u>34,217,276</u>          | <u>14,348,923</u>           | <u>48,566,199</u>      |
| <u>\$ 33,450,912</u>       | <u>\$ 23,861,737</u>        | <u>\$ 57,312,649</u>   |

The accompanying notes are an integral part of this financial statement.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

|   | <u>General Fund</u>            | <u>86 Sales Tax<br/>75% Capital Fund</u> | <u>2007 Debt Capital<br/>Fund</u> |
|---|--------------------------------|--|-----------------------------------|
| <b><u>ASSETS</u></b>                                  |                                |  |                                   |
| Cash and Cash Equivalents                             | \$ 1,636,684                   | \$ 1,260,403                             | \$ 1,220,840                      |
| Cash with Fiscal Agent                                | 16,800                         | -  | -                                 |
| Accounts Receivable                                   | 691,760                        | 1,069,485                                | 679,300                           |
| Minimum Lease Payment Receivable                      | 1,024,612                      | -  | -                                 |
| Due From Other Governments                            | 1,100,661                      | -  | -                                 |
| Due From Other Funds                                  | 1,782,868                      | 135,541                                  | -                                 |
| Inventories   | 32,624                         | -  | -                                 |
|   | <hr/>                          | <hr/>                                    | <hr/>                             |
| <b><u>TOTAL ASSETS</u></b>                            | <b><u>\$ 6,286,009</u></b>     | <b><u>\$ 2,465,429</u></b>               | <b><u>\$ 1,900,140</u></b>        |
| <br><b><u>LIABILITIES AND FUND BALANCES</u></b>       |                                |  |                                   |
| <b>Liabilities</b>                                    |                                |  |                                   |
| Accounts Payable                                      | \$ 65,993                      | \$ 114,531                               | \$ 16,138                         |
| Due To Other Funds                                    | 135,541                        | 1,450,000                                | -                                 |
| Unearned Income                                       | 54,796                         | -  | -                                 |
| Deposits Payable                                      | 87,401                         | -  | -                                 |
| <b>Total Liabilities</b>                              | <hr/> <b>343,731</b>           | <hr/> <b>1,564,531</b>                   | <hr/> <b>16,138</b>               |
| <br><b>Fund Balances:</b>                             |                                |  |                                   |
| Nonspendable  | 1,057,236                      | -  | -                                 |
| Restricted  | -                              | 900,898                                  | 1,884,002                         |
| Committed   | 253,571                        | -  | -                                 |
| Assigned  | -                              | -  | -                                 |
| Unassigned  | 4,631,471                      | -  | -                                 |
| <b>Total Fund Balances</b>                            | <hr/> <b>5,942,278</b>         | <hr/> <b>900,898</b>                     | <hr/> <b>1,884,002</b>            |
| <br><b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b> | <br><b><u>\$ 6,286,009</u></b> | <br><b><u>\$ 2,465,429</u></b>           | <br><b><u>\$ 1,900,140</u></b>    |

| Total<br>Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------------------|
| \$ 732,846                                 | \$ 4,850,773                   |
| -  | 16,800                         |
| 212,070                                    | 2,652,615                      |
| -  | 1,024,612                      |
| 71,453                                     | 1,172,114                      |
| 619,841                                    | 2,538,250                      |
| -  | 32,624                         |
| <u>\$ 1,636,210</u>                        | <u>\$ 12,287,788</u>           |

|                  |                  |
|------------------|------------------|
| \$ 203,320       | \$ 399,982       |
| 1,153,621        | 2,739,162        |
| -                | 87,401           |
| -                | 54,796           |
| <u>1,356,941</u> | <u>3,281,341</u> |

|                     |                      |
|---------------------|----------------------|
| -                   | 1,057,236            |
| 477,297             | 3,262,197            |
| -                   | 253,571              |
| 570,310             | 570,310              |
| (768,338)           | 3,863,133            |
| <u>279,269</u>      | <u>9,006,447</u>     |
| <u>\$ 1,636,210</u> | <u>\$ 12,287,788</u> |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL  
FUNDS BALANCES TO STATEMENT OF NET ASSETS  
JUNE 30, 2011

|   |    |                          |
|---|----|--------------------------|
| Total Governmental Fund Balances  | \$ | 9,006,447                |
| <br><i>Amounts reported for governmental activities in the statement of net assets are different because:</i>   |    |                          |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   |    | 42,177,742               |
| Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds  |    | (105,147)                |
| Long-term liabilities, including bonds and notes payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds.  |    | (18,020,993)             |
| The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. |    | <u>392,863</u>           |
| Net Assets of Governmental Activities   | \$ | <u><u>33,450,912</u></u> |

The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|  | <u>General Fund</u> | <u>86 Sales Tax<br/>75% Capital Fund</u> | <u>2007 Debt Capital<br/>Fund</u> |
|--|---------------------|--|-----------------------------------|
| <b><u>Revenues</u></b>                           |                     |  |                                   |
| Taxes  | \$ 12,540,516       | \$ 4,981,018                             | \$ -                              |
| Intergovernmental                                | 454,001             | 3,662,153                                | 6,985,164                         |
| Licenses and Permits                             | 898,293             | -  | -                                 |
| Charges for Services                             | 2,548,189           | 152,236                                  | -                                 |
| Fines and Forfeitures                            | 657,263             | -  | -                                 |
| Interest Earned                                  | 51,079              | 1,659                                    | 1,654                             |
| Franchise Revenue                                | 834,664             | -  | -                                 |
| Sale of Assets                                   | 261,684             | -  | -                                 |
| Other  | 289,058             | 9,531                                    | -                                 |
| <b>Total Revenues</b>                            | <b>18,534,747</b>   | <b>8,806,597</b>                         | <b>6,986,818</b>                  |
| <b><u>Expenditures</u></b>                       |                     |  |                                   |
| General Government                               | 4,063,691           | -  | -                                 |
| Public Safety                                    | 8,671,646           | -  | -                                 |
| Public Works                                     | 2,794,376           | -  | -                                 |
| Culture and Recreation                           | 2,763,201           | -  | -                                 |
| Urban Redevelopment                              | 648,948             | -  | -                                 |
| Health and Welfare                               | -                   | -  | -                                 |
| Capital Improvements                             | -                   | 7,090,294                                | 8,865,017                         |
| Claims Paid                                      | -                   | -  | -                                 |
| Debt Service:                                    |                     |  |                                   |
| Principal Payments                               | -                   | -  | -                                 |
| Interest and Other                               | -                   | -  | -                                 |
| <b>Total Expenditures</b>                        | <b>18,941,862</b>   | <b>7,090,294</b>                         | <b>8,865,017</b>                  |
| <b><u>Excess (Deficiency) of Revenues</u></b>    |                     |  |                                   |
| <b>Over Expenditures</b>                         | <b>(407,115)</b>    | <b>1,716,303</b>                         | <b>(1,878,199)</b>                |
| <b><u>Other Financing Sources and (Uses)</u></b> |                     |  |                                   |
| Proceeds From General Obligation Bonds           | -                   | -  | 1,937,827                         |
| Transfers In                                     | 365,450             | -  | -                                 |
| Transfers Out                                    | (446,256)           | (1,537,000)                              | -                                 |
| <b>Total Other Financing Sources and Uses</b>    | <b>(80,806)</b>     | <b>(1,537,000)</b>                       | <b>1,937,827</b>                  |
| <b><u>Net Change in Fund Balance</u></b>         | <b>(487,921)</b>    | <b>179,303</b>                           | <b>59,628</b>                     |
| <b><u>Fund Balances - Beginning</u></b>          | <b>6,430,199</b>    | <b>721,595</b>                           | <b>1,824,374</b>                  |
| <b><u>FUND BALANCES - ENDING</u></b>             | <b>\$ 5,942,278</b> | <b>\$ 900,898</b>                        | <b>\$ 1,884,002</b>               |

| Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------|--------------------------------|
| \$ 744,330                        | \$ 18,265,864                  |
| 2,360,833                         | 13,462,151                     |
| -                                 | 898,293                        |
| -                                 | 2,700,425                      |
| -                                 | 657,263                        |
| 867                               | 55,259                         |
| -                                 | 834,664                        |
| -                                 | 261,684                        |
| <u>353,415</u>                    | <u>652,004</u>                 |
| <u>3,459,445</u>                  | <u>37,787,607</u>              |
| -                                 | 4,063,691                      |
| 324,031                           | 8,995,677                      |
| 186,524                           | 2,980,900                      |
| 399,659                           | 3,162,860                      |
| -                                 | 648,948                        |
| 2,172,440                         | 2,172,440                      |
| 8,710                             | 15,964,021                     |
| -                                 | -                              |
| 1,497,183                         | 1,497,183                      |
| <u>480,050</u>                    | <u>480,050</u>                 |
| <u>5,068,597</u>                  | <u>39,965,770</u>              |
| (1,609,152)                       | (2,178,163)                    |
| -                                 | 1,937,827                      |
| 1,551,400                         | 1,916,850                      |
| -                                 | <u>(1,983,256)</u>             |
| <u>1,551,400</u>                  | <u>1,871,421</u>               |
| (57,752)                          | (306,742)                      |
| <u>337,021</u>                    | <u>9,313,189</u>               |
| <u>\$ 279,269</u>                 | <u>\$ 9,006,447</u>            |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Net Change in Fund Balances - Total  
Governmental Funds \$ (306,742)

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

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

|                                     |             |
|-------------------------------------|-------------|
| Capital asset purchases capitalized | 2,617,520   |
| Depreciation expense                | (2,828,071) |
|                                     | (210,551)   |

Postretirement benefit plan expenditures (31,339)

The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to government funds, but the repayment reduces long-term liabilities in the statements of net assets. (1,937,827)

Repayment of debt principal, including capital leases, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,633,186

Internal Service fund is used by management to charge the cost of certain activities to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of net assets. 86,908

Change in Net Assets in Governmental Activities \$ (766,365)

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

|   | <u>Business-Type<br/>Activities<br/>Utility<br/>Enterprise Fund</u> | <u>Governmental<br/>Activities<br/>Internal Service<br/>Fund</u> |
|---|---|--|
| <b><u>ASSETS</u></b>                            |   |  |
| <b><u>Current Assets</u></b>                    |   |  |
| Accounts Receivable, Net of Allowance           | \$ 591,311  | \$ 8,071   |
| Due From Other Funds                            | -   | 384,792  |
| <b>Total Current Assets</b>                     | <b>591,311</b>  | <b>392,863</b>   |
| <b><u>Non-Current Assets</u></b>                |   |  |
| Restricted:                                     |   |  |
| Cash - Customer Deposits                        | 130,089   | -  |
| Cash - Sinking Fund                             | 7,917   | -  |
| Cash - Reserve Fund                             | 8,096   | -  |
| <b>Total Restricted Cash</b>                    | <b>146,102</b>  | <b>-</b>   |
| Capital Assets:                                 |   |  |
| Land  | 57,750  | -  |
| Construction in Progress                        | 15,502,098  | -  |
| Buildings                                       | 73,436  | -  |
| Water Plant                                     | 4,228,292   | -  |
| Wastewater Treatment Plant                      | 14,688,740  | -  |
| Machinery, Equipment & Other                    | 1,693,281   | -  |
| Less: Accumulated Depreciation                  | (12,652,844)  | -  |
| <b>Total Capital Assets</b>                     | <b>23,590,753</b>   | <b>-</b>   |
| <b><u>TOTAL ASSETS</u></b>                      | <b>\$ 24,328,166</b>  | <b>\$ 392,863</b>  |
| <b><u>LIABILITIES</u></b>                       |   |  |
| <b><u>Current Liabilities</u></b>               |   |  |
| Accounts Payable                                | \$ 23,410   | \$ -   |
| Customer Deposits                               | 130,089   | -  |
| Accrued Vacation and Sick Pay                   | 131,050   | -  |
| Due to Other Funds                              | 181,880   | -  |
| <b>Total Current Liabilities</b>                | <b>466,429</b>  | <b>-</b>   |
| <b><u>NET ASSETS</u></b>                        |   |  |
| Invested in Capital Assets, Net of Related Debt | 23,590,753  | -  |
| Unrestricted                                    | 270,984   | 392,863  |
| <b><u>TOTAL NET ASSETS</u></b>                  | <b>\$ 23,861,737</b>  | <b>\$ 392,863</b>  |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|                                       | <u>Business-Type<br/>Activities<br/>Utility<br/>Enterprise Fund</u> | <u>Governmental<br/>Activities<br/>Internal Service<br/>Fund</u> |
|---------------------------------------|---|--|
| <b><u>Operating Revenues</u></b>      |   |  |
| User Charges                          | \$ 1,683,627  | \$ 2,112,429   |
| Treatment Plant Fees                  | 863,316   | -  |
| Water Penalties and Turn-on Fees      | 138,402   | -  |
| Sewer District 5 Contributions        | 377,752   | -  |
| <b>Total Operating Revenues</b>       | <b>3,063,097</b>  | <b>2,112,429</b>   |
| <b><u>Operating Expenses</u></b>      |   |  |
| Waterworks                            | 719,927   | -  |
| Sewerage                              | 352,716   | -  |
| Water Treatment Plant                 | 452,173   | -  |
| Sewer Treatment Plant                 | 772,344   | -  |
| Public Works Construction             | 109,958   | -  |
| Public Works Administrative           | 249,728   | -  |
| Other Administrative                  | 241,643   | 344,017  |
| Claims Paid                           | -   | 1,681,503  |
| Interest Expense                      | 6,159   | -  |
| Depreciation                          | 586,233   | -  |
| <b>Total Non-Current Assets</b>       | <b>3,490,881</b>  | <b>2,025,520</b>   |
| <b><u>Operating Income (Loss)</u></b> | <b>(427,784)</b>  | <b>86,909</b>  |
| Contributed Capital                   | 10,099,048  | -  |
| Transfers In (Out)                    | (158,450)   | -  |
| <b>Total</b>                          | <b>9,940,598</b>  | <b>-</b>   |
| <b><u>Changes in Net Assets</u></b>   | <b>9,512,814</b>  | <b>86,909</b>  |
| <b><u>Net Assets - Beginning</u></b>  | <b>14,348,923</b>   | <b>305,954</b>   |
| <b><u>NET ASSETS - ENDING</u></b>     | <b>\$ 23,861,737</b>  | <b>\$ 392,863</b>  |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|   | <u>Business-Type<br/>Activities<br/>Utility<br/>Enterprise Fund</u> | <u>Governmental<br/>Activities<br/>Internal Service<br/>Fund</u> |
|---|---|--|
| <b>Cash Flows From Operations</b>   |   |  |
| Receipts From Customers   | \$ 3,023,794  | \$ -   |
| Receipts From Group Contributions   | -   | 2,025,520  |
| Payments to Provide Services  | (2,602,755)   | (1,681,503)  |
| Payments for General and Administrative   | (246,576)   | (344,017)  |
| <b>Net Cash Provided by Operating Activities</b>                                | <u>174,463</u>  | <u>-</u>   |
| <b>Cash Flows From Noncapital Financing Activities</b>                          |   |  |
| Increase in Customer Deposits   | 1,175   | -  |
| Operating Transfers In (Out)  | (158,450)   | -  |
| <b>Net Cash Flows From Noncapital<br/>        Financing Activities</b>          | <u>(157,275)</u>  | <u>-</u>   |
| <b>Cash Flows From Capital and Related<br/>Financing Activities</b>             |   |  |
| Acquisitions of Capital Assets  | (10,099,048)  | -  |
| Capital Contribution From Other Funds   | 10,099,048  | -  |
| <b>Net Cash Flows From Capital and Related<br/>        Financing Activities</b> | <u>-</u>  | <u>-</u>   |
| <b>Net Increase in Cash and Cash Equivalents</b>                                | 17,188  | -  |
| <b>Cash and Cash Equivalents at Beginning of Year</b>                           | <u>128,914</u>  | <u>-</u>   |
| <b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>                          | <u>\$ 146,102</u>   | <u>\$ -</u>  |
| <b>Classified As:</b>   |   |  |
| Cash in Bank  | \$ -  | \$ -   |
| Restricted Assets   | <u>146,102</u>  | <u>-</u>   |
| <b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>                                   | <u>\$ 146,102</u>   | <u>\$ -</u>  |

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|  | Business-Type<br>Activities<br>Utility<br>Enterprise Fund | Governmental<br>Activities<br>Internal Service<br>Fund |
|--|---|--|
| <b><u>Reconciliation of Operating Loss to Net Cash</u></b> |   |  |
| <b><u>Used by Operating Activities:</u></b>                |   |  |
| Changes in Net Assets                                      | \$ (427,784)  | \$ 86,909  |
| Adjustments to Reconcile Net Loss to Net                   |   |  |
| Cash Used by Operating Activities                          |   |  |
| Depreciation   | 586,233   | -  |
| (Increase) Decrease in Accounts Receivable                 | (39,303)  | (5,089)  |
| Decrease in Accounts Payable                               | (61)  | -  |
| Increase in Due From Other Funds                           | -   | (81,820)   |
| Increase (Decrease) in Due to Other Funds                  | 60,311  | -  |
| Decrease in Accrued Vacation and Sick Pay                  | (4,933)   | -  |
| Total Adjustments  | 602,247   | (86,909)   |
| <b><u>Net Cash Provided by Operating Activities</u></b>    | <b>\$ 174,463</b>   | <b>\$ -</b>  |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

|   | <u>Employees'</u><br><u>Workmen's</u><br><u>Compensation</u><br><u>Reserve Fund</u> | <u>General</u><br><u>Insurance</u><br><u>Fund</u> | <u>Hasley</u><br><u>Cemetery</u><br><u>Fund</u> | <u>Total</u><br><u>Nonmajor</u><br><u>Expendable Trust</u><br><u>Funds</u> |
|---|---|---|---|--|
| <b><u>ASSETS</u></b>  |   |   |   |  |
| Cash and Cash Equivalents                                       | \$ 528,442  | \$ -  | \$ 631,582                                      | \$ 1,160,024   |
| Investments   | 6,029   | -   | 12,079  | 18,108   |
| Accounts Receivable   | -   | 2,000   | -   | 2,000  |
| Due From Other Funds  | -   | 30,119  | -   | 30,119   |
| <b><u>TOTAL ASSETS</u></b>                                      | <b><u>\$ 534,471</u></b>  | <b><u>\$ 32,119</u></b>                           | <b><u>\$ 643,661</u></b>                        | <b><u>\$ 1,210,251</u></b>   |
| <b><u>LIABILITIES</u></b>                                       |   |   |   |  |
| Due To Other Funds  | \$ -  | \$ 32,119   | \$ -  | \$ 32,119  |
| <b><u>NET ASSETS</u></b>  |   |   |   |  |
| Reserved:   |   |   |   |  |
| Workmen's Compensation Claims                                   | 534,471   | -   | -   | 534,471  |
| Cemetery Maintenance  | -   | -   | 643,661   | 643,661  |
| Insurance Claims  | -   | -   | -   | -  |
| <b>Total Net Assets</b>   | <b><u>534,471</u></b>   | <b><u>-</u></b>                                   | <b><u>643,661</u></b>                           | <b><u>1,178,132</u></b>  |
| <b><u>TOTAL LIABILITIES AND</u></b><br><b><u>NET ASSETS</u></b> | <b><u>\$ 534,471</u></b>  | <b><u>\$ 32,119</u></b>                           | <b><u>\$ 643,661</u></b>                        | <b><u>\$ 1,210,251</u></b>   |

The accompanying notes are an integral part of this financial statement.



CITY OF WEST MONROE, LOUISIANA  
STATEMENT OF CHANGES IN  
FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

|   | Employees'<br>Workmen's<br>Compensation<br>Reserve Fund | General<br>Insurance<br>Fund | Hasley<br>Cemetery<br>Fund | Total<br>Nonmajor<br>Expendable Trust<br>Funds |
|---|---|------------------------------|----------------------------|--|
| <b><u>Revenues</u></b>                        |   |                              |                            |  |
| Sales Tax                                     | \$ -  | \$ 24,000                    | \$ -                       | \$ 24,000                                      |
| Lot Sales                                     | -   | -                            | 10,800                     | 10,800   |
| Insurance Proceeds                            | -   | 38,994                       | -                          | 38,994   |
| Interest                                      | 11  | -                            | 22                         | 33   |
| <b>Total Revenues</b>                         | <u>11</u>   | <u>62,994</u>                | <u>10,822</u>              | <u>73,827</u>                                  |
| <b><u>Expenditures</u></b>                    |   |                              |                            |  |
| Hasley Cemetery                               | -   | -                            | -                          | -  |
| Claims Paid                                   | -   | 287,850                      | -                          | 287,850  |
| <b>Total Expenditures</b>                     | <u>-</u>  | <u>287,850</u>               | <u>-</u>                   | <u>287,850</u>                                 |
| <b><u>Excess (Deficiency) of Revenues</u></b> |   |                              |                            |  |
| <b><u>Over Expenditures</u></b>               | 11  | (224,856)                    | 10,822                     | (214,023)                                      |
| <b><u>Other Financing Sources (Uses)</u></b>  |   |                              |                            |  |
| Operating Transfers - In (Out)                | -   | 224,856                      | -                          | 224,856  |
| <b><u>Change in Net Assets</u></b>            | 11  | -                            | 10,822                     | 10,833   |
| <b><u>Net Assets - Beginning</u></b>          | <u>534,460</u>  | <u>-</u>                     | <u>632,839</u>             | <u>1,167,299</u>                               |
| <b><u>NET ASSETS - ENDING</u></b>             | <u>\$ 534,471</u>                                       | <u>\$ -</u>                  | <u>\$ 643,661</u>          | <u>\$ 1,178,132</u>                            |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**INTRODUCTION**

The City of West Monroe, Louisiana (the City) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of five aldermen. The City's major operations include police and fire protection, garbage and trash collection, a senior center, street and drainage maintenance, administrative services, and other health and welfare activities. In addition, the City operates a Utility Enterprise Fund to provide water and sewerage services.

**Note 1 – Summary of Significant Accounting Policies**

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The financial reporting practices of the City comply with the financial reporting standards established by the GASB.

**A. Financial Reporting Entity**

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

GASB Statement 14 established criteria for determining which component units should be considered part of the City of West Monroe, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City and organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship. Based on the previous criteria, the City has determined that the following component unit is part of the reporting entity:

| <u>Component Unit</u>        | <u>Fiscal<br/>Year-End</u> | <u>Criteria<br/>Used</u> |
|------------------------------|----------------------------|--------------------------|
| City Court of West<br>Monroe | June 30                    | 2                        |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Accounting Policies (continued)**

**A. Financial Reporting Entity (continued)**

The City Court of West Monroe meets only one of the criteria for the inclusion in this report and it has not been included.

Since the City Court is legally separate and fiscally independent of other state and local governments and has a separately elected governing body, it meets the definition of a primary government as defined by GASB Statement 14.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the City of West Monroe, Louisiana financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the City of West Monroe, Louisiana.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues. The City does not allocate general government (indirect) expenses to other functions.

\*Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. However, the fiduciary funds are not included in the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Account Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Government-Wide Financial Statements* – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements* – The 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 for 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 year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgment, are recorded when payment is due.

Sales taxes, excise taxes, franchise taxes, licenses and investment interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 town.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statement governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net assets and the change in net assets.

In the fund financial statement, financial transactions and accounts of the city are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction or limitations.

*Proprietary Funds and Fiduciary Funds* – The financial statements of the proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The primary government's enterprise fund has elected to not apply FASBs issued after the applicable date.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Account Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Fund Accounting**

The financial activities of the City are recorded in individual funds, each of which is deemed to be a separate accounting entity. The City uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**1. Major Governmental Funds**

*General Fund* – This fund accounts for all activities of the City not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services and social services.

*1986 Sales Tax 75% Capital Fund* – These funds account for monthly transfers from sales tax collections 75% of the one cent sales tax passed in 1986. The funds are predominately used for capital expenditures.

*2007 Debt Capital Fund* – These funds are predominately used for capital expenditures. The income is provided by proceeds from general obligation bonds for that purpose.

**2. Debt Service Funds** – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**3. Capital Projects Funds** – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**4. Proprietary Funds**

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Accounting Policies (continued)**

**D. Fund Accounting (continued)**

**4. Proprietary Funds (continued)**

*Internal Service Fund* – This fund accounts for the financing of services provided by one fund to other funds of the City. The Self Insurance Fund, which purchases an insurance policy and accounts for third-party administrative costs and claims, is reported as an internal service fund.

**5. Fiduciary Funds**

*Trust Funds* – These funds are used to account for assets held by the City in a trustee capacity or as an agent for the individuals, private organizations, other governments and/or other funds. These include Expendable Trust Funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

**E. Cash and Cash Equivalents**

Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

**F. Investments**

Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value. The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**G. Noncurrent Receivables**

Noncurrent portions of long-term receivables due to government funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

**H. Bad Debts**

Uncollectible amounts for ad valorem taxes and convention center receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible. For customers' utility receivables, the allowance method is used to account for uncollectible amounts. Under this method, an allowance account is set up for what is deemed to be uncollectible.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Accounting Policies (continued)**

**I. Inventories**

Special reporting treatments are applied to governmental fund inventories to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used.

**J. Short-Term Interfund Receivables/Payables**

During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements' balance sheet. In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**K. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (which is normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Purchased or constructed capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value at the date of donation.

Infrastructure constructed prior to July 1, 2000 has been recorded at estimated historical cost. The estimated historical cost for years prior to July 1, 2000 was based on capital outlay expenditures reported by the City's engineer who performed a road, street and bridge inventory for the City. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life are not capitalized.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds financial statements.

Capital assets of the primary government are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally, estimated useful lives are as follows:

|                                   |             |
|-----------------------------------|-------------|
| Vehicles, Machinery and Equipment | 5-20 years  |
| Buildings and Other Improvements  | 30-40 years |
| Infrastructure                    | 20-40 years |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Account Policies (continued)**

**L. Electrical System Operating Agreement**

On December 31, 1988, the City Council of West Monroe authorized an operating agreement between the City of West Monroe and Louisiana Power and Light (LP&L) for the operation by LP&L of the electric system within the corporate limits of West Monroe for a period of twenty-five years. The agreement provides that LP&L will pay to the City three percent of gross receipts (as defined) collected from the sale of electric service to residential and commercial customers within the City.

**M. Lease Obligations**

The City leases various assets under both operating and capital lease agreements. In the government-wide financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities statement of net assets.

**N. Compensated Absences**

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred in enterprise funds under the accrual basis of accounting. Employees of the City earn vacation pay in varying amounts ranging from 10 to 28 working days per year depending upon length of service. At the end of each year, employees may carry forward earned vacation time. Up to a maximum of 40 days of unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

Firemen and policemen may receive up to one year's sick leave per illness as prescribed under Louisiana law. For all other City employees, sick leave is accumulated at rates ranging up to 12 days per year. Unused sick leave may be carried forward, however, up to a maximum of 36 days of unused sick leave is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

**O. Long-Term Liabilities**

Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**P. Dedicated Revenues**

Two cents of the sales tax revenue assessment is dedicated as follows: one cent is dedicated to capital improvements; seventy-five percent of the remaining cent is dedicated for purchase and improvements of assets having a life of one year or greater, related professional services and programs, and for paying capital improvements, construction, and repairs; the remaining twenty-five percent shall be used for general operations.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 1 – Summary of Significant Account Policies (continued)**

**Q. Fund Equity**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted Fund Balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city aldermen – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned Fund Balance* – This classification reflects the amounts constrained by the city's "intent" to be used for specific purposes, but are neither restricted nor committed. The city aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the city's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

**R. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 2- Cash and Cash Equivalents**

*Custodial Credit Risk – Deposits*

The custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the City had no custodial risk related to its deposits at June 30, 2011.

At June 30, 2011, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$6,156,899.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. Cash and cash equivalents (bank balances) at June 30, 2011, are secured as follows:

|  |                            |
|--|----------------------------|
| Bank Balances                                  | \$ <u>8,912,876</u>        |
| Federal Deposits Insurance                     | \$ 100,000                 |
| Pledged Securities (Uncollateralized)          | <u>9,438,363</u>           |
| <b><u>TOTAL</u></b>                            | <b>\$ <u>9,538,363</u></b> |
| Governmental Funds Cash                        | \$ 4,850,773               |
| Enterprise Funds Cash                          | 146,102                    |
| Fiduciary Funds Cash                           | <u>\$ 1,160,024</u>        |
| <b><u>TOTAL BOOK BALANCES BY FUND TYPE</u></b> | <b>\$ <u>6,156,899</u></b> |

During the year ended June 30, 2011, the city set up an imprest deposit account with Crawford and Company in the amount of \$16,800 to pay liability claims brought against the city and to perform all reporting requirements that are required in regards to these claims. Each month, the city is billed for the amount of claims that were paid in the preceding month in order to replenish the imprest account back up to the original \$16,800.

**Note 3 – Investments**

*Custodial Credit Risk -- Investments*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial credit risk related to its investments at June 30, 2011.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 3 – Investments (continued)**

Under state law, the City may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2011, the City had the following investments stated at cost, which approximates market:

|                                 |           |
|---------------------------------|-----------|
| Louisiana Asset Management Pool | \$ 18,108 |
|---------------------------------|-----------|

*Interest Rate Risk*

In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting investment portfolio to "money market investments", which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

*Credit Risk*

The City's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

*Concentration of Credit Risk*

The City's investment policy limits the City's investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

The City participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment.

**Note 4 – Fund Deficits**

The following funds had deficits at June 30, 2011:

|  |            |
|--|------------|
| General Fund                           | \$ 487,921 |
| Non-Major Funds                        |            |
| Special Revenue Funds                  |            |
| Miscellaneous Projects and Grants Fund | \$ 10,262  |
| Debt Service Funds                     |            |
| Firemen's Pension Merger               | \$ 15,881  |
| 2003 Debt Service Fund                 | \$ 539,252 |
| Capital Project Funds                  |            |
| Detention Basin                        | \$ 358,609 |

The deficit in the special revenue funds and debt service funds are to be financed with future revenues or transfers from other funds. The deficits in the capital project funds will be funded with future drawdowns from state and federal agencies and/or transfers from the general fund.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 5 – Ad Valorem Taxes**

Property taxes are due as of January 1. An enforceable lien attaches to the property with unpaid taxes and is sold at a tax sale.

Property Tax Calendar

|                                      |                   |
|--------------------------------------|-------------------|
| Assessment Date                      | January 1, 2010   |
| Levy Date                            | September 1, 2010 |
| Tax Bills Mailed                     | January 5, 2011   |
| Total Taxes Are Due                  | January 31, 2011  |
| Penalties and Interest are Added     | February 1, 2011  |
| Tax Sales – 2010 Delinquent Property | June 14-16, 2011  |

The Ouachita Parish Tax Assessor establishes assessed values each year on a uniform basis at the following ratios to fair market value:

|                              |  |
|------------------------------|--|
| 10% Land                     | 15% Machinery                                    |
| 10% Residential Improvements | 15% Commercial Improvements                      |
| 15% Industrial Improvements  | 25% Public Service Properties,<br>Excluding Land |

The ad valorem tax millage is as follows:

|                        | <u>Mills</u> |
|------------------------|--------------|
| General Ad Valorem Tax | 6.97         |
| Street Maintenance     | <u>1.65</u>  |
| <u>TOTAL</u>           | <u>8.62</u>  |

**Note 6 – Accounts Receivable**

Accounts receivable at June 30, 2011, consisted of the following:

|                     | <u>Governmental<br/>Funds</u> | <u>Proprietary<br/>Funds</u> | <u>Total</u>        |
|---------------------|-------------------------------|------------------------------|---------------------|
| Accounts Receivable | \$ 2,410,545                  | \$ 599,382                   | \$ 3,039,927        |
| Other Receivables   | <u>212,070</u>                | <u>-</u>                     | <u>212,070</u>      |
| <u>TOTAL</u>        | <u>\$ 2,652,615</u>           | <u>\$ 599,382</u>            | <u>\$ 3,251,997</u> |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 7 – Due From Other Governments**

The amounts due from other governments at June 30, 2011 are as follows:

|   |                     |
|---|---------------------|
| Louisiana Highway Safety Commission             | \$ 60,549           |
| City of Monroe, Louisiana Sales Tax             | 969,210             |
| Louisiana Department of Revenue                 | 15,208              |
| High Intensity Drug Trafficking Area Grant      | 9,466               |
| LA Department of Transportation and Development | 10,897              |
| Corporation for National and Community Service  | 42,309              |
| Department of Public Justice                    | 46,228              |
| Department of Housing & Urban Development       | 5,005               |
| Ouachita Parish                                 | 531                 |
| Louisiana Commission on Law Enforcement         | <u>12,711</u>       |
| <b>TOTAL</b>                                    | <b>\$ 1,172,114</b> |

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2011 is as follows:

|                                      | <u>Primary Government</u>       |                     |                  | June 30, 2011<br><u>Balance</u> |
|--------------------------------------|---------------------------------|---------------------|------------------|---------------------------------|
|                                      | June 30, 2010<br><u>Balance</u> | <u>Additions</u>    | <u>Deletions</u> |                                 |
| <b>Government Activities:</b>        |                                 |                     |                  |                                 |
| <b>Non-Depreciable Assets:</b>       |                                 |                     |                  |                                 |
| Land                                 | \$ 6,124,735                    | \$ -                | \$ -             | \$ 6,124,735                    |
| Construction In Progress             | <u>251,314</u>                  | <u>-</u>            | <u>-</u>         | <u>251,314</u>                  |
| <b>Total</b>                         | <b>6,376,049</b>                | <b>-</b>            | <b>-</b>         | <b>6,376,049</b>                |
| <b>Depreciable Assets:</b>           |                                 |                     |                  |                                 |
| Buildings                            | 25,436,109                      | -                   | -                | 25,436,109                      |
| Improvements                         | 2,447,388                       | -                   | -                | 2,447,388                       |
| Equipment                            | 5,086,281                       | 198,338             | -                | 5,284,619                       |
| Vehicles                             | 5,501,501                       | 509,324             | -                | 6,010,825                       |
| Infrastructure                       | <u>57,919,549</u>               | <u>1,909,858</u>    | <u>-</u>         | <u>59,829,407</u>               |
| <b>Total at Historical Cost</b>      | <b>\$ 96,390,828</b>            | <b>\$ 2,617,520</b> | <b>\$ -</b>      | <b>\$ 99,008,348</b>            |
| <b>Less Accumulated</b>              |                                 |                     |                  |                                 |
| <b>Depreciation for:</b>             |                                 |                     |                  |                                 |
| Buildings                            | \$( 9,814,609)                  | \$( 634,519)        | \$ -             | \$( 10,449,128)                 |
| Improvements                         | ( 395,871)                      | ( 80,414)           | -                | ( 476,285)                      |
| Equipment                            | ( 4,505,966)                    | ( 151,808)          | -                | ( 4,657,774)                    |
| Vehicles                             | ( 4,916,579)                    | ( 271,309)          | -                | ( 5,187,888)                    |
| Infrastructure                       | <u>(40,745,559)</u>             | <u>( 1,690,021)</u> | <u>-</u>         | <u>(42,435,580)</u>             |
| <b>Total Accumulated</b>             | <b>(60,378,584)</b>             | <b>( 2,828,071)</b> | <b>-</b>         | <b>(63,206,655)</b>             |
| <b>Government Activities Capital</b> |                                 |                     |                  |                                 |
| <b>Assets, Net</b>                   | <b>\$ 42,388,293</b>            | <b>\$( 210,551)</b> | <b>\$ -</b>      | <b>\$ 42,177,742</b>            |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 8 – Capital Assets (continued)**

|                                  | Primary Government  |                     |                      | June 30, 2011        |
|----------------------------------|---------------------|---------------------|----------------------|----------------------|
|                                  | June 30, 2010       |                     |                      |                      |
|                                  | <u>Balance</u>      | <u>Additions</u>    | <u>Deletions</u>     | <u>Balance</u>       |
| <b>Business-Type Activities:</b> |                     |                     |                      |                      |
| <b>Non-Depreciable Assets:</b>   |                     |                     |                      |                      |
| Land                             | \$ 57,750           | \$ -                | \$ -                 | \$ 57,750            |
| Construction in Progress         | <u>7,767,873</u>    | <u>9,344,202</u>    | <u>( 1,609,977)</u>  | <u>15,502,098</u>    |
| Total                            | 7,825,623           | 9,344,202           | ( 1,609,977)         | 15,559,848           |
| <b>Depreciable Assets:</b>       |                     |                     |                      |                      |
| Buildings                        | 73,436              | -                   | -                    | 73,436               |
| Water Plant                      | 6,164,349           | 1,928,719           | -                    | 8,093,068            |
| Treatment Plant                  | 10,387,859          | 436,105             | -                    | 10,823,964           |
| Equipment                        | <u>1,693,281</u>    | <u>-</u>            | <u>-</u>             | <u>1,693,281</u>     |
| Totals at Historical Cost        | 18,318,925          | 2,364,824           | -                    | 20,683,749           |
| <b>Less Accumulated</b>          |                     |                     |                      |                      |
| <b>Depreciation for:</b>         |                     |                     |                      |                      |
| Buildings                        | ( 73,361)           | ( 15)               | -                    | ( 73,405)            |
| Water Plant                      | ( 3,762,902)        | ( 175,842)          | -                    | ( 3,938,744)         |
| Treatment Plant                  | ( 7,087,665)        | ( 315,067)          | -                    | ( 7,402,732)         |
| Equipment                        | <u>( 1,142,652)</u> | <u>( 95,311)</u>    | <u>-</u>             | <u>( 1,237,963)</u>  |
| Total Accumulated                |                     |                     |                      |                      |
| Depreciation                     | <u>(12,066,609)</u> | <u>( 586,235)</u>   | <u>-</u>             | <u>( 12,652,844)</u> |
| <b>Business-Type Activities</b>  |                     |                     |                      |                      |
| <b>Capital Assets, Net</b>       | <u>\$14,077,939</u> | <u>\$11,122,791</u> | <u>\$(1,609,977)</u> | <u>\$23,590,753</u>  |

Depreciation expense for the year ended June 30, 2011 was charged to functions of the primary government as follows:

|                                  |                     |
|----------------------------------|---------------------|
| <b>Government Activities:</b>    |                     |
| General Government               | \$ 1,892,711        |
| Public Safety                    | 230,615             |
| Public Works                     | 122,627             |
| Culture and Recreation           | 41,847              |
| Community Development            | 76,298              |
| Ike Hamilton Expo Center         | 445,225             |
| Convention Center                | 18,748              |
| Health and Welfare               | -                   |
| Total Depreciation Expense -     |                     |
| Governmental Activities          | <u>\$ 2,828,071</u> |
| <b>Business-Type Activities:</b> |                     |
| Utilities                        | <u>\$ 586,235</u>   |

**Note 9 - Restricted Assets and Related Resources**

At June 30, 2011, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits and cash for reserve and sinking fund requirements.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 10 - Pension and Retirement Plans**

CITY OF WEST MONROE-SPONSORED PENSION PLANS

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$580,362 at June 30, 2011 which represents the remaining principal balance of the accrued liability for those employees transferred to the Firefighters' Retirement System. This amount is being paid over 30 years at 7% interest. The City paid principal and interest payments of \$171,340 during fiscal year 2011 from sales tax revenues.

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Substantially all city employees, except firemen and policemen are members of the Municipal Employees' Retirement System of Louisiana (MERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All members participate in Plan A.

All permanent employees working at least 35 hours per week and elected city officials are eligible to participate in the system. Under the MERS, a member who retires at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service is entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's final compensation multiplied by his years of creditable service.

Final compensation is a member's average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted. A member who withdraws from active service prior to retirement eligibility is entitled to receive benefits beginning on the normal retirement date, assuming completion of ten years of creditable service and no prior refund of contributions. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy – State statute requires covered employees to contribute 9.25 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 14.25 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2011, 2010 and 2009 were \$825,078, \$754,559 and \$731,937, respectively, equal to the required contributions for each year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 10 - Pension and Retirement Plans (continued)**

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

All full-time police officers engaged in law enforcement are eligible to participate in the Municipal Police Employees' Retirement System (MPERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Members who retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 percent of his average final compensation.

Average final compensation is the average annual earned compensation of a member for any period of 36 successive or joined months of service that produces the highest average. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 7.50 percent of their salaries to the system. The City is required to contribute 25 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System for the years ending June 30, 2011, 2010 and 2009 were \$817,528, \$325,077 and \$284,036, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

FIREFIGHTERS' RETIREMENT SYSTEM

All full-time firefighters for the City who are engaged in fire protection are eligible to participate in the Firefighters' Retirement System (FRS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. A member who has completed 20 years of creditable service, has been a member at least 1 year, and has reached the age of 50 is eligible for retirement.

A member with at least 12 years of service who has reached the age of 55 is eligible for retirement, provided he has been a member for at least 1 year. Upon retirement, the benefit amount is 3-1/3 percent of average final compensation multiplied by years of creditable service, not to exceed his average final compensation. Average final compensation is the member's average annual earned compensation for any period of 36 successive or joined months of service that produce the highest average. The system also provides death and disability benefits. Benefits are established by state statute.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 10 - Pension and Retirement Plans (continued)**

Funding Policy - State statute requires covered employees to contribute 8.00 percent of their salaries to the system. The City is required to contribute 21.5 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the System for the years ending June 30, 2011, 2010 and 2009 were \$324,548, \$196,490, and \$160,733, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

The City Judge is eligible to participate in the Louisiana State Employees' Retirement System (LASERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. LASERS provides benefits for certain elected officials and officials appointed by the governor. A member who has completed 20 years of creditable service is eligible for retirement. Upon retirement, the benefit amount is 2-1/2 percent of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City is required to contribute 22 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contribution to the plan for the years ending June 30, 2011, 2010 and 2009 were \$9,307, \$7,787 and \$7,555, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, 3401 United Plaza Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 922-0600.

**Note 11 - Postemployment Health Care Benefits**

**Plan Description.** The City of West Monroe's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by several retirement systems with similar eligibility provisions. In the absence of specific details about which employees are covered by each system, we have used the following retirement eligibility (D.R.O.P. entry) provisions as representative of the eligibility: 25 years of service at any age; or, age 60 and 10 years of service. Complete plan provisions are included in the official plan documents.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 11 - Postemployment Health Care Benefits (continued)**

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

**Fund Policy.** Until 2008, the City of West Monroe recognized the cost of providing post-employment medical benefits (the City of West Monroe's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In fiscal year ending June 30, 2011, the City of West Monroe's portion of health care funding cost for retired employees totaled \$45,288. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the following table.

Effective with the Fiscal Year beginning July 1, 2008, the City of West Monroe implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

**Annual Required Contribution.** The City of West Monroe's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2010 is \$77,973, as set forth below:

|                                 |           |
|---------------------------------|-----------|
|                                 | Medical   |
| Normal Cost                     | \$ 39,494 |
| 30-year UAL amortization amount | 38,449    |
|                                 | \$ 77,943 |

**Net Post-employment Benefit Obligation (Asset).** The table below shows the City of West Monroe's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2011:

|  |            |
|--|------------|
|  | Medical    |
| Beginning Net OPEB Obligation (Asset) 7/1/2010 | \$ 73,808  |
| Annual required contribution                   | + 77,943   |
| Interest on Net OPEB Obligation (Asset)        | +2,952     |
| ARC Adjustment                                 | -4,268     |
| OPEB Cost                                      | 76,627     |
| Contribution                                   | 0          |
| Current year retiree premium                   | - 45,288   |
| Change in Net OPEB Obligation                  | + 31,339   |
| Ending Net OPEB Obligation (Asset) 6/30/2011   | \$ 105,147 |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 11 -Postemployment Health Care Benefits** (continued)

The following table shows the City of West Monroe's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

| Post<br>Employment<br>Benefit | Fiscal Year Ended | Annual OPEB<br>Cost | Percentage of<br>Annual Cost<br>Contributed | Net OPEB<br>Obligation<br>(Asset) |
|-------------------------------|-------------------|---------------------|---|-----------------------------------|
| Medical                       | June 30, 2011     | \$76,627            | 59.10%                                      | \$105,147                         |

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2011, the City of West Monroe made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2010, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$664,923, which is defined as that portion, as determined by a particular actuarial cost method (the City of West Monroe uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2011, the entire actuarial accrued liability of \$664,923 was unfunded.

|   |                       |
|---|-----------------------|
| Actuarial Accrued Liability (AAL)       | Medical<br>\$ 664,923 |
| Actuarial Value of Plan Assets          | 0                     |
| Unfunded Act. Accrued Liability (UAAL)  | <u>\$ 664,923</u>     |
| Funded Ratio (Act. Val. Assets/AAL)     | 0%                    |
| Covered Payroll (active plan members)   | \$13,147,760          |
| UAAL as a percentage of covered payroll | 5.1%                  |

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

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 11 - Postemployment Health Care Benefits (continued)**

**Actuarial Cost Method.** The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets.** Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

**Turnover Rate.** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%. The rates for each age are below:

| Age     | Percent<br>Turnover |
|---------|---------------------|
| 18 - 25 | 10.0%               |
| 26 - 40 | 6.0%                |
| 41 - 54 | 4.0%                |
| 55+     | 3.0%                |

It has also been assumed that 20% of future eligible retirees will decline coverage because of the retiree contributions required.

**Post employment Benefit Plan Eligibility Requirements.** Based on past experience, it has been assumed that entitlement to benefits will commence six years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Descriptions". The six years consists of the three year D.R.O.P. period plus three additional years. Medical benefits are provided to employees upon actual retirement. The employees are covered by several retirement systems with similar eligibility provisions. In the absence of specific details about which employees are covered by each system, we have used the following retirement eligibility (D.R.O.P. entry) provisions as representative of the eligibility: 25 years of service at any age; or, age 60 and 10 years of service.

**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 11 - Postemployment Health Care Benefits (continued)**

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. While the retiree pays for the "cost" of the medical benefits, the retiree premium is the blended active/retired rate before Medicare eligibility. Since GASB 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used there is thus an implied subsidy by the employer. We have estimated the "unblended" rates for retirees before Medicare eligibility. It has been assumed that the total retiree rate before Medicare eligibility is 130% of the blended active/retired rate, with the implied subsidy thus being 30% of the blended active/retiree premium.

**Note 12 - Long-Term Debt**

|   | Beginning<br><u>Balance</u> | <u>Additions</u>          | <u>Reductions</u>         | Ending<br><u>Balance</u>   | Amounts Due<br>Within<br><u>One Year</u> |
|---|-----------------------------|---------------------------|---------------------------|----------------------------|--|
| <b>Governmental Activities:</b>                         |                             |                           |                           |                            |  |
| <b>Bonds and Notes Payable:</b>                         |                             |                           |                           |                            |  |
| Certificates of Indebtedness:                           |                             |                           |                           |                            |  |
| Series 2003   | \$ 3,495,000                | \$ -                      | \$ 825,000                | \$ 2,670,000               | \$ 855,000                               |
| Series 2005   | 165,000                     | -                         | 30,000                    | 135,000                    | 30,000                                   |
| Series 2006   | 460,000                     | -                         | 65,000                    | 395,000                    | 70,000                                   |
| Series 2007   | 4,205,000                   | -                         | 155,000                   | 4,050,000                  | 165,000                                  |
| Series 2009   | 2,910,000                   | -                         | 275,000                   | 2,635,000                  | 285,000                                  |
| Series 2009 (Note 14)                                   | 3,452,572                   | 997,510                   | -                         | 4,450,082                  | -  |
| Series 2010 (Note 14)                                   | 295,373                     | 940,317                   | -                         | 1,235,690                  | -  |
| Community Development                                   |                             |                           |                           |                            |  |
| Block Grant for   |                             |                           |                           |                            |  |
| Economic Development                                    | 403,657                     | -                         | 25,020                    | 378,637                    | 25,000                                   |
| State Firefighters'                                     |                             |                           |                           |                            |  |
| Retirement System                                       | <u>702,525</u>              | <u>-</u>                  | <u>122,163</u>            | <u>580,362</u>             | <u>130,714</u>                           |
| <b>Total Bonds and<br/>Notes Payable</b>                | <b>16,089,127</b>           | <b>1,937,827</b>          | <b>1,497,183</b>          | <b>16,529,771</b>          | <b>1,560,728</b>                         |
| <b>Other Liabilities:</b>                               |                             |                           |                           |                            |  |
| Accrued Heart and                                       |                             |                           |                           |                            |  |
| Lung Disability   | 833,566                     | -                         | 165,412                   | 668,154                    | 48,221                                   |
| Accrued Vacation, Sick                                  |                             |                           |                           |                            |  |
| And Compensatory Time                                   |                             |                           |                           |                            |  |
| Governmental Activities                                 | 793,659                     | 29,409                    | -                         | 823,068                    | 823,068                                  |
| Business-Type Activities                                | <u>135,983</u>              | <u>-</u>                  | <u>4,925</u>              | <u>131,058</u>             | <u>131,058</u>                           |
| <b>Total Other Liabilities</b>                          | <b><u>1,763,208</u></b>     | <b><u>29,409</u></b>      | <b><u>170,337</u></b>     | <b><u>1,622,280</u></b>    | <b><u>1,002,347</u></b>                  |
| <b>Total Governmental Activities<br/>Long-Term Debt</b> | <b><u>\$17,852,335</u></b>  | <b><u>\$1,967,236</u></b> | <b><u>\$1,667,520</u></b> | <b><u>\$18,152,051</u></b> | <b><u>\$2,563,075</u></b>                |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 12 - Long-Term Debt (continued)**

Payments on the bonds and notes payable that pertain to the City's governmental activities are made by the debt service funds. The accrued heart and lung disability and accrued vacation, sick and compensatory time will be liquidated primarily by the General Fund. Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

Principal and interest requirements to retire the City's bonds and notes payable obligations are as follows:

| Year Ended<br>June 30, | Certificates of Indebtedness |                  |                   |                  |                     |                   |
|------------------------|------------------------------|------------------|-------------------|------------------|---------------------|-------------------|
|                        | Series 2006                  |                  | Series 2005       |                  | Series 2003         |                   |
|                        | Principal                    | Interest         | Principal         | Interest         | Principal           | Interest          |
| 2012                   | \$ 70,000                    | \$ 22,500        | \$ 30,000         | \$ 6,300         | \$ 855,000          | \$ 84,991         |
| 2013                   | 75,000                       | 17,969           | 35,000            | 4,594            | 890,000             | 51,923            |
| 2014                   | 80,000                       | 13,125           | 35,000            | 2,756            | 925,000             | 17,529            |
| 2015                   | 80,000                       | 8,125            | 35,000            | 919              | -                   | -                 |
| 2016                   | 90,000                       | 2,813            | -                 | -                | -                   | -                 |
| 2017                   | -                            | -                | -                 | -                | -                   | -                 |
| <b>Total</b>           | <b>\$ 395,000</b>            | <b>\$ 64,532</b> | <b>\$ 135,000</b> | <b>\$ 14,569</b> | <b>\$ 2,670,000</b> | <b>\$ 154,443</b> |

| Year Ended<br>June 30, | Certificates of Indebtedness |                     |                     |                   | State Firefighters'<br>Retirement System |                   |
|------------------------|------------------------------|---------------------|---------------------|-------------------|--|-------------------|
|                        | Series 2007                  |                     | Series 2009         |                   | Principal                                | Interest          |
|                        | Principal                    | Interest            | Principal           | Interest          |  |                   |
| 2012                   | \$ 165,000                   | \$ 167,437          | \$ 285,000          | \$ 92,721         | \$ 130,714                               | \$ 40,625         |
| 2013                   | 170,000                      | 159,063             | 300,000             | 81,840            | 139,864                                  | 31,475            |
| 2014                   | 180,000                      | 151,213             | 310,000             | 70,494            | 149,655                                  | 21,685            |
| 2015                   | 185,000                      | 143,912             | 320,000             | 58,776            | 160,129                                  | 11,209            |
| 2016                   | 195,000                      | 136,313             | 335,000             | 46,593            | -  | -                 |
| 2017-2021              | 1,115,000                    | 553,895             | 1,085,000           | 61,473            | -  | -                 |
| 2022-2026              | 1,395,000                    | 295,099             | -                   | -                 | -  | -                 |
| 2027-2028              | 645,000                      | 28,508              | -                   | -                 | -  | -                 |
| <b>Total</b>           | <b>\$ 4,050,000</b>          | <b>\$ 1,635,440</b> | <b>\$ 2,635,000</b> | <b>\$ 411,897</b> | <b>\$ 580,362</b>                        | <b>\$ 104,994</b> |

| Year Ended<br>June 30, | CDBG Division of Admn.<br>Economic Development |             | Sewer Revenue Bonds<br>Series 2010 |                  |
|------------------------|--|-------------|------------------------------------|------------------|
|                        | Principal                                      | Interest    | Principal                          | Interest         |
|                        | 2012   | \$ 25,000   | \$ -                               | \$ -             |
| 2013                   | 25,000   | -           | 57,000                             | 5,497            |
| 2014                   | 25,000   | -           | 58,000                             | 5,238            |
| 2015                   | 25,000   | -           | 58,000                             | 4,977            |
| 2016                   | 25,000   | -           | 59,000                             | 4,714            |
| 2017-2021              | 125,000  | -           | 302,000                            | 19,539           |
| 2022-2026              | 125,000  | -           | 316,000                            | 12,578           |
| 2027-2031              | 3,637  | -           | 332,000                            | 5,297            |
| 2031                   | -  | -           | 68,000                             | 153              |
| <b>Total</b>           | <b>\$ 378,637</b>                              | <b>\$ -</b> | <b>\$ 1,250,000</b>                | <b>\$ 63,618</b> |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 13 - Long-Term Firemen's Disability Payments**

The City of West Monroe is self-insured with respect to workers' compensation claims up to \$250,000 per occurrence. Consequently, the City is responsible for providing Louisiana State Workers Compensation benefits under the Heart and Lung Act. Under this act, special treatment has been accorded firemen who develop any disease or infirmity of the heart and lungs. Louisiana Revised Statute 33.2581 provides a presumption in favor of firemen that the disease is related to employment even if they are not on duty when stricken with the disease, if the disease manifests itself after the first five years of employment. At June 30, 2011, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$668,154.

The annual payment requirements outstanding at June 30, 2011 are as follows:

|              |                   |
|--------------|-------------------|
| 2012         | \$ 48,221         |
| 2013         | 48,221            |
| 2014         | 48,221            |
| 2015         | 48,221            |
| 2016         | 48,221            |
| 2016-2020    | 241,105           |
| 2021-2025    | 161,285           |
| 2026-2030    | <u>24,659</u>     |
| <u>TOTAL</u> | <u>\$ 668,154</u> |

**Note 14 - Municipal Facilities Revolving Loan Fund**

On November 1, 2009, the City entered into a commitment agreement with the Louisiana Department of Environmental Quality for two capitalization grants totaling \$6,000,000 to be used for the purpose of establishing a water pollution control revolving fund for providing assistance to upgrade the City's existing treatment plant by installing additional components that would allow the plant effluent to be used by Graphic Packaging as process water. These components are not required for the City to meet its permits, but are needed solely to allow for the beneficial use of the plant effluent. The existing lagoons are retained to provide secondary treatment before entering the new units. Effluent from the plant will then be pumped to Graphic Packaging through a pipeline to be constructed for that purpose.

**Sewer Revenue Bonds With 100% Principal Forgiveness (\$4,750,000)**

Sewer revenue bonds were issued in the amount of \$4,750,000 to help fund the above project. However, under the terms of the loan agreement, the City's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the DEQ of each installment of the purchase price of the bonds. As of June 30, 2011, the City received \$4,450,082 which was recognized as bonds payable in the government wide financial statements. Upon forgiveness, this amount will be recognized as other financing sources in the City's Debt Capital Fund.

**Sewer Revenue Bonds (\$1,250,000)**

Sewer revenue bonds were also issued in the amount of \$1,250,000 to help fund the above project. This amount will be paid back over a twenty year amortization period at .45% and is also recognized as bonds payable. See note 12 for the principal and interest requirements. As of June 30, 2011, the City has only drawn \$1,235,690.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 15 - Operating Lease**

The City is obligated under an operating lease for a building. This lease is a triple net lease for a period of ten years for \$1,000 per month. At the end of the initial ten year term, the lease shall automatically renew for an additional five years. The following is a schedule by years of future minimum rental payments:

| <u>Year Ended</u><br><u>June 30,</u> | <u>Amount</u> |
|--------------------------------------|---------------|
| 2012                                 | \$ 12,000     |
| 2013                                 | 12,000        |
| 2014                                 | 12,000        |
| 2015                                 | 12,000        |
| 2016                                 | 12,000        |

**Note 16 - Northeast Louisiana Arts Council**

The City provides office space and utilities at no charge to the Northeast Louisiana Arts Council. The amount of the services provided has not been determined.

**Note 17 - Litigation**

There are several pending lawsuits in which the City is involved. The City Attorney is unaware of any pending litigation from which he would reasonably expect the City to incur a liability in excess of its applicable deductible on any insurance policy, and is further unaware of any litigation where the City may not be insured as to any claim where he would reasonably expect the City to incur a liability in excess of \$50,000.

**Note 18 - Self-Insurance Program**

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its active employees and retirees. The City limits its losses through the use of reinsurers up to \$60,000 per employee. The City's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At June 30, 2011, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$2,369,578 which was for active employees. Approximately 30 retirees receive benefits under this plan. These retirees reimbursed the City for \$145,238 during the year ended June 30, 2011 for their cost of the health care benefits.

**Note 19- Deferred Compensation Plan**

Employees of the City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all full time employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

Since the assets of the plans are held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements in accordance with GASB 32. Assets with a fair market value of \$439,422 are held by Nationwide Retirement Solutions, Inc. and VALIC Financial Advisors.



CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 20 - Interfund Receivables and Payables**

Interfund balances at June 30, 2011, were as follows:

| <u>Fund</u>             | <u>Receivables</u>         | <u>Interfund</u> | <u>Payables</u>            |
|-------------------------|----------------------------|------------------|----------------------------|
| <b>Major Funds:</b>     |                            |                  |                            |
| General Fund            | \$ 1,782,868               |                  | \$ 135,541                 |
| '86 Sales Tax           | 135,541                    |                  | 1,450,000                  |
| <b>Enterprise Fund</b>  | -                          |                  | 181,880                    |
| <b>Non-Major Funds:</b> |                            |                  |                            |
| Special Revenue Funds   | 619,841                    |                  | 87,760                     |
| Capital Project Funds   | -                          |                  | 358,609                    |
| Debt Service Funds      | -                          |                  | 707,252                    |
| Fiduciary Funds         | -                          |                  | 2,000                      |
| Internal Service Fund   | <u>384,792</u>             |                  | <u>-</u>                   |
| <b><u>TOTAL</u></b>     | <b><u>\$ 2,923,042</u></b> |                  | <b><u>\$ 2,923,042</u></b> |

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

**Note 21- Interfund Operating Transfers In and Out**

Interfund operating transfers in and out during the year ended June 30, 2011, were as follows:

| <u>Fund</u>             | <u>Operating Transfers</u> |                            |
|-------------------------|----------------------------|----------------------------|
|                         | <u>In</u>                  | <u>Out</u>                 |
| <b>Major Funds:</b>     |                            |                            |
| General Fund            | \$ 365,450                 | \$ 446,256                 |
| '86 Sales Tax Capital   | -                          | 1,537,000                  |
| <b>Enterprise Fund</b>  | -                          | 158,450                    |
| <b>Non-Major Funds:</b> |                            |                            |
| Special Revenue Funds   | 221,400                    | -                          |
| Capital Project Funds   | -                          | -                          |
| Expendable Trust Funds  | 224,856                    | -                          |
| Debt Service Funds      | <u>1,330,000</u>           | <u>-</u>                   |
| <b><u>TOTAL</u></b>     | <b><u>\$ 2,141,706</u></b> | <b><u>\$ 2,141,706</u></b> |

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

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 22 - On-Behalf Payments**

Certain City employees in the City Marshal's office, the West Monroe Police and Fire departments receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$627,723 and the related expenditures are as follows:

|                   |                   |
|-------------------|-------------------|
| Marshal's Office  | \$ 16,384         |
| Police Department | 325,147           |
| Jail              | 52,152            |
| Code Enforcement  | 3,000             |
| Fire Department   | <u>231,040</u>    |
| Total             | <u>\$ 627,723</u> |

**Note 23- Minimum Lease Payments Receivable – Direct Financing Lease**

On September 29, 2006, the City purchased a building for \$1,250,000 and renovated it for an additional \$165,000 with the intent of leasing it as a commercial building with an option to purchase. The company that leased the building created 50 new jobs at the facility. In addition to this arrangement, the City was awarded a community development block grant for \$500,000 (\$10,000 for each job created). This \$500,000 was added to the \$915,000 in bond issuances that were secured during fiscal year 2006 to pay for the building for a total \$1,415,000.

The following lists the components of the minimum lease payments to be received under the direct financing lease as of June 30, 2011:

|  |                          |
|--|--------------------------|
| Total minimum lease payments to be received  | \$ 1,024,612             |
| Less: Amounts representing estimated executory costs<br>(such as taxes, maintenance, and insurance), including<br>profit thereon, included in total minimum lease payments | <u>-</u>                 |
| Minimum lease payments receivable  | 1,024,612                |
| Estimated residual values of leased property (unguaranteed)  | -                        |
| Less: Unearned Income  | <u>( 54,796)</u>         |
| <b><u>NET MINIMUM LEASE PAYMENTS RECEIVABLE –</u></b><br><b><u>DIRECT FINANCING LEASE</u></b>  | <b><u>\$ 969,816</u></b> |

Future minimum lease payments are as follows:

| Year Ended<br><u>June 30,</u> | <u>Amount</u>       |
|-------------------------------|---------------------|
| 2012                          | \$ 147,000          |
| 2013                          | 147,000             |
| 2014                          | 147,000             |
| 2015                          | 147,000             |
| 2016                          | 147,000             |
| 2017-2021                     | 155,595             |
| 2022-2026                     | 125,100             |
| 2027                          | <u>8,917</u>        |
| Total                         | <u>\$ 1,024,612</u> |

CITY OF WEST MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 24 - Operating Lease – Golf Course Lease Agreement**

The City leases the municipal golf course to a third party that is responsible for its management and maintenance for a term of fifteen years beginning January 15, 2002 and ending January 15, 2017 in the amount of \$875 per month. This third party constructed and improved, at his own expense, buildings, structures, fences, cart paths, etc. to improve the appearance and overall look of the course. In return, all green fees, cart fees, practice range fees, and charges for the sale of items through the club house belong to the third party. Future minimum rental payments to be received are as follows:

| <u>Year Ended</u><br><u>June 30.</u> | <u>Amount</u>    |
|--------------------------------------|------------------|
| 2012                                 | \$ 10,500        |
| 2013                                 | 10,500           |
| 2014                                 | 10,500           |
| 2015                                 | 10,500           |
| 2016                                 | 10,500           |
| 2017                                 | <u>6,125</u>     |
| Total                                | <u>\$ 58,625</u> |

**Note 25 - Fund Changes and Fund Balances**

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2011 are as follows:

| <u>Classification/Fund</u> | <u>Purpose</u>                               | <u>Amount</u>              |
|----------------------------|--|----------------------------|
| Nonspendable:              |  |                            |
| General Fund               | Inventory                                    | \$ 32,624                  |
|                            | Minimum Lease Payment Receivable             | 1,024,612                  |
| Restricted:                |  |                            |
| 86 Sales Tax Capital       | Capital Projects                             | 900,898                    |
| 2007 Debt Capital          | Capital Projects                             | 1,884,002                  |
| Emergency Shelter          | FEMA Emergency Shelter Recipients            | 3,649                      |
| Rental Rehab               | Public Housing                               | 6,904                      |
| Metro LCLE                 | LCLE Multi Jurisdictional Taskforce          | 2,614                      |
| Section 8 Housing          | Public Housing                               | 419,263                    |
| Americorps                 | Americorps Projects                          | 44,867                     |
| Committed:                 |  |                            |
| General Fund               | Fund Balance for Next Year's Operations      | 253,571                    |
| Assigned:                  |  |                            |
| Street Maintenance         | Maintenance of Streets and Roads             | 436,176                    |
| Witness Fees               | Payments to Officers to Appear as Witnesses  | 7,355                      |
| Law Enf. Training Ctr      | Training Facility for Future Police Officers | 47,063                     |
| Office of Motor Veh        | DMV Operations                               | 76,907                     |
| Keep WM Beautiful          | Litter Prevention                            | 2,809                      |
| Unassigned:                |  |                            |
| General Fund               |  | 4,631,471                  |
| Misc Projects              |  | ( 10,262)                  |
| Nonmajor Debt Service      |  | ( 405,756)                 |
| Nonmajor Capital Projects  |  | <u>( 352,320)</u>          |
| <b>Total Fund Balances</b> |  | <b><u>\$ 9,006,447</u></b> |

**Note 26 - Subsequent Events**

Subsequent events have been evaluated through November 16, 2011, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

|                            | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|----------------------------|-------------------------|-------------------|---------------------------|---|
|                            | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b><u>Revenues</u></b>     |                         |                   |                           |   |
| Taxes                      | \$ 12,071,500           | \$ 12,540,000     | \$ 12,540,516             | \$ 516  |
| Intergovernmental          | 482,492                 | 454,000           | 454,001                   | 1   |
| Licenses and Permits       | 881,100                 | 898,200           | 898,293                   | 93  |
| Charges for Services       | 2,591,200               | 2,548,000         | 2,548,189                 | 189   |
| Fines and Forfeitures      | 647,400                 | 657,000           | 657,263                   | 263   |
| Interest Earned            | 8,000                   | 51,000            | 51,079                    | 79  |
| Franchise Revenue          | 880,000                 | 825,000           | 834,664                   | 9,664   |
| Sale of Assets             | 256,000                 | 262,000           | 261,684                   | (316)   |
| Other                      | 262,650                 | 298,500           | 289,058                   | (9,442)   |
| <b>Total Revenues</b>      | <b>18,080,342</b>       | <b>18,533,700</b> | <b>18,534,747</b>         | <b>1,047</b>  |
| <b><u>Expenditures</u></b> |                         |                   |                           |   |
| General Government:        |                         |                   |                           |   |
| Elected Council            | 87,510                  | 90,940            | 91,161                    | (221)   |
| City Court                 | 396,662                 | 396,662           | 404,502                   | (7,840)   |
| Marshal                    | 290,770                 | 276,338           | 268,337                   | 8,001   |
| Mayor's Office             | 177,680                 | 180,460           | 179,595                   | 865   |
| City Clerk's Office        | 1,041,690               | 1,100,000         | 1,099,748                 | 252   |
| City Hall Maintenance      | 428,490                 | 458,300           | 458,260                   | 40  |
| General and Administrative | 1,647,353               | 1,562,000         | 1,562,081                 | (81)  |
| Public Safety:             |                         |                   |                           |   |
| Legal                      | 430,770                 | 443,000           | 443,140                   | (140)   |
| Fire                       | 2,141,447               | 2,204,300         | 2,204,263                 | 37  |
| Police                     | 5,005,793               | 5,131,200         | 5,131,253                 | (53)  |
| Prison                     | 828,686                 | 793,300           | 793,336                   | (36)  |
| Police Shop                | 52,923                  | 99,600            | 99,655                    | (55)  |
| Public Works:              |                         |                   |                           |   |
| Garbage                    | 670,505                 | 689,100           | 689,188                   | (88)  |
| Trash                      | 581,750                 | 599,700           | 599,646                   | 54  |
| Streets                    | 788,160                 | 889,300           | 889,276                   | 24  |
| Cemetery                   | 41,210                  | 42,700            | 42,694                    | 6   |
| Planning and Zoning        | 111,985                 | 115,400           | 115,401                   | (1)   |
| Inspection                 | 114,815                 | 123,000           | 123,076                   | (76)  |
| City Maintenance Shop      | 319,950                 | 335,000           | 335,100                   | (100)   |

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>Culture and Recreation:</b>                        |                         |                     |                           |   |
| Recreation and Parks                                  | \$ 284,500              | \$ 307,000          | \$ 307,217                | \$ (217)  |
| Kiroli Park   | 387,074                 | 401,300             | 399,196                   | 2,104   |
| Lazarre Park  | 7,400                   | 7,400               | 9,850                     | (2,450)   |
| Restoration Park                                      | 2,900                   | 2,900               | 3,060                     | (160)   |
| Farmer's Market                                       | 40,665                  | 42,800              | 42,837                    | (37)  |
| Ike Hamilton Expo Center                              | 940,346                 | 976,100             | 976,176                   | (76)  |
| Convention Center                                     | 943,155                 | 1,025,350           | 1,025,362                 | (12)  |
| Community Development & Center                        | 458,795                 | 454,700             | 454,703                   | (3)   |
| Tanner Building & Business Center                     | 121,559                 | 123,900             | 123,931                   | (31)  |
| Economic Development                                  | 67,572                  | 69,800              | 69,818                    | (18)  |
| <b>Total Expenditures</b>                             | <u>18,412,115</u>       | <u>18,941,550</u>   | <u>18,941,862</u>         | <u>(312)</u>  |
| <b><u>Excess of Revenues Over (Under)</u></b>         |                         |                     |                           |   |
| <b><u>Expenditures</u></b>                            | (331,773)               | (407,850)           | (407,115)                 | 735   |
| <b><u>Other Financing Sources and (Uses)</u></b>      |                         |                     |                           |   |
| Transfers In  | 480,800                 | 368,400             | 365,450                   | (2,950)   |
| Transfers Out   | (342,800)               | (446,000)           | (446,256)                 | (256)   |
| <b>Total Other Financing Sources<br/>    and Uses</b> | <u>138,000</u>          | <u>(77,600)</u>     | <u>(80,806)</u>           | <u>(3,206)</u>  |
| <b><u>Net Change in Fund Balance</u></b>              | (193,773)               | (485,450)           | (487,921)                 | (2,471)   |
| <b><u>Fund Balance at Beginning of Year</u></b>       | 6,430,199               | 6,430,199           | 6,430,199                 | -   |
| <b><u>FUND BALANCE AT END OF YEAR</u></b>             | <u>\$ 6,236,426</u>     | <u>\$ 5,944,749</u> | <u>\$ 5,942,278</u>       | <u>\$ (2,471)</u>   |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance With<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|--|-------------------------|--------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b><u>Revenues</u></b>                                     |                         |                    |                           |   |
| Sales Tax  | \$ 4,600,000            | \$ 4,981,000       | \$ 4,981,018              | \$ 18   |
| Intergovernmental  | 300,000                 | 3,663,000          | 3,662,153                 | (847)   |
| Charges for Services                                       | -                       | 150,000            | 152,236                   | 2,236   |
| Other  | -                       | 10,000             | 9,531                     | (469)   |
| Interest Income  | -                       | 1,650              | 1,659                     | 9   |
| <b>Total Revenues</b>                                      | <b>4,900,000</b>        | <b>8,805,650</b>   | <b>8,806,597</b>          | <b>947</b>  |
| <b><u>Expenditures</u></b>                                 |                         |                    |                           |   |
| Computer Equipment and Software                            | 300,000                 | 631,500            | 631,065                   | 435   |
| Street Projects  | 50,000                  | 1,976,000          | 1,976,092                 | (92)  |
| Drainage Projects  | 75,000                  | 305,200            | 305,194                   | 6   |
| Furniture and Fixtures                                     | 10,000                  | 11,200             | 11,115                    | 85  |
| Vehicles   | 500,000                 | 407,000            | 407,794                   | (794)   |
| Machinery and Equipment                                    | 300,000                 | 554,000            | 554,278                   | (278)   |
| Consultants  | 30,000                  | 238,000            | 238,629                   | (629)   |
| Engineering  | 250,000                 | 120,250            | 119,442                   | 808   |
| Construction/Buildings/Facilities                          | -                       | 1,407,000          | 1,406,418                 | 582   |
| Water Projects   | 125,000                 | 171,900            | 171,949                   | (49)  |
| Sewer Projects   | 300,000                 | 23,100             | 23,118                    | (18)  |
| Treatment Plant Projects                                   | 150,000                 | 349,900            | 349,848                   | 52  |
| Land Purchases   | -                       | 3,600              | 3,600                     | -   |
| Major Repairs  | 150,000                 | 411,600            | 414,581                   | (2,981)   |
| Maintenance  | 450,000                 | 478,000            | 477,171                   | 829   |
| <b>Total Expenditures</b>                                  | <b>2,690,000</b>        | <b>7,088,250</b>   | <b>7,090,294</b>          | <b>(2,044)</b>  |
| <b><u>Deficiency of Revenues Over<br/>Expenditures</u></b> | <b>2,210,000</b>        | <b>1,717,400</b>   | <b>1,716,303</b>          | <b>(1,097)</b>  |
| <b><u>Other Financing Sources and (Uses)</u></b>           |                         |                    |                           |   |
| Transfers In   | -                       | -                  | -                         | -   |
| Transfers Out  | (1,545,000)             | (1,537,000)        | (1,537,000)               | -   |
| <b>Total Other Financing Sources<br/>and Uses</b>          | <b>(1,545,000)</b>      | <b>(1,537,000)</b> | <b>(1,537,000)</b>        | <b>-</b>  |
| <b><u>Net Change in Fund Balance</u></b>                   | <b>665,000</b>          | <b>180,400</b>     | <b>179,303</b>            | <b>(1,097)</b>  |
| <b><u>Fund Balance at Beginning of Year</u></b>            | <b>721,595</b>          | <b>721,595</b>     | <b>721,595</b>            | <b>-</b>  |
| <b><u>FUND BALANCE AT END OF YEAR</u></b>                  | <b>\$ 1,386,595</b>     | <b>\$ 901,995</b>  | <b>\$ 900,898</b>         | <b>\$ (1,097)</b>   |

The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2011

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

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and the Board of Aldermen after allowing for at least ten days notice to the public at the time the budget is initially submitted to the Board of Aldermen.
3. Final adoption of the budget by the Board of Aldermen is on the second Tuesday in June.
4. The Mayor may authorize transfers of budgetary amounts within departments. However, any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and nonmajor capital appropriations, to the extent not expended, lapse at year-end. Major capital appropriations continue in force until the project is completed.

All legally adopted budgets of the City are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Expendable Trust Funds.

Budget comparison schedules included in the accompanying financial statements include the original adopted budgets and all subsequent adopted amendments.



PRIMARY GOVERNMENT SUPPLEMENTAL  
INFORMATION SCHEDULES

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | <u>Street<br/>Maintenance<br/>Fund</u> | <u>West<br/>Ouachita<br/>Senior Center<br/>Fund</u> | <u>Emergency<br/>Shelter<br/>Program<br/>Fund</u> | <u>Officer<br/>Witness<br/>Court<br/>Fund</u> |
|---|--|---|---|---|
| <b><u>ASSETS</u></b>                                  |  |   |   |   |
| Cash in Bank  | \$ -                                   | \$ -  | \$ -  | \$ -  |
| Accounts Receivable                                   | -                                      | 770   | -   | -   |
| Due From Other Governments                            | -                                      | 10,897  | -   | 531   |
| Due From Other Funds                                  | 436,176                                | -   | 3,649   | 6,824   |
|   | <u>436,176</u>                         | <u>-</u>  | <u>3,649</u>                                      | <u>6,824</u>                                  |
| <b><u>TOTAL ASSETS</u></b>                            | <b><u>\$ 436,176</u></b>               | <b><u>\$ 11,667</u></b>                             | <b><u>\$ 3,649</u></b>                            | <b><u>\$ 7,355</u></b>                        |
| <br><b><u>LIABILITIES</u></b>                         |  |   |   |   |
| Accounts Payable                                      | \$ -                                   | \$ -  | \$ -  | \$ -  |
| Due To Other Funds                                    | -                                      | 11,667  | -   | -   |
| <b>Total Liabilities</b>                              | <b>-</b>                               | <b>11,667</b>                                       | <b>-</b>  | <b>-</b>                                      |
| <br><b><u>FUND BALANCES</u></b>                       |  |   |   |   |
| Unreserved  | <u>436,176</u>                         | <u>-</u>  | <u>3,649</u>                                      | <u>7,355</u>                                  |
| <b><u>TOTAL LIABILITIES AND<br/>FUND BALANCES</u></b> | <b><u>\$ 436,176</u></b>               | <b><u>\$ 11,667</u></b>                             | <b><u>\$ 3,649</u></b>                            | <b><u>\$ 7,355</u></b>                        |

| <u>Rental<br/>Rehabilitation<br/>Fund</u> | <u>Metro LCLE<br/>Grant<br/>Fund</u> | <u>Juvenile<br/>Justice<br/>Grant<br/>Fund</u> | <u>North Delta<br/>Law<br/>Enforcement<br/>Training Center<br/>Fund</u> | <u>Office of<br/>Motor<br/>Vehicles</u> |   |
|---|--------------------------------------|--|---|---|---|
| \$ 6,904                                  | \$ -                                 | \$ -   | \$ -  | \$ -                                    |   |
| -   | -                                    | -  | -   | -                                       |   |
| -   | 12,711                               | -  | -   | -                                       | C |
| -   | 21,688                               | -  | 47,202  | 76,963                                  | O |
| <u>\$ 6,904</u>                           | <u>\$ 34,399</u>                     | <u>\$ -</u>                                    | <u>\$ 47,202</u>  | <u>\$ 76,963</u>                        | N |
|   |                                      |  |   |   | T |
| \$ -                                      | \$ 31,785                            | \$ -   | \$ 139  | \$ 56                                   | I |
| -   | -                                    | -  | -   | -                                       |   |
| -   | 31,785                               | -  | 139   | 56                                      | N |
|   |                                      |  |   |   | U |
| <u>6,904</u>                              | <u>2,614</u>                         | <u>-</u>                                       | <u>47,063</u>   | <u>76,907</u>                           | E |
| <u>\$ 6,904</u>                           | <u>\$ 34,399</u>                     | <u>\$ -</u>                                    | <u>\$ 47,202</u>  | <u>\$ 76,963</u>                        | D |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | <u>Section 8<br/>Housing<br/>Fund</u> | <u>21st Century<br/>Department<br/>of Education<br/>Grant</u> | <u>Americorps<br/>Grant<br/>Fund</u> | <u>Southern<br/>Fried<br/>Festival<br/>Fund</u> |
|---|---------------------------------------|---|--------------------------------------|---|
| <b><u>ASSETS</u></b>                                  |                                       |   |                                      |   |
| Cash in Bank  | \$ 458,117                            | \$ -  | \$ -                                 | \$ -  |
| Accounts Receivable                                   | -                                     | -   | -                                    | -   |
| Due From Other Governments                            | 5,005                                 | -   | 42,309                               | -   |
| Due From Other Funds                                  | -                                     | -   | 2,558                                | -   |
| <b><u>TOTAL ASSETS</u></b>                            | <b><u>\$ 463,122</u></b>              | <b><u>\$ -</u></b>  | <b><u>\$ 44,867</u></b>              | <b><u>\$ -</u></b>                              |
| <b><u>LIABILITIES</u></b>                             |                                       |   |                                      |   |
| Accounts Payable                                      | \$ -                                  | \$ -  | \$ -                                 | \$ -  |
| Due To Other Funds                                    | 43,859                                | -   | -                                    | -   |
| <b>Total Liabilities</b>                              | <b>43,859</b>                         | <b>-</b>  | <b>-</b>                             | <b>-</b>  |
| <b><u>FUND BALANCES</u></b>                           |                                       |   |                                      |   |
| Unreserved  | 419,263                               | -   | 44,867                               | -   |
| <b><u>TOTAL LIABILITIES AND<br/>FUND BALANCES</u></b> | <b><u>\$ 463,122</u></b>              | <b><u>\$ -</u></b>  | <b><u>\$ 44,867</u></b>              | <b><u>\$ -</u></b>                              |

| <u>Domestic<br/>Violence<br/>Response<br/>Team</u> | <u>Miscellaneous<br/>Projects and<br/>Grant<br/>Funds</u> | <u>Keep<br/>West Monroe<br/>Beautiful<br/>Grant Program</u> | <u>Total<br/>Nonmajor<br/>Special Revenue<br/>Funds</u> |
|--|---|---|---|
| \$ -   | \$ -  | \$ -  | \$ 465,021  |
| -  | -   | -   | 770   |
| -  | -   | -   | 71,453  |
| -  | 21,972  | 2,809   | 619,841   |
| <u>\$ -</u>  | <u>\$ 21,972</u>  | <u>\$ 2,809</u>   | <u>\$ 1,157,085</u>                                     |
| \$ -   | \$ -  | \$ -  | \$ 31,980   |
| -  | 32,234  | -   | 87,760  |
| -  | 32,234  | -   | 119,740   |
| -  | (10,262)  | 2,809   | 1,037,345   |
| <u>\$ -</u>  | <u>\$ 21,972</u>  | <u>\$ 2,809</u>   | <u>\$ 1,157,085</u>                                     |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2011

|  | Street<br>Maintenance<br>Fund | West<br>Ouachita<br>Senior Center<br>Fund | Emergency<br>Shelter<br>Program<br>Fund | Officer<br>Witness<br>Court<br>Fund |
|--|-------------------------------|---|---|-------------------------------------|
| <b><u>Revenues</u></b>                   |                               |   |   |                                     |
| Taxes                                    | \$ 224,730                    | \$ -                                      | \$ -                                    | \$ -                                |
| Intergovernmental                        | -                             | 193,114                                   | 5,353                                   | -                                   |
| Interest                                 | -                             | -   | -                                       | -                                   |
| Other                                    | -                             | 171,905                                   | -                                       | 55,912                              |
| <b>Total Revenues</b>                    | <u>224,730</u>                | <u>365,019</u>                            | <u>5,353</u>                            | <u>55,912</u>                       |
| <b><u>Expenditures</u></b>               |                               |   |   |                                     |
| Public Safety                            | -                             | -   | -                                       | 67,600                              |
| Public Works                             | 186,524                       | -   | -                                       | -                                   |
| Health and Welfare                       | -                             | 543,611                                   | 13,497                                  | -                                   |
| Culture and Recreation                   | -                             | -   | -                                       | -                                   |
| Capital Expenditures &<br>Major Repairs  | -                             | -   | -                                       | -                                   |
| <b>Total Expenditures</b>                | <u>186,524</u>                | <u>543,611</u>                            | <u>13,497</u>                           | <u>67,600</u>                       |
| <b><u>Excess (Deficiency) of</u></b>     |                               |   |   |                                     |
| <b><u>Revenues Over Expenditures</u></b> | 38,206                        | (178,592)                                 | (8,144)                                 | (11,688)                            |
| <b><u>Other Financing Sources</u></b>    |                               |   |   |                                     |
| Operating Transfers - In (Out)           | -                             | 178,592                                   | -                                       | -                                   |
| <b>Total Other Financing<br/>Sources</b> | <u>-</u>                      | <u>178,592</u>                            | <u>-</u>                                | <u>-</u>                            |
| <b><u>Net Change in Fund Balance</u></b> | 38,206                        | -   | (8,144)                                 | (11,688)                            |
| <b><u>Fund Balances - Beginning</u></b>  | <u>397,970</u>                | <u>-</u>                                  | <u>11,793</u>                           | <u>19,043</u>                       |
| <b><u>FUND BALANCES - ENDING</u></b>     | <u>\$ 436,176</u>             | <u>\$ -</u>                               | <u>\$ 3,649</u>                         | <u>\$ 7,355</u>                     |

| Rental<br>Rehabilitation<br>Fund | Metro LCLE<br>Grant<br>Fund | Juvenile<br>Justice<br>Grant<br>Fund | North Delta<br>Law<br>Enforcement<br>Training Center<br>Fund | Office of<br>Motor<br>Vehicles |   |
|----------------------------------|-----------------------------|--------------------------------------|--|--------------------------------|---|
| \$ -                             | \$ -                        | \$ -                                 | \$ -   | \$ -                           |   |
| -                                | 127,113                     | -                                    | -  | 69,636                         |   |
| -                                | -                           | -                                    | -  | -                              |   |
| -                                | -                           | -                                    | 43,153   | -                              |   |
| -                                | 127,113                     | -                                    | 43,153   | 69,636                         |   |
| -                                | 127,113                     | -                                    | 62,293   | 67,025                         | C |
| -                                | -                           | -                                    | -  | -                              | O |
| -                                | -                           | -                                    | -  | -                              | N |
| -                                | -                           | -                                    | -  | -                              | T |
| -                                | 127,113                     | -                                    | 62,293   | 67,025                         | I |
| -                                | -                           | -                                    | (19,140)   | 2,611                          | N |
| -                                | -                           | -                                    | -  | -                              | U |
| -                                | -                           | -                                    | -  | -                              | E |
| -                                | -                           | -                                    | (19,140)   | 2,611                          | D |
| 6,904                            | 2,614                       | -                                    | 66,203   | 74,296                         |   |
| \$ 6,904                         | \$ 2,614                    | \$ -                                 | \$ 47,063  | \$ 76,907                      |   |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2011

|   | Section 8<br>Housing<br>Fund | 21st Century<br>Department<br>of Education<br>Grant | Americorps<br>Grant<br>Fund | Southern<br>Fried<br>Festival<br>Fund |
|---|------------------------------|---|-----------------------------|---------------------------------------|
| <b><u>Revenues</u></b>                          |                              |   |                             |                                       |
| Taxes   | \$ -                         | \$ -  | \$ -                        | \$ -                                  |
| Intergovernmental                               | 1,704,987                    | 54,787  | 200,642                     | -                                     |
| Interest  | 867                          | -   | -                           | -                                     |
| Other   | 43                           | -   | -                           | 79,157                                |
| <b>Total Revenues</b>                           | <u>1,705,897</u>             | <u>54,787</u>                                       | <u>200,642</u>              | <u>79,157</u>                         |
| <b><u>Expenditures</u></b>                      |                              |   |                             |                                       |
| Public Safety                                   | -                            | -   | -                           | -                                     |
| Public Works                                    | -                            | -   | -                           | -                                     |
| Health and Welfare                              | 1,615,332                    | -   | -                           | -                                     |
| Culture and Recreation                          | -                            | 55,202  | 203,653                     | 121,965                               |
| Capital Expenditures &<br>Major Repairs         | -                            | -   | -                           | -                                     |
| <b>Total Expenditures</b>                       | <u>1,615,332</u>             | <u>55,202</u>                                       | <u>203,653</u>              | <u>121,965</u>                        |
| <b><u>Excess (Deficiency) of</u></b>            |                              |   |                             |                                       |
| <b><u>Revenues Over Expenditures</u></b>        | 90,565                       | (415)   | (3,011)                     | (42,808)                              |
| <b><u>Other Financing Sources (Uses)</u></b>    |                              |   |                             |                                       |
| Operating Transfers - In (Out)                  | -                            | -   | -                           | 42,808                                |
| <b>Total Other Financing<br/>Sources (Uses)</b> | <u>-</u>                     | <u>-</u>  | <u>-</u>                    | <u>42,808</u>                         |
| <b><u>Net Change in Fund Balance</u></b>        | 90,565                       | (415)   | (3,011)                     | -                                     |
| <b><u>Fund Balances - Beginning</u></b>         | <u>328,698</u>               | <u>415</u>  | <u>47,878</u>               | <u>-</u>                              |
| <b><u>FUND BALANCES - ENDING</u></b>            | <u>\$ 419,263</u>            | <u>\$ -</u>   | <u>\$ 44,867</u>            | <u>\$ -</u>                           |



| Domestic<br>Violence<br>Response<br>Team | Miscellaneous<br>Projects and<br>Grant<br>Funds | Keep<br>West Monroe<br>Beautiful<br>Grant Program | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|--|---|---|---|
| \$ -                                     | \$ -  | \$ -  | \$ 224,730                                    |
| -  | -   | 5,201   | 2,360,833                                     |
| -  | -   | -   | 867   |
| -  | 3,245   | -   | 353,415                                       |
| -  | 3,245   | 5,201   | 2,939,845                                     |
| -  | -   | -   | 324,031                                       |
| -  | -   | -   | 186,524                                       |
| -  | -   | -   | 2,172,440                                     |
| -  | 16,755  | 2,084   | 399,659                                       |
| -  | -   | -   | -   |
| -  | 16,755  | 2,084   | 3,082,654                                     |
| -  | (13,510)  | 3,117   | (142,809)                                     |
| -  | -   | -   | 221,400                                       |
| -  | -   | -   | 221,400                                       |
| -  | (13,510)  | 3,117   | 78,591  |
| -  | 3,248   | (308)   | 958,754                                       |
| <u>\$ -</u>                              | <u>\$ (10,262)</u>                              | <u>\$ 2,809</u>                                   | <u>\$ 1,037,345</u>                           |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUND  
WEST OUACHITA SENIOR CENTER  
BALANCE SHEETS

|  | June 30,  |           |
|--|-----------|-----------|
|  | 2011      | 2010      |
| <b><u>Assets</u></b>                             |           |           |
| Due From Other Governments:                      |           |           |
| Louisiana Office of Elderly Affairs              | \$ 770    | \$ 22,053 |
| Department of Transportation                     | 10,897    | 10,842    |
| <b><u>Total Assets</u></b>                       | \$ 11,667 | \$ 32,895 |
| <b><u>Liabilities and Fund Balance</u></b>       |           |           |
| <b><u>Liabilities</u></b>                        |           |           |
| Accounts Payable                                 |           | \$ 1,125  |
| Due To Other Funds                               | 11,667    | 31,770    |
| <b>Total Liabilities</b>                         | 11,667    | 32,895    |
| <b><u>Fund Balance</u></b>                       |           |           |
| Unreserved                                       | -         | -         |
| <b><u>Total Liabilities and Fund Balance</u></b> | \$ 11,667 | \$ 32,895 |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUND  
WEST OUACHITA SENIOR CENTER  
SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

|  | For the Years Ended |                |
|--|---------------------|----------------|
|  | June 30.            |                |
|  | <u>2011</u>         | <u>2010</u>    |
| <b><u>Revenues</u></b>                                 |                     |                |
| Department of Transportation                           | \$ 65,665           | \$ 63,050      |
| Ouachita Council on Aging                              |                     |                |
| Senior Center Funds                                    | 62,410              | 62,412         |
| Supplemental Senior Center Funds                       | 6,621               | 6,624          |
| Louisiana Office of Elderly Affairs                    | 50,000              | 65,456         |
| United Way   | 94,493              | 83,855         |
| Transportation Fees                                    | 8,418               | 6,121          |
| Miscellaneous Revenues (Ceramics, Greenhouse, etc.)    | <u>77,412</u>       | <u>65,464</u>  |
| Total Revenues   | 365,019             | 352,982        |
| <b><u>Expenditures</u></b>                             |                     |                |
| Salaries and Related Expenditures                      | 381,138             | 361,845        |
| Professional Services                                  | 4,385               | 6,466          |
| Repairs and Maintenance                                | 13,432              | 8,832          |
| Communications   | 2,233               | 2,392          |
| Postage  | 2,676               | 2,140          |
| Newsletter   | 14,558              | 8,151          |
| Advertising  | 2,463               | 2,330          |
| Travel   | 13,393              | 5,434          |
| Supplies   | 31,367              | 33,486         |
| Utilities  | 23,877              | 22,265         |
| Fuel   | 40,167              | 32,920         |
| Miscellaneous  | <u>13,922</u>       | <u>21,362</u>  |
| Total Expenditures                                     | 543,611             | 507,623        |
| <b><u>Deficiency of Revenues Over Expenditures</u></b> | (178,592)           | (154,641)      |
| <b><u>Other Financing Sources</u></b>                  |                     |                |
| City of West Monroe Support                            | <u>178,592</u>      | <u>154,641</u> |
| <b><u>Net Change in Fund Balance</u></b>               | -                   | -              |
| <b><u>Fund Balance - Beginning</u></b>                 | -                   | -              |
| <b><u>FUND BALANCE - ENDING</u></b>                    | <u>\$ -</u>         | <u>\$ -</u>    |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | <u>Firemen's<br/>Pension Merger<br/>Fund</u> | <u>2007<br/>Debt Service<br/>Fund</u> | <u>2003<br/>Debt Service<br/>Fund</u> | <u>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</u> |
|---|--|---------------------------------------|---------------------------------------|--|
| <b><u>ASSETS</u></b>                                  |  |                                       |                                       |  |
| Cash in Bank  | \$ 141,159                                   | \$ 120,377                            | \$ -                                  | \$ 261,536   |
| Accounts Receivable - Sales Tax                       | 14,300                                       | 29,000                                | 168,000                               | 211,300  |
| Due From Other Funds                                  | -  | -                                     | -                                     | -  |
| <b><u>TOTAL ASSETS</u></b>                            | <b><u>\$ 155,459</u></b>                     | <b><u>\$ 149,377</u></b>              | <b><u>\$ -</u></b>                    | <b><u>\$ 472,836</u></b>                             |
| <b><u>LIABILITIES</u></b>                             |  |                                       |                                       |  |
| Payable to State Retirement                           | \$ 171,340                                   | \$ -                                  | \$ -                                  | \$ 171,340   |
| Due To Other Funds                                    | -  | -                                     | 707,252                               | 707,252  |
| Total Liabilities                                     | 171,340                                      | -                                     | 707,252                               | 878,592  |
| <b><u>FUND BALANCES</u></b>                           |  |                                       |                                       |  |
| Reserved For Debt Service                             | (15,881)                                     | 149,377                               | (539,252)                             | (405,756)  |
| <b><u>TOTAL LIABILITIES AND<br/>FUND BALANCES</u></b> | <b><u>\$ 155,459</u></b>                     | <b><u>\$ 149,377</u></b>              | <b><u>\$ 168,000</u></b>              | <b><u>\$ 472,836</u></b>                             |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

|  | Firemen's<br>Pension Merger<br>Fund | 2007<br>Debt Service<br>Fund | 2003<br>Debt Service<br>Fund | Total<br>Nonmajor<br>Debt Service<br>Funds |
|--|-------------------------------------|------------------------------|------------------------------|--|
| <b><u>Revenues</u></b>                         |                                     |                              |                              |  |
| Taxes  | \$ 171,600                          | \$ 348,000                   | \$ -                         | \$ 519,600                                 |
| Sales of Assets                                | -                                   | -                            | -                            | -  |
| Total Revenues                                 | <u>171,600</u>                      | <u>348,000</u>               | <u>-</u>                     | <u>519,600</u>                             |
| <b><u>Expenditures</u></b>                     |                                     |                              |                              |  |
| Principal Retirement                           | 122,163                             | 155,000                      | 1,220,020                    | 1,497,183                                  |
| Other Debt Service Costs                       | -                                   | 651                          | -                            | 651  |
| Interest                                       | 49,177                              | 175,438                      | 254,784                      | 479,399                                    |
| Total Expenditures                             | <u>171,340</u>                      | <u>331,089</u>               | <u>1,474,804</u>             | <u>1,977,233</u>                           |
| <b><u>Excess ((Deficiency) of Revenues</u></b> |                                     |                              |                              |  |
| <b><u>Over Expenditures</u></b>                | 260                                 | 16,911                       | (1,474,804)                  | (1,457,633)                                |
| <b><u>Other Financing Sources</u></b>          |                                     |                              |                              |  |
| Operating Transfers - In                       | -                                   | -                            | 1,330,000                    | 1,330,000                                  |
| <b><u>Net Change in Fund Balance</u></b>       | 260                                 | 16,911                       | (144,804)                    | (127,633)                                  |
| <b><u>Fund Balance - Beginning</u></b>         | <u>(16,141)</u>                     | <u>132,466</u>               | <u>(394,448)</u>             | <u>(278,123)</u>                           |
| <b><u>FUND BALANCE - ENDING</u></b>            | <u>\$ (15,881)</u>                  | <u>\$ 149,377</u>            | <u>\$ (539,252)</u>          | <u>\$ (405,756)</u>                        |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|  | <u>I-20 Ramp<br/>Project</u> | <u>CDBG -<br/>Street<br/>Paving<br/>Project</u> | <u>Detention<br/>Basin Grant<br/>Project</u> |
|--|------------------------------|---|--|
| <b><u>ASSETS</u></b>   |                              |   |  |
| Cash in Bank   | \$ -                         | \$ 6,278  | \$ -   |
| Due From Other Governments                                       | -                            | -   | -  |
| Due From Other Funds   | -                            | -   | -  |
| <b><u>TOTAL ASSETS</u></b>                                       | <b><u>\$ -</u></b>           | <b><u>\$ 6,278</u></b>                          | <b><u>\$ -</u></b>                           |
| <b><u>LIABILITIES</u></b>  |                              |   |  |
| Accounts Payable   | \$ -                         | \$ -  | \$ -   |
| Due To Other Funds   | -                            | -   | 358,609                                      |
| <b>Total Liabilities</b>   | <b>-</b>                     | <b>-</b>  | <b>358,609</b>                               |
| <b><u>FUND BALANCES (DEFICITS)</u></b>                           |                              |   |  |
| Unreserved:  |                              |   |  |
| Designated for Future<br>Expenditures                            | -                            | 6,278   | (358,609)                                    |
| <b><u>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICITS)</u></b> | <b><u>\$ -</u></b>           | <b><u>\$ 6,278</u></b>                          | <b><u>\$ -</u></b>                           |

| <u>CDBG -<br/>Send<br/>Technologies<br/>Project</u> | <u>CDBG -<br/>2008 LCDBG<br/>Sewer<br/>Project</u> | <u>Total<br/>Nonmajor<br/>Capital Project<br/>Funds</u> |
|---|--|---|
| \$ 7  | \$ 4   | \$ 6,289  |
| -   | -  | -   |
| -   | -  | -   |
| <u>\$ 7</u>   | <u>\$ 4</u>  | <u>\$ 6,289</u>   |
| <br>  |  |   |
| \$ -  | \$ -   | \$ -  |
| -   | -  | 358,609   |
| -   | -  | <u>358,609</u>  |
| <br>  |  |   |
| <u>7</u>  | <u>4</u>   | <u>(352,320)</u>  |
| <br>  |  |   |
| <u>\$ 7</u>   | <u>\$ 4</u>  | <u>\$ 6,289</u>   |

CITY OF WEST MONROE, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2011

|   | I-20 Ramp<br>Project | CDBG -<br>Street<br>Paving<br>Project | Detention<br>Basin Grant<br>Project |
|---|----------------------|---------------------------------------|-------------------------------------|
| <b><u>Revenues</u></b>                          |                      |                                       |                                     |
| Intergovernmental                               | \$ -                 | \$ -                                  | \$ -                                |
| Sale of Assets                                  | -                    | -                                     | -                                   |
| <b>Total Revenues</b>                           | <b>-</b>             | <b>-</b>                              | <b>-</b>                            |
| <b><u>Expenditures</u></b>                      |                      |                                       |                                     |
| Capital Projects                                | -                    | -                                     | 8,710                               |
| <b><u>Excess (Deficiency) of</u></b>            |                      |                                       |                                     |
| <b>Revenues Over Expenditures</b>               | <b>-</b>             | <b>-</b>                              | <b>(8,710)</b>                      |
| <b><u>Other Financing Sources (Uses)</u></b>    |                      |                                       |                                     |
| Operating Transfers - In                        | -                    | -                                     | -                                   |
| Operating Transfers - Out                       | -                    | -                                     | -                                   |
| <b>Total Other Financing Sources<br/>(Uses)</b> | <b>-</b>             | <b>-</b>                              | <b>-</b>                            |
| <b><u>Net Change in Fund Balance</u></b>        | <b>-</b>             | <b>-</b>                              | <b>(8,710)</b>                      |
| <b><u>Fund Balances - Beginning</u></b>         | <b>-</b>             | <b>6,278</b>                          | <b>(349,899)</b>                    |
| <b><u>FUND BALANCES - ENDING</u></b>            | <b>\$ -</b>          | <b>\$ 6,278</b>                       | <b>\$ (358,609)</b>                 |



| CDBG -<br>Send<br>Technologies<br>Project | CDBG -<br>2008 LCDBG<br>Sewer<br>Project | Total<br>Nonmajor<br>Capital Project<br>Funds |
|---|--|---|
| \$ -                                      | \$ -                                     | \$ -  |
| -   | -  | -   |
| -   | -  | -   |
| -   | -  | 8,710   |
| -   | -  | (8,710)                                       |
| -   | -  | -   |
| -   | -  | -   |
| -   | -  | (8,710)                                       |
| 7   | 4  | (343,610)                                     |
| <u>\$ 7</u>                               | <u>\$ 4</u>                              | <u>\$ (352,320)</u>                           |

OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA  
ALL FUNDS  
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM  
PROPERTY TAX LEVY FOR 2010

|  |  |                     |
|--|--|---------------------|
| <u>Original Assessed Valuation</u>           |  | \$ 137,169,256      |
| <u>Tax Rate Per Thousand Dollars (Mills)</u> |  | 8.62                |
| <u>Gross Tax Levy</u>                        |  | \$ 1,182,399        |
| Less: Adjustments                            |  | <u>(10,663)</u>     |
| <u>Adjusted Gross Tax Levy</u>               |  | <u>\$ 1,171,736</u> |
|  |  |                     |
| <u>Tax Collected</u>                         |  |                     |
| 2010 Assessments                             |  | <u>\$ 1,171,736</u> |

| <u>Allocation of Tax Collected</u> | <u>2010 Tax<br/>Rate Mills</u> |                     |
|------------------------------------|--------------------------------|---------------------|
| General Fund                       | 6.97                           | \$ 947,006          |
| Street Maintenance                 | <u>1.65</u>                    | <u>224,730</u>      |
| Total                              | <u>8.62</u>                    | <u>\$ 1,171,736</u> |

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER  
FOR THE YEAR ENDED JUNE 30, 2011

|   | <u>Events</u>     | <u>Concession</u> | <u>Catering</u>    | <u>Total</u>        |
|---|-------------------|-------------------|--------------------|---------------------|
| <u>Revenues</u>                                 | \$ 5,070          | \$ 3,863          | \$ 742,753         | \$ 751,686          |
| <u>Cost of Operations</u>                       |                   |                   |                    |                     |
| Operating Expenditures                          | 3,699             | -                 | 366,170            | 369,869             |
| Personnel                                       | 4,344             | -                 | 430,041            | 434,385             |
| Total   | <u>8,043</u>      | <u>-</u>          | <u>796,211</u>     | <u>804,254</u>      |
| <u>Gross Profit</u>                             | <u>\$ (2,973)</u> | <u>\$ 3,863</u>   | <u>\$ (53,458)</u> | <u>(52,568)</u>     |
| <u>Administrative Expenditures</u>              |                   |                   |                    |                     |
| Director's Salary                               |                   |                   |                    | 56,637              |
| Operations Salaries                             |                   |                   |                    | 53,242              |
| Employee Benefits                               |                   |                   |                    | 35,192              |
| Vehicle Maintenance                             |                   |                   |                    | 1,646               |
| Materials, Repairs & Supplies                   |                   |                   |                    | 4,345               |
| Operating Supplies                              |                   |                   |                    | 39,926              |
| Travel, Car & Meetings                          |                   |                   |                    | 1,843               |
| Cell Phones and Pagers                          |                   |                   |                    | 1,080               |
| Fuel  |                   |                   |                    | 11,026              |
| Advertising                                     |                   |                   |                    | 763                 |
| Office Supplies                                 |                   |                   |                    | 4,371               |
| Utilities                                       |                   |                   |                    | 11,037              |
| Total Administrative Expenditures               |                   |                   |                    | <u>221,108</u>      |
| <u>Deficiency of Revenues Over Expenditures</u> |                   |                   |                    | <u>\$ (273,676)</u> |

| <u>Budget</u>       | <u>Variance -<br/>Favorable<br/>(Unfavorable)</u> |
|---------------------|---|
| \$ 56,095           | \$ (108,663)                                      |
| 54,255              | (2,382)   |
| 51,500              | (1,742)   |
| 34,540              | (652)   |
| 1,300               | (346)   |
| 5,200               | 855   |
| 37,000              | (2,926)   |
| 1,700               | (143)   |
| 1,080               | -   |
| 12,000              | 974   |
| 850                 | 87  |
| 5,500               | 1,129   |
| <u>13,125</u>       | <u>2,088</u>                                      |
| <u>218,050</u>      | <u>(3,058)</u>                                    |
| <u>\$ (161,955)</u> | <u>\$ (111,721)</u>                               |

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER  
FOR THE YEAR ENDED JUNE 30, 2011

|   | <u>Equine<br/>Events</u> | <u>Concession</u> | <u>Stall Rentals &amp;<br/>Shavings</u> | <u>Total</u>        |
|---|--------------------------|-------------------|---|---------------------|
| <u>Revenues</u>                                 | \$ 175,415               | \$ 18,465         | \$ 267,739                              | \$ 461,619          |
| <u>Cost of Operations</u>                       |                          |                   |   |                     |
| Operating Expenditures                          | 68,731                   | 7,235             | 104,906                                 | 180,872             |
| Personnel                                       | <u>56,505</u>            | <u>5,948</u>      | <u>86,244</u>                           | <u>148,697</u>      |
| Total   | <u>125,236</u>           | <u>13,183</u>     | <u>191,150</u>                          | <u>329,569</u>      |
| <u>Gross Profit</u>                             | <u>\$ 50,179</u>         | <u>\$ 5,282</u>   | <u>\$ 76,589</u>                        | 132,050             |
| <u>Administrative Expenditures</u>              |                          |                   |   |                     |
| Director's Salary                               |                          |                   |   | 81,740              |
| Operations Salaries                             |                          |                   |   | 133,064             |
| Employee Benefits                               |                          |                   |   | 62,072              |
| Vehicle Maintenance                             |                          |                   |   | 5,020               |
| Materials, Repairs & Supplies                   |                          |                   |   | 37,195              |
| Gas and Oil                                     |                          |                   |   | 2,195               |
| Office  |                          |                   |   | 40                  |
| Cell Phones and Pagers                          |                          |                   |   | 1,440               |
| Other Miscellaneous Purchases                   |                          |                   |   | 1,200               |
| Utilities                                       |                          |                   |   | <u>322,641</u>      |
| Total Administrative Expenditures               |                          |                   |   | <u>646,607</u>      |
| <u>Deficiency of Revenues Over Expenditures</u> |                          |                   |   | <u>\$ (514,557)</u> |

| <u>Budget</u>       | <u>Variance -<br/>Favorable<br/>(Unfavorable)</u> |
|---------------------|---|
| \$ 103,240          | \$ 28,810   |
| 78,785              | (2,955)   |
| 125,200             | (7,864)   |
| 59,761              | (2,311)   |
| 5,200               | 180   |
| 34,200              | (2,995)   |
| 3,500               | 1,305   |
| 1,000               | 960   |
| 1,440               | -   |
| 1,500               | 300   |
| <u>311,500</u>      | <u>(11,141)</u>                                   |
| <u>622,086</u>      | <u>(24,521)</u>                                   |
| <u>\$ (518,846)</u> | <u>\$ 4,289</u>                                   |

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2011

|               |    |        |
|---------------|----|--------|
| James Bennett | \$ | 10,800 |
| James Brian   |    | 10,800 |
| Alice Pearson |    | 10,800 |
| Fred Ragland  |    | 10,800 |
| Sam Yeager    |    | 10,800 |
|               |    | <hr/>  |
|               | \$ | 54,000 |
|               |    | <hr/>  |



REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS  
AND CIRCULAR A-133

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Monroe, Louisiana (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic primary government financial statements and have issued our report thereon dated November 16, 2011. The report on the City's legally separate component units was qualified due to its omission from the City's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 11-1 through 11-5. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 11-6.

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

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

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
November 16, 2011

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana

## **Compliance**

We have audited the compliance of the City of West Monroe, Louisiana (the City), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

## **Internal Control Over Compliance**

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

Honorable Mayor and Board of Aldermen of  
West Monroe, Louisiana  
Page 2

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

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

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

*Cameron, Hines & Hunt (APAC)*

West Monroe, Louisiana  
November 16, 2011

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic primary government financial statements of the City of West Monroe, Louisiana.
2. Six significant deficiencies disclosed during the audit of the financial statements are reported in the Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards* and the Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133. None of the significant deficiencies are deemed to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs are reported in the Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.871, the Environmental Protection Agency, CFDA No. 66.458 and the Department of Transportation, CFDA No. 20.205.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The City of West Monroe, Louisiana does not qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011 (continued)

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings relating to this category.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**11-1 Late Filing of Payroll Tax Reports**

Condition:

During the audit of the City of West Monroe's payroll, we noted that the first and second quarter 941 payroll tax forms were not filled out and filed until August 2011.

Criteria:

Federal law requires quarterly 941's to be filed by the end of the next month following end of the quarter.

Effect:

By not filling out and filing payroll tax forms timely could result in penalties and interest being charged to the City by the taxing authorities.

Recommendation:

The City should fill out and file all payroll tax reports by the due date.

Response:

The City's payroll department will be more diligent in its efforts for filing all payroll tax reports timely.

**11-2 Payroll Forms Filled Out Incorrectly**

Condition:

During the audit of the City of West Monroe's payroll, we also noted that the 941 payroll tax forms were filled out incorrectly by including the pretax amounts in total wages, such as pension contributions and health insurance payments. The amount withheld and reported from employees was correct, but the amount paid in for the employer portion for social security and medicare tax was underreported by a small amount.

Criteria:

The 941 total wages should be reported net of amounts withheld for pension and health insurance contributions.

Effect:

By not filling out the payroll tax forms correctly, this could result in incorrect filings and payments reported to the taxing authorities.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011 (continued)

**FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**11-2 Payroll Forms Filled Out Incorrectly (continued)**

Recommendation:

The City's payroll department should amend the 2010 and 2011 quarterly 941 payroll tax forms.

Response:

The City's payroll department has amended the 941 payroll tax forms for all four quarters of 2010 and the first two quarters of 2011. The payroll department has adjusted the information form which the 941 payroll tax form information is taken from in order to fill out the forms correctly going forward.

**11-3 Lack of Inventory Control Over Food at Convention Center**

Condition:

During the audit of the City's convention center operations, it was noted through observations and interviews with the director that no inventory is maintained on food that is stored on site for upcoming events. Substantial amounts of food items are kept in freezers and refrigerators at the convention center but no records are kept to determine what is there, the cost of these items or when they were received.

Criteria:

The City's convention center management should have an inventory system in place so that at any time they know what is in storage and can better track the food costs that are associated with the events that are booked.

Effect:

By not having a system in place to track inventory, management at the convention center can't know what is in storage or the cost of these items.

Recommendation:

Management at the convention center should implement a system of inventory control over the food that is ordered and maintained at the convention center to safeguard controls and to track of costs of food per event.

Response:

The City is implementing a food inventory and purchasing system at the Convention Center at the time of the audit.



CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011 (continued)

**11-4 Theft of Deposits at Kiroli Park**

Condition:

The City determined that two employees at the City's Kiroli Park were cashing checks that were written for lodge rental and other deposits, and issuing fake receipts for these deposits. This had been ongoing for period of time longer than the fiscal year ending June 30, 2011.

Criteria:

The City's police department determined deposits in excess of \$59,000 were taken by cashing checks issued by customers for deposits to rent the lodge or other picnic areas around the park. The thefts were discovered after a customer asked for his deposit back and the two employees could not pay it with funds maintained at the park.

Recommendation:

The City should more closely monitor the safekeeping of the deposits and keep them in a location, such as City Hall, where it would not be easy for non approved persons to access them.

Response:

We have instituted additional controls in order to lessen the likelihood of this happening in the future.

- New cash registers have been ordered and will be installed at Kiroli and at other locations within the City that receive small amounts of money from the public, such as event concessions and the front desk at the Recreation Center.
- The ability to issue receipts from the City's accounting software is being made available at the same locations for accepting larger payments for rent of facilities, etc.
- At Kiroli Park, all payments for rental of facilities will be made at City Hall. The rental contract will be completed at Kiroli Park and then the customer will bring the signed contract to City Hall to pay.
- The customer will be issued a receipt from City Hall and will take the receipt back to the park when ready for their event.
- A signed and dated placard will be completed and displayed on the facility being rented on the day of and for the duration of the event.

Along with the controls already in place, these additional controls should limit the possibility of this happening in the future.

**11-5 Cash Controls at Locations Outside of City Hall**

Condition:

During the audit, it was noted that cash is received from customers in locations other than City Hall such as the recreation center, convention center, Kiroli Park and the Ike Hamilton Horse Pavilion. Although it is not feasible for all funds to be collected at City Hall, a good system of controls should be in place at these remote locations to ensure that all funds collected are deposited in the city's bank accounts.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011 (continued)

**11-5 Cash Controls at Locations Outside of City Hall (continued)**

Criteria:

Controls over cash collected should be in place to ensure that all cash collected is deposited.

Effect:

Because of the small amounts of fees collected at the park, recreation center and concessions at the convention center and the horse pavilion, it allows for errors or misappropriation of this cash.

Recommendation:

The City's management should review its controls that are in place for cash collections at its sites outside of city hall.

Response:

We have instituted additional controls over cash transactions at remote site.

- New cash registers have been ordered and will be installed at Kiroli and at other remote sites around the city that take cash from customers.
- The ability to issue receipts from the City's accounting software is being made available at the same locations accepting larger payments for rent of facilities or other payments.

**11-6 Incomplete Budgets**

Condition:

During the 2010 Louisiana Legislative regular session, requirements were added to the state budget law effective January 1, 2011, that required a budget message and a side-by-side detailed comparison of information for the current year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; and the percentage change for each item of information. These items were not in the 2011-2012 proposed budget as required.

Effect:

By not having these items in the proposed budget, the City is in violation of LA R.S. 39:1305 of the state budget law.

Recommendation:

We recommend that when the City adopts its next year's budget that these items also be included with the budget report.

Response:

The City will include these items in the 2011-2012 amended budgets and in next year's adopted budgets.

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

| Federal Grants/Pass Through<br>Grantor/Program Title | CFDA<br>Number | Agency or Pass -<br>Through Number | Expenditures       |
|--|----------------|------------------------------------|--------------------|
| <b>Department of Housing &amp; Urban Development</b> |                |                                    |                    |
| Public and Indian Housing                            |                |                                    |                    |
| HAP - Vouchers                                       | 14.871         | LA186VO                            | * \$ 1,490,861     |
| <b>Department of Homeland Security</b>               |                |                                    |                    |
| EF&S National Board Program                          | 97.024         | 36600-002                          | 5,353              |
| Homeland Security Grant                              | 97.067         | 2008-GE-T8-0013                    | 9,332              |
| Hazard Mitigation (Baffles)                          | 97.039         | None                               | 294,572            |
| Assistance to Firefighters                           | 97.044         | EMW-2010-F0-02003                  | 45,308             |
| <b>Environmental Protection Agency</b>               |                |                                    |                    |
| Office of Water                                      |                |                                    |                    |
| ARRA - Capital Grant for CWSRF                       | 66.458         | W04-2-001                          | 997,510            |
| ARRA - Capital Grant for CWSRF                       | 66.458         | W05-2-001                          | 940,317            |
|  |                |                                    | * <u>1,937,827</u> |
| <b>Department of Justice</b>                         |                |                                    |                    |
| ARRA - Edward Byrne Justice Asst Grant               | 16.803         | B-82-8-064                         | 78,304             |
| ARRA - Edward Byrne Justice Asst Grant               | 16.804         | 20095B-B9-294                      | 46,228             |
| <b>Bureau of Justice Assistance</b>                  |                |                                    |                    |
| Bullet Proof Vest Grant                              | 16.607         | None                               | 5,261              |
| <b>Edward Byrne Mem Justice Assistance Grant</b>     |                |                                    |                    |
| Multi-Jurisdictional Task Force                      | 16.738         | B10-2-009                          | 127,113            |
| Safestreeets Violent Crime Initiative                | 16.738         | 166E-NO-64194                      | 17,628             |
|  |                |                                    | <u>144,741</u>     |
| Project Safe Neighborhoods                           | 16.609         | F09-8-006                          | 7,334              |
| <b>Department of Transportation</b>                  |                |                                    |                    |
| <b>Federal Transit Administration</b>                |                |                                    |                    |
| Section 5311 - Operating Assistance - Computers      | 20.509         | LA-86-X001                         | 6,600              |
| Section 5311 - Operating Assistance - Generators     | 20.509         | LA-86-X001                         | 46,331             |
| Section 5311 - Operating Assistance - Vans           | 20.509         | LA-86-X001                         | 146,748            |
|  |                |                                    | <u>199,679</u>     |
| <b>Federal Highway Administration</b>                |                |                                    |                    |
| ARRA - Highway Planning and Construction             | 20.205         | 742-37-0020                        | * 1,888,868        |
| <b>Highway Safety Commission</b>                     |                |                                    |                    |
| PD Year Long Overtime                                | 20.600         | PT2010510000                       | 135,726            |

CITY OF WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

| <u>Federal Grants/Pass Through<br/>Grantor/Program Title</u>                        | <u>CFDA<br/>Number</u> | <u>Agency or Pass -<br/>Through Number</u> | <u>Expenditures</u> |
|---|------------------------|--|---------------------|
| <b>Corporation for National and<br/>Community Service</b>                           |                        |  |                     |
| AmeriCorps  | 94.006                 | 06AFHLA0010020                             | 27,035              |
| AmeriCorps  | 94.006                 | 06AFHLA001                                 | <u>173,410</u>      |
|   |                        |  | 200,445             |
| <b>Office of Educational Research &amp; Improvement<br/>Department of Education</b> |                        |  |                     |
| Twenty-First Century Community  |                        |  |                     |
| Learning Centers - Riverbend Elementary   | 84.287                 | 28083CP4-31                                | 54,787              |
| <b>Executive Office of the President</b>  |                        |  |                     |
| HIDTA Overtime Reimbursement  | 95.001                 | G10GC0001A                                 | <u>34,989</u>       |
|   |                        |  | <u>\$ 6,579,615</u> |

\*Denotes Major Federal Assistance Program.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF WEST MONROE, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of West Monroe, Louisiana. The City of West Monroe, Louisiana reporting entity is defined in Note 1 to the City's primary government financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the City's primary government financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011

**Internal Control and Compliance Material to Federal Awards**

There were no findings relating to this category.

**Internal Control and Compliance Material to the Financial Statements**

10-1 Delinquent Utility Customer Accounts

Condition:

Although during the audit we noted significant improvement in cutting off delinquent accounts from prior year, during our testwork of delinquent utility customers, we noted that in many instances customers were allowed to remain on the water and sewer system longer than the established minimum for cutoff for non-payment. In some cases, the customers leave the City owing the payment and the City never collects it which causes the penalties to grow exponentially.

Recommendation:

The City should enforce more rigidly its water and sewer cutoff procedures for customers that don't make timely payments or any payments at all.

Current Status:

The City instituted a zero tolerance policy on all delinquent accounts.

10-2 Utility Fund Accounts Receivable

Condition:

As noted in prior year, during the audit of the utility fund, the accounts receivable had numerous accounts that were old and no longer collectible because the customer had moved and not notified the City. This resulted in substantial penalties accruing on these accounts causing an overstatement of accounts receivable.

Recommendation:

The City should determine which accounts are not collectible and write them off the subsidiary ledger and adjust the receivable accordingly.

Current Status:

The City has written off all old and uncollectible amounts and has adjusted the general ledger accordingly.

10-3 Missing Daily Bank Deposit

Condition:

The City determined a money deposit containing \$32,945 was missing. The offices located inside city hall were under reconstruction and were in total disarray. There were also numerous contractors, laborers and inmates walking in and out of the offices. The employee that prepared the deposit and the employee that takes the actual deposit to the bank were both interviewed by police detectives. The bank showed no record of the deposit ever being made. Due to no video security of city hall and no other leads, the case was determined inactive by the detectives.

CITY OF WEST MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011 (continued)

10-3 Missing Daily Bank Deposit (continued)

Recommendation:

The City should more closely monitor the safekeeping of the deposits and keep them in a location where it would not be easy for non approved persons to access them.

Current Status:

We have instituted additional controls in order to not have this type of activity happen in the future.

10-4 Grant Administrator

Condition:

Currently, the City of West Monroe receives numerous federal and state grants and other funding. At the present time, several departments and individuals oversee their particular grants. When the funds are electronically transferred to the City, some are difficult to determine which grant they belong to and are being recorded in the general ledger in the wrong account

Recommendation:

The City's management should consider creating a position of grant administrator to oversee all federal and state grants the City receives. Also, each department should be required to notify the grant administrator if a new grant is applied for or received.

Current Status:

The City feels that it is not cost beneficial to hire another employee or give this responsibility to an existing employee because of the work involved.

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and  
Board of Aldermen  
City of West Monroe, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below which were agreed to by the Mayor & Aldermen of the City of West Monroe, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the Mayor & Aldermen's assertions about City of West Monroe, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. The Mayor & Aldermen of the City of West Monroe, Louisiana are responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Financial Management*

1. Determine if management (Mayor and Aldermen) were presented with timely and accurate monthly financial statements, including budget-to-actual comparisons on funds of the entity, during the year under examination.

Management was presented with timely and accurate monthly financial statements, including budget-to-actual comparisons on funds of the entity, during the year under examination.

2. If management was deficit spending during the period under examination, determine if there is a formal/written plan to eliminate the deficit spending and whether management is monitoring the plan.

There was no deficit spending during the period under examination.

3. Determine if there are written policies and procedures for the following financial/business functions of the entity:

- a. Budgeting, including preparing, adopting, monitoring, and amending the budget.

There are written policies and procedures for budgeting, including preparing, adopting, monitoring, and amending the budget.

- b. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) checks and balances to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

There are written policies and procedures for purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) checks and balances to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

- c. Disbursements, including processing, reviewing, and approving.

There are written policies and procedures for disbursements, including processing, reviewing, and approving.

- d. Receipts, including receiving, recording, and preparing deposits.

There are written policies and procedures for receipts, including receiving, recording, and preparing deposits.

#### *Credit Cards*

1. Obtain from management a listing of all active credit cards for the period under examination, including the card numbers and the names of the persons who maintained possession of the cards.

We obtained from management a listing of all active credit cards for the period under examination, including the card numbers and the names of the persons who maintained possession of the cards.

2. Obtain and review the entity's written policies and procedures for credit cards and determine if the following is addressed:

- How cards are to be controlled
- Allowable business uses
- Documentation requirements
- Required approvers
- Monitoring card usage

We obtained the City of West Monroe, Louisiana's written policy and procedures for credit cards and determined that it does address how cards are to be controlled, allowable business uses, documentation requirements, required approvers, and monitoring card usage.

3. Obtain the monthly statements for all credit cards used during the period under examination and select for detailed review, the two largest (dollar amount) statements for each card.

We obtained the monthly statements for all credit cards used during the period under examination and selected for detailed review, the two largest (dollar amount) statements for each card.

- A. Obtain the entity's supporting documentation for the purchases/charges shown on the selected monthly statements:

We obtained the entity's supporting documentation for the purchases/charges shown on the selected monthly statements.

- Determine if each purchase is supported by:
  - An original itemized receipt
  - Documentation of the business/public purposes
  - Other documentation as may be required by policy

We determined that each purchase was supported by: an original itemized receipt with 11 exceptions totaling \$512.15, the documentation of the business/public purposes with 1 exception totaling \$69.00, and other documentation as may be required by policy.

- Determine if each purchase is:
  - In accordance with thresholds or guidelines established in the policies and procedures
  - For an appropriate and necessary business purpose relative to the entity

We determined that each purchase was: in accordance with thresholds or guidelines established in the policies and procedures, and was for an appropriate and necessary business purpose relative to the entity.

- Determine if any purchases were made for personal purposes. If there are purchases made for personal purposes, determine the date(s) of reimbursement

We determined there was 1 purchase made for personal purposes totaling \$1,743.62, and was reimbursed August 31, 2010.

- Determine if any purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law

We determined that no purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law.

- B. Determine if there was any duplication of expenses by comparing all travel and related purchases to the appropriate person's expense reimbursement report(s).

We determined that there was no duplication of expenses by comparing all travel and related purchases to the appropriate person's expense reimbursement report(s).

- C. Determine if each monthly credit card statement (including supporting documentation) was reviewed and approved, in writing, by someone other than the person making the purchases.

We determined that each monthly credit card statement (including supporting documentation) was reviewed and approved, in writing, by someone other than the person making the purchases.

- D. Determine if finance charges and/or late fees were assessed on the monthly statements.

We determined that no finance charges and/or late fees were assessed on the monthly statements.

#### *Travel and Expense Reimbursement*

1. Obtain and review the entity's written policies and procedures for travel and expense reimbursement and determine if the following is addressed:

- a. Allowable expenses
- b. Dollar thresholds by category of expense
- c. Documentation requirements
- d. Required approvers

We obtained and reviewed the entity's written policies and procedures for travel and expense reimbursement and determined that it addresses all of the previously listed criteria explicitly.

2. Obtain a listing of all travel and related expense reimbursements during the period under examination and select for review, the one person who was reimbursed the most money:

We obtained a listing of all travel and related expense reimbursements during the period under examination and selected for review, the one person who was reimbursed the most money.

- A. Obtain all of the expense reimbursement reports of the selected person, including the supporting documentation, and select the three largest (dollar) expense reports to review in detail:

We obtained all of the expense reimbursement reports of the selected person, including the supporting documentation, and selected the three largest (dollar) expense reports to review in detail.

- Determine if each expenditure is:
  - Reimbursed in accordance with written policy
  - In accordance with thresholds or guidelines established in the policies and procedures
  - For an appropriate and necessary business purpose relative to the travel

We determined that each expenditure is: reimbursed in accordance with written policy, in accordance with thresholds or guidelines established in the policies and procedures, and for an appropriate and necessary business purpose relative to the travel.

- Determine if each expenditure is supported by:
  - An original itemized receipt
  - Documentation of the business/public purpose
  - Other documentation as may be required by policy

We determined that each expenditure is supported by: an original itemized receipt, documentation of the business/public purpose, and other documentation as may be required by policy.

- Determine if any of the expenditures were for personal purposes

We determined that none of the expenditures were for personal purposes.

- Determine if each expense report (including documentation) was reviewed and approved, in writing, by someone other than the person receiving reimbursement

We determined that each expense report (including documentation) was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- B. Determine if there was any duplication of expenses by comparing the expense reports to charges/purchases made on credit card(s).

We determined that there was no duplication of expenses by comparing the expense reports to charges/purchases made on credit card(s).

### *Contracts*

1. Obtain and review the entity's written policies and procedures for contracts/contracting, including leasing, and determine if the following is addressed:

- Types of services requiring written contracts
- Standard terms and definitions
- Legal review
- Approval process
- Monitoring process

We obtained and reviewed the entity's written policies and procedures for contracts/contracting, including leasing, and determined that the following is addressed: types of services requiring written contracts, standard terms and definitions, legal review, approval process, and monitoring process.

2. Determine if the entity has centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts

We determined that the entity has centralized control and oversight of contracts and ensured that services/deliverables received and payments made comply with the terms and conditions of the contracts.

3. Obtain and review the accounting records for the period under examination to identify individuals/businesses being paid for contracted services. Select the five "vendors" that were paid the most money during the period and for each
  - Determine if there is a formal/written contract that supports the services arrangement and the total amount paid
  - Determine the business legitimacy of the vendor if not known by the auditor

We obtained and reviewed accounting records for the period under examination to identify individuals/businesses being paid for contracted services. We selected the five "vendors" that were paid the most money during the period and for each, determined that there is a formal/written contract that supports the services arrangement and the total amount paid, and determined the business legitimacy of the vendor.

4. Obtain a listing of all active contracts and the expenditures made during the period under examination. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period
  1. Services
  2. Materials and supplies
  3. Public Works

We obtained a listing of all active contracts and the expenditures made during the period under examination. We selected for detailed review, the largest (dollar amount) contract in each of the previously listed categories that was entered into during the period

A. Obtain the selected contracts and the related paid invoices and:

- Determine if the contract is a related party transaction

We determined none of the selected contracts were related party transactions

- Determine if the transaction is subject to the Louisiana Public Bid Law:
  - If yes, determine if the entity complied with all requirements
  - If no, determine if the entity provided an open and competitive atmosphere for the transaction/work

We determined the transactions subject to Louisiana Public Bid Law complied with all requirements without exception.

- Determine if the contract was awarded under the *request for proposals* method. If done so, obtain all proposals and the evaluation/scoring documents to determine if the contract was awarded to the most responsible offeror whose proposal was the most advantageous taking into consideration price and other evaluation factors set forth in the request for proposals.

We determined none of the selected contracts were awarded under the *request for proposals* method.

- Determine if the procurement was made "off" state contract (as opposed to following the competitive bidding requirements of the Louisiana Public Bid Law). If done so, determine if the board formally adopted the use of the Louisiana Procurement Code (R.S. 39:1551-1755), the set of laws that govern most state agencies' purchases of certain services, materials and supplies, and major repairs.

We determined none of the selected procurements was made "off" state contract.

- Determine if the procurement related to homeland security and was made from federal General Services Administration (GSA) supply schedules. If done so, determine if the entity (1) utilized a Louisiana licensed distributor; (2) used the competitive ordering procedures of the federal GSA; and (3) received prior approval from the director of the State Office of Homeland Security and Emergency Preparedness, or his designee

We determined none of the selected procurements was related to homeland security and made from federal General Services Administration (GSA) supply schedules.

- Determine if the entity "piggybacked" onto another agency's contract. If done so, determine there is documentation on file that clearly demonstrates the contract was previously bid, viable contract and the price paid by the entity was the same as that contract's bid price

We determined the entity did not "piggyback" onto another agency's contract.

- Determine if the contract was amended. If done so, determine whether the original contract contemplated or provided for such an amendment. Furthermore, determine if the amendment is outside the scope of the original contract, and if so, whether it should have been separately bid and contracted.

We determined that none of the selected contracts were amended.

- Determine if the invoices received and payments made during the period complied with the terms and conditions of the contract.

We determined that invoices received and payments made during the period complied with the terms and conditions of the selected contracts.

- Determine if there is written evidence that the entity's legal advisor reviewed the contract and advised entering into the contract.

We determined there is written evidence that the entity's legal advisor reviewed the selected contracts and advised entering into the selected contracts.

- Determine if there is documentation of board approval, if required

We determined there is documentation of board approval of selected contracts.

#### *Payroll and Personnel*

1. Obtain and review the entity's written policies and procedures for payroll and personnel and determine if they address the processing of payroll, including reviewing and approving time and attendance records, including leave and overtime worked.

We obtained and reviewed the entity's written policies and procedures for payroll and personnel and determined that they address the processing of payroll, including reviewing and approving time and attendance records, including leave and overtime worked.

2. Obtain a listing of employment contracts/agreements in force during the period under examination. Select the largest (dollar amount) employment contract and determine if all payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract.

We obtained a listing of employment contracts/agreements in force during the period under examination. We selected the largest (dollar amount) employment contract and determined that all payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract.

3. Select the attendance and leave records for one pay period and:

- Determine if all employees are documenting their daily attendance and leaving (e.g., vacation, sick, etc.).
- Determine if supervisors are approving, in writing, the attendance and leave of all employees.
- Determine if the entity is maintaining accurate written leave records (e.g., hours earned, hours used, and balance available) on all eligible employees.

We selected the attendance and leave records for one pay period and determined that all employees are documenting their daily attendance and leaving (e.g., vacation, sick, etc.), determined that supervisors are approving, in writing, the attendance and leave of all employees, and determined that the entity is maintaining accurate written leave records (e.g., hours earned, hours used, and balance available) on all eligible employees.



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4. Select the five highest paid employees and determine if changes made to their hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

We selected the five highest paid employees and determined that changes made to their hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

5. Select the five largest termination payments (e.g., vacation, sick, compensatory time, etc.) made during the period under examination. Determine if the payments were supported by documentation, made in strict accordance with policy and/or contract, and properly approved.

We selected the five largest termination payments (e.g., vacation, sick, compensatory time, etc.) made during the period under examination. We determined that the payments were supported by documentation, made in strict accordance with policy and/or contract, and properly approved.

6. Determine if any employees were also being paid as contract labor during the period of examination.

We determined there were no employees who were also being paid as contract labor during the period under examination.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City of West Monroe, Louisiana and the Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Cameron, Hines & Hartt (APAC)*

November 16, 2011  
West Monroe, Louisiana

Corrective Action Plan

*Credit Cards 3.A.:*

Condition:

It was determined that 11 items were not supported by an original itemized receipt totaling \$512.15 and 1 item had no documentation of the business/public purpose that totaled \$69.

Corrective Action Plan:

The City will continue to improve in this area by monitoring more closely all items that support all credit card transactions.

*Credit Cards 3.A.:*

Condition:

It was determined that there was 1 purchase made for personal purposes that totaled \$1,743.62 which was reimbursed on August 31, 2010.

Corrective Action Plan:

As with the previous condition, the City will continue to improve in this area by monitoring more closely all items that support all credit card transactions. The employee reimbursed the amount owed to the City immediately upon notification.

