

CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT

For the Year Ended June 30, 2016



CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of West Monroe, Louisiana (which is "the City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of proportionate share of net pension liability, and the schedule of contributions on pages 4 through 12 and 64 through 69, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the schedule of compensation, reimbursements, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Honorable Mayor and Board of Aldermen of the
City of West Monroe, Louisiana
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The combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016, on our consideration of the City'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* in considering the City's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 1, 2016

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

CITY OF WEST MONROE, LOUISIANA

Management's Discussion and Analysis Year Ended June 30, 2016

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, 2016. 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 \$17.30 million (net position). Of this amount, \$6.40 million is unrestricted.
- The City's total net position decreased by \$6,651,489 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 \$27.36 million.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$5.67 million, or 28% of the total general fund expenditures.
- The general fund reported a surplus of \$2,091,955 before transfers, and a surplus of \$801,795 after transfers.
- The City's bonded debt had a net decrease of \$1,518,996. Total bonded debt at 6/30/2016 was \$32,616,657.

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 Position 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 position and how they have changed. Net position-the difference between the City's assets and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is 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 Position 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.

Government-wide financial statements include not only the City of West Monroe itself (the primary government), but also a legally separate City Court and legally separate City Marshal for which the City of West Monroe is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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 position for the 2015-2016 fiscal year decreased by \$6,651,489. Table 1 shows the statement of net position for the year ending 2015 and the year ending 2016. The table also shows the net position for governmental activities, business type activities and combines them into the total primary government.

Statement of Net Position

The following table reflects the condensed statement of net position:

TABLE 1
NET POSITION OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

	(In Millions)					
	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2015	2016	2015	2016	2015	2016
ASSETS:						
Current and other assets	\$ 33.81	\$ 27.09	\$ 0.42	\$ 0.37	\$ 34.23	\$ 27.46
Capital Assets	41.79	42.25	23.68	22.43	65.47	64.68
Total Assets	\$ 75.60	\$ 69.34	\$ 24.10	\$ 22.80	\$ 99.70	\$ 82.14
LIABILITIES:						
Long-term debt outstanding	\$ 52.14	\$ 54.10	\$ 1.02	\$ 3.25	\$ 53.16	\$ 57.35
Other liabilities	2.63	3.18	0.35	0.36	2.98	3.54
Total Liabilities	\$ 54.77	\$ 57.28	\$ 1.37	\$ 3.61	\$ 56.14	\$ 60.89
DEFERRED INFLOWS OF RESOURCES:						
Deferred Inflows	\$ 3.48	\$ 1.52	\$ -	\$ 0.09	\$ 3.48	\$ 1.61
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Outflows	\$ 3.71	\$ 6.78	\$ -	\$ 0.74	\$ 3.71	\$ 7.50
NET POSITION:						
Invested in Capital Assets						
Net of debt	\$ 9.01	\$ 10.90	\$ 22.60	\$ 21.42	\$ 31.61	\$ 32.32
Restricted	-	-	.08	.08	.08	.08
Unrestricted	12.05	\$ 6.40	\$ 0.05	\$ (1.66)	\$ 12.10	\$ 4.74
Total Net Position	\$ 21.06	\$ 17.30	\$ 22.73	\$ 19.84	\$ 43.79	\$ 37.14

Net position (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 \$37.14 million at the close of the fiscal year. The largest portion of the City's net position (87%) 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.

Eighty thousand of the City's net position is subject to restrictions. The unrestricted net position \$4.74 million may be used to meet the City's ongoing obligations.

Governmental Activities

Net position of the City's governmental activities decreased from \$21.06 million to \$17.30 million.

Business-type Activities

Net position of the City's business-type activities decreased from \$22.73 million to \$19.84 million.

Statement of Activities

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

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	
	2015	2016	2015	2016	2015	2016
REVENUES:						
Program Revenues						
Charges for services	\$ 4.39	\$ 4.30	\$ 3.99	\$ 4.14	\$ 8.38	\$ 8.44
Operating grants and contributions	2.24	2.26			2.24	2.26
Capital grants and contributions	0.87	0.82			0.87	0.82
General Revenues						
Property Taxes	1.21	1.24			1.21	1.24
Other taxes	19.30	22.84			19.30	22.84
Intergovernmental	0.37	0.35			0.37	0.35
Franchise	0.85	0.81			0.85	0.81
Excess Bond Proceeds	1.53				1.53	
Sale of Assets	0.04	0.06			0.04	0.06
Interest earned	0.03	0.12			0.03	0.12
Capital contributions	-	-	1.90	0.38	1.90	0.38
Total Revenues	\$ 30.83	\$ 32.80	\$ 5.89	\$ 4.52	\$ 36.72	\$ 37.32

EXPENSES:

General government	\$ 7.40	\$ 9.06			\$ 7.40	\$ 9.06
Public safety	11.25	13.16			11.25	13.16
Public works	3.67	4.68			3.67	4.68
Culture and recreations	4.33	4.90			4.33	4.90
Urban Development	1.14	1.29			1.14	1.29
Health and welfare	2.70	3.14			2.70	3.14
Interest on long-term debt	0.35	1.20			0.35	1.20
Utilities	-	-	5.95	6.34	5.95	6.34
Total Expenses	\$ 31.04	\$ 37.43	\$ 5.95	\$ 6.34	\$ 36.99	\$ 43.77
Decrease in net position before transfers	\$ (0.21)	\$ (4.63)	\$ (0.06)	\$ (1.82)	\$ (0.27)	\$ (6.45)
Transfers	(0.68)	(0.78)	0.42	0.58	(0.28)	(0.20)
Increase/decrease in net position	\$ (0.89)	\$ (5.41)	\$ 0.36	\$ (1.24)	\$ (0.53)	\$ (6.65)

Governmental Activities

The City's total revenues from governmental activities increased from \$30.83 million (year end 2015) to \$32.80 million (year end 2016). West Monroe's largest source of general revenue (\$24.08 million) is taxes, composed of property tax, sales tax, insurance premium taxes, and beer tax.

Seventy-three percent of the City's revenue from governmental activities comes from these taxes. Charges for services (\$4.3 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year ended June 30, 2016 were \$37.43 million, an increase of \$6.39 million from year end 2015. These expenses cover a wide range of services with the largest being public safety \$13.16 million or 35%, and general government \$9.06 million or 24%.

Business-Type Activities

The total revenues from business-type activities were \$4.52 million for the fiscal year ended June 30, 2016. Charges for services increased by approximately \$147,000. Expenses for the City's business-type activities were \$6.34 million.

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 \$27.36 million.

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 \$5.67 million. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unassigned fund balance represents 28% 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 \$6.66 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. This amount increased by \$3.09 million from last year. The fund transferred out \$906,263 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 position of the Utilities Enterprise Fund at the end of the year were \$19.84 million. The fund had an operating loss for the year of \$2.2 million after depreciation.

Net position of the Internal Service fund (Employees Health Insurance Fund) at the end of the year was \$(621,696).

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 a increase of \$219,815. Actual total revenues were \$588,885 more than the original budget.

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 ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2015	2016	2015	2016	2015	2016
Land	\$ 5.93	\$ 5.93	\$ 0.08	\$ 0.08	\$ 5.99	\$ 5.99
Construction in progress	-	1.45	-	-	-	-
Buildings	18.37	17.51	-	-	18.37	17.51
Improvements	2.33	2.54	-	-	2.33	2.54
Equipment	0.40	0.53	0.18	0.16	0.58	0.69
Vehicles	1.18	1.61	-	-	1.18	1.61
Infrastructure	13.58	12.68	-	-	13.58	12.68
Water Plant	-	-	5.08	5.08	5.08	5.08
Treatment Plant	-	-	18.37	17.16	18.37	17.16
Total	\$ 41.79	\$ 42.25	\$ 23.67	\$ 22.44	\$ 65.46	\$ 64.69

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$64.69 million (net of depreciation). This is a decrease of \$0.77 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 6/30/15	YR END 6/30/16
Bond Payable Series 2006	\$ 90,000	\$ 0
Bond Payable Series 2007	\$ 3,350,000	\$ 3,155,000
Bond Payable Series 2009	\$ 1,420,000	\$ 1,085,000
Bond Payable Series 2010	\$ 1,077,000	\$ 1,018,000
Bond Payable Series 2011	\$ 2,920,000	\$ 2,540,000
Community Dev. Block Grant for Economic Development	\$ 278,653	\$ 253,657
Bond Payable Series 2015	\$ 25,000,000	\$ 24,585,000
Heart and Lung Disability	\$ 541,142	\$ 518,390
Vacation, Sick and Comp. Time	\$ 1,001,732	\$ 1,086,216
Total	<u>\$ 35,878,527</u>	<u>\$ 34,231,263</u>

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$32.62 million. This is a decrease of \$1.52 million in total bond debt.

The City of West Monroe's total long-term debt obligations at year end were \$34.23 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 2016-2017 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 76% of the total General Fund revenue. The sales tax income projected for the 2016-2017 budget is \$14.48 million which is an increase of 4.49%. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund revenue budget for the 2016-2017 fiscal year is \$22.22 million compared to \$22 million of actual revenue for 2015-2016.

During the 2016-2017 fiscal year, the City will continue to develop the 60 acres along I-20 into a retail center.

The budgeted expenses for the 2016-2017 fiscal year are \$20.32 million, an increase of \$416,496 over the prior year. The City gave all employees a 2% pay raise. 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. The City's matching contributions to the pension systems have increased slightly for the 2016-2017 fiscal year. However, depending on the condition of the investment markets and other factors the City's contribution to the pension systems should remain constant 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, 2017 is \$6.75 million.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended June 30, 2016, 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 are presented in more detail in the Notes to the Financial Statements.

PENSIONS

In the year ended June 30, 2016, the City of West Monroe has complied with requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires that employers disclose the *Net Pension Liability*, *Deferred Inflows* and *Deferred Outflows* as determined by actuarial computations. The disclosure of these amounts are presented in more detail in the Note 10 to the Financial Statements.

REQUEST FOR INFORMATION

The financial report is designed to provide citizens, taxpayers, 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 7th Street, West Monroe, Louisiana 71291.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 3,430,713	\$ 207,887	\$ 3,638,600	\$ 249,815
Cash with Fiscal Agent	16,800	-	16,800	-
Investments	20,114,602	-	20,114,602	-
Accounts Receivable	532,913	788,109	1,321,022	18,543
Minimum Lease Payments Receivable	256,455	-	256,455	-
Due From Other Governments	2,072,757	-	2,072,757	-
Internal Balances	630,025	(628,025)	2,000	-
Inventories	34,805	-	34,805	-
Capital Assets:				
Non-Depreciable	7,376,788	57,750	7,434,538	-
Depreciable	34,874,830	22,379,042	57,253,872	-
<u>TOTAL ASSETS</u>	<u>\$ 69,340,688</u>	<u>\$ 22,804,763</u>	<u>\$ 92,145,451</u>	<u>\$ 268,358</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	6,769,095	742,444	7,511,539	-
<u>LIABILITIES</u>				
Accounts Payable	\$ 217,406	\$ 1,231	\$ 218,637	\$ 22,551
Deposits Payable	85,074	131,974	217,048	-
Non-Current Liabilities				
Due Within One Year				
Bonds Payable	1,880,000	59,000	1,939,000	-
Notes Payable	25,000	-	25,000	-
Compensated Absences	976,133	168,304	1,144,437	-
Due in More Than One Year				
Bonds Payable	29,465,000	959,000	30,424,000	-
Notes Payable	228,657	-	228,657	-
Compensated Absences	470,169	-	470,169	-
Net Pension Liability	22,473,048	2,294,145	24,767,193	-
Unfunded Postretirement Benefits	1,461,231	-	1,461,231	-
<u>TOTAL LIABILITIES</u>	<u>57,281,718</u>	<u>3,613,654</u>	<u>60,895,372</u>	<u>22,551</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	1,523,210	94,856	1,618,066	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	10,906,618	21,418,792	32,325,410	-
Restricted for Debt Service	-	75,913	75,913	-
Unrestricted, Capital Projects	21,375,155	-	21,375,155	-
Unrestricted, Debt Service	355,175	-	355,175	-
Unrestricted, Unreserved	(15,332,093)	(1,656,008)	(16,988,101)	245,807
<u>TOTAL NET POSITION</u>	<u>\$ 17,304,855</u>	<u>\$ 19,838,697</u>	<u>\$ 37,143,552</u>	<u>\$ 245,807</u>

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, 2016

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Primary Government:</u>				
Government Activities:				
General Government	\$ 9,058,913	\$ 1,625,125	\$ 51,847	\$ 823,109
Public Safety	13,161,631	283,641	115,773	-
Public Works	4,679,652	771,936	-	-
Culture and Recreation	4,904,288	1,594,496	267,714	-
Urban Redevelopment	1,286,610	-	-	-
Health and Welfare	3,139,692	29,575	1,825,477	-
Interest on Long-Term Debt	1,208,170	-	-	-
Total Governmental Activities	37,438,956	4,304,773	2,260,811	823,109
Business-Type Activities:				
Utilities	6,341,344	4,140,691	-	-
<u>Total Primary Government</u>	<u>\$ 43,780,300</u>	<u>\$ 8,445,464</u>	<u>\$ 2,260,811</u>	<u>\$ 823,109</u>
<u>Component Units:</u>				
City Court	\$ 197,301	\$ 193,300	\$ -	\$ -
City Marshal	107,072	113,268	-	-
<u>Total Component Units</u>	<u>\$ 304,373</u>	<u>\$ 306,568</u>	<u>\$ -</u>	<u>\$ -</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

Excess Bond Proceeds

Special Item - Sale of Assets

Interest Earned

Capital Contributions

Transfers

 Total General Revenues, Special Items and Transfers

Changes in Net Position

Net Position - Beginning (Restated)

Net Position - Ending

Net (Expense) Revenue and Changes in Net Assets Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (6,558,832)	\$ -	\$ (6,558,832)	\$ -
(12,762,217)	-	(12,762,217)	-
(3,907,716)	-	(3,907,716)	-
(3,042,078)	-	(3,042,078)	-
(1,286,610)	-	(1,286,610)	-
(1,284,640)	-	(1,284,640)	-
(1,208,170)	-	(1,208,170)	-
<u>(30,050,263)</u>	<u>-</u>	<u>(30,050,263)</u>	<u>-</u>
-	(2,200,653)	(2,200,653)	-
<u>\$ (30,050,263)</u>	<u>\$ (2,200,653)</u>	<u>\$ (32,250,916)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (4,001)
-	-	-	6,196
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,195</u>
1,003,659	-	1,003,659	-
237,202	-	237,202	-
22,308,663	-	22,308,663	-
471,397	-	471,397	-
352,899	-	352,899	-
808,553	-	808,553	-
60,396	-	60,396	-
-	-	-	-
58,346	-	58,346	-
120,108	-	120,108	180
-	378,954	378,954	-
(780,113)	579,363	(200,750)	-
<u>24,641,110</u>	<u>958,317</u>	<u>25,599,427</u>	<u>180</u>
<u>(5,409,153)</u>	<u>(1,242,336)</u>	<u>(6,651,489)</u>	<u>2,375</u>
<u>22,714,008</u>	<u>21,081,033</u>	<u>43,795,041</u>	<u>243,432</u>
<u>\$ 17,304,855</u>	<u>\$ 19,838,697</u>	<u>\$ 37,143,552</u>	<u>\$ 245,807</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, 2016

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2015 Debt Capital Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 533,132	\$ 961,850	\$ 1,222,573
Cash with Fiscal Agent	16,800	-	-
Investments	-	-	20,114,602
Accounts Receivable	434,467	668	-
Minimum Lease Payment Receivable	256,455	-	-
Due From Other Governments	1,310,571	362,612	-
Due From Other Funds	3,445,591	800,866	-
Inventories	34,805	-	-
<u>TOTAL ASSETS</u>	<u>\$ 6,031,821</u>	<u>\$ 2,125,996</u>	<u>\$ 21,337,175</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 91,681	\$ 103,932	\$ -
Due To Other Funds	135,541	1,925,000	-
Deposits Payable	85,074	-	-
<u>Total Liabilities</u>	<u>312,296</u>	<u>2,028,932</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unearned State Revenue	53,052	-	-
Unearned Direct Financing Lease Revenue	-	-	-
<u>Total Deferred Inflows of Resources</u>	<u>53,052</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>			
Nonspendable	291,260	-	-
Restricted	-	97,064	21,337,175
Committed	-	-	-
Assigned	-	-	-
Unassigned	5,375,213	-	-
<u>Total Fund Balances</u>	<u>5,666,473</u>	<u>97,064</u>	<u>21,337,175</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>	<u>\$ 6,031,821</u>	<u>\$ 2,125,996</u>	<u>\$ 21,337,175</u>

<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 713,158	\$ 3,430,713
-	16,800
-	20,114,602
5,004	440,139
-	256,455
399,574	2,072,757
232,511	4,478,968
-	34,805
<u>\$ 1,350,247</u>	<u>\$ 30,845,239</u>
\$ 21,793	\$ 217,406
1,073,932	3,134,473
-	85,074
<u>1,095,725</u>	<u>3,436,953</u>
-	53,052
-	-
<u>-</u>	<u>53,052</u>
-	291,260
444,793	21,879,032
-	-
193,757	193,757
(384,028)	4,991,185
<u>254,522</u>	<u>27,355,234</u>
<u>\$ 1,350,247</u>	<u>\$ 30,845,239</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, 2016

	<u>General Fund</u>	<u>86 Sales Tax 75% Capital Fund</u>	<u>2015 Debt Capital Fund</u>
<u>Revenues</u>			
Taxes	\$ 16,649,176	\$ 5,635,607	\$ -
Intergovernmental	352,899	825,491	-
Licenses and Permits	1,079,325	-	-
Charges for Services	2,452,011	-	-
Fines and Forfeitures	545,800	-	-
Interest Earned	3,176	916	116,305
Franchise Revenue	808,553	-	-
Sale of Assets	57,430	-	-
Other	47,075	-	-
Total Revenues	21,995,445	6,462,014	116,305
<u>Expenditures</u>			
General Government	4,643,644	-	-
Public Safety	8,932,198	-	-
Public Works	2,778,774	-	-
Culture and Recreation	2,809,308	-	-
Urban Redevelopment	739,566	-	-
Health and Welfare	-	-	-
Capital Improvements	-	6,664,275	5,011,538
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
Total Expenditures	19,903,490	6,664,275	5,011,538
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	2,091,955	(202,261)	(4,895,233)
<u>Other Financing Sources and (Uses)</u>			
Proceeds From General Obligation Bonds	-	-	-
Transfers In	-	200,000	-
Transfers Out	(1,290,160)	(1,106,263)	-
Total Other Financing Sources and Uses	(1,290,160)	(906,263)	-
<u>Net Change in Fund Balance</u>	801,795	(1,108,524)	(4,895,233)
<u>Fund Balances - Beginning</u>	4,864,678	1,205,588	26,232,408
<u>FUND BALANCES - ENDING</u>	\$ 5,666,473	\$ 97,064	\$ 21,337,175

CITY OF WEST MONROE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUNDS BALANCES TO STATEMENT OF NET POSITION
JUNE 30, 2016

Total Governmental Fund Balances	\$ 27,355,234
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,251,618
Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds	(1,461,231)
Net Pension Liability	(22,473,048)
Deferred Outflows Related to Pensions	6,769,095
Deferred Inflows Related to Pensions	(1,470,158)
Total Deferred Inflows/Outflows Related to Pensions	<u>5,298,937</u>
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.	(33,044,959)
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 position.	<u>(621,696)</u>
Net Position of Governmental Activities	<u>\$ 17,304,855</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,744,102	\$ 24,028,885
2,187,837	3,366,227
-	1,079,325
-	2,452,011
-	545,800
627	121,024
-	808,553
-	57,430
303,587	350,662
<u>4,236,153</u>	<u>32,809,917</u>
-	4,643,644
236,484	9,168,682
435,673	3,214,447
361,232	3,170,540
-	739,566
2,226,196	2,226,196
687,859	12,363,672
-	-
1,459,996	1,459,996
1,208,170	1,208,170
<u>6,615,610</u>	<u>38,194,913</u>
(2,379,457)	(5,384,996)
-	-
1,448,855	1,648,855
<u>(32,545)</u>	<u>(2,428,968)</u>
1,416,310	(780,113)
(963,147)	(6,165,109)
1,217,669	33,520,343
<u>\$ 254,522</u>	<u>\$ 27,355,234</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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ (6,165,109)
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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	3,860,403
Depreciation expense	(3,354,890)
	505,513

Postretirement benefit plan expenditures	(667,078)
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Pension net expenditures - GASB 68	137,591
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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 position.	1,459,996
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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.

Internal Service fund is used by management to charge the cost of certain activities to individual funds. The net of the internal service fund is included in governmental activities in the statement of net position.	(631,696)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(48,370)
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Change in Net Position in Governmental Activities	\$ (5,409,153)
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The accompanying notes are an integral part of this financial statement.

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
ASSETS		
Current Assets		
Accounts Receivable, Net of Allowance	\$ 788,109	\$ 92,774
Due From Other Funds	-	-
Total Current Assets	<u>788,109</u>	<u>92,774</u>
Non-Current Assets		
Restricted:		
Cash - Customer Deposits	131,974	-
Cash - Sinking Fund	40,945	-
Cash - Reserve Fund	34,968	-
Total Restricted Cash	<u>207,887</u>	<u>-</u>
Capital Assets:		
Land	57,750	-
Sparta Reuse Plant	19,233,250	-
Buildings	73,436	-
Water Plant	6,474,634	-
Wastewater Treatment Plant	14,688,740	-
Machinery, Equipment & Other	1,687,702	-
Less: Accumulated Depreciation	(19,778,720)	-
Total Capital Assets	<u>22,436,792</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 23,432,788</u>	<u>\$ 92,774</u>
DEFERRED OUTFLOWS OF RESOURCES	742,444	-
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,231	\$ -
Customer Deposits	131,974	-
Accrued Vacation and Sick Pay	168,304	-
Sewer Bonds Payable	59,000	-
Due to Other Funds	628,025	714,470
Total Current Liabilities	<u>988,534</u>	<u>714,470</u>
Long Term Liabilities		
Net Pension Liability	2,294,145	-
Sewer Bonds Payable - Long-Term	939,000	-
Total Liabilities	4,241,679	714,470
DEFERRED INFLOWS OF RESOURCES	94,856	-
NET POSITION		
Net Investment in Capital Assets	21,418,792	-
Reserved for Debt Retirement	75,913	-
Unrestricted	(1,656,008)	(621,696)
TOTAL NET POSITION	<u>\$ 19,838,697</u>	<u>\$ (621,696)</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<u>Operating Revenues</u>		
User Charges	\$ 1,571,655	\$ 2,360,458
Treatment Plant Fees	1,231,877	-
Water Penalties and Turn-on Fees	95,885	-
Sewer District 5 Contributions	1,241,274	-
Total Operating Revenues	<u>4,140,691</u>	<u>2,360,458</u>
<u>Operating Expenses</u>		
Waterworks	876,660	-
Sewerage	500,240	-
Water Treatment Plant	590,961	-
Sewer Treatment Plant	2,314,200	-
Public Works Construction	20,308	-
Public Works Administrative	234,283	-
Other Administrative	178,693	489,910
Claims Paid	-	2,502,244
Interest Expense	4,709	-
Depreciation	1,621,290	-
Total Operating Expenses	<u>6,341,344</u>	<u>2,992,154</u>
<u>Operating Income (Loss)</u>	<u>(2,200,653)</u>	<u>(631,696)</u>
Contributed Capital	378,954	-
Transfers In (Out)	579,363	-
Total	<u>958,317</u>	<u>-</u>
<u>Changes in Net Position</u>	<u>(1,242,336)</u>	<u>(631,696)</u>
<u>Net Position - Beginning (Restated)</u>	<u>21,081,033</u>	<u>10,000</u>
<u>NET POSITION - ENDING</u>	<u>\$ 19,838,697</u>	<u>\$ (621,696)</u>

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, 2016

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
Cash Flows From Operations		
Receipts From Customers	\$ 4,203,074	\$ -
Receipts From Group Contributions	-	2,277,684
Payments to Provide Services	(4,543,434)	(1,787,774)
Payments for General and Administrative	(183,402)	(489,910)
Net Cash Provided (Used) by Operating Activities	<u>(523,762)</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities		
Decrease in Customer Deposits	(1,410)	-
Operating Transfers In (Out)	579,363	-
Net Cash Flows From Noncapital Financing Activities	<u>577,953</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Acquisitions of Capital Assets	(378,954)	-
Capital Contribution From Other Funds	378,954	-
Bond Proceeds	-	-
Principal Paid on Bonds	(59,000)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(59,000)</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(4,809)	-
Cash and Cash Equivalents at Beginning of Year	<u>212,696</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u><u>\$ 207,887</u></u>	<u><u>\$ -</u></u>
Classified As:		
Cash in Bank	\$ -	\$ -
Restricted Assets	<u>207,887</u>	<u>-</u>
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u><u>\$ 207,887</u></u>	<u><u>\$ -</u></u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Utility Enterprise Fund	Governmental Activities Internal Service Fund
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</u>		
Changes in Net Position	\$ (2,200,653)	\$ (631,696)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation	1,621,290	-
(Increase) Decrease in Accounts Receivable	62,383	(90,056)
Increase in Accounts Payable	91	-
Decrease in Due From Other Funds	-	7,282
Increase (Decrease) in Due to Other Funds	(20,402)	714,470
Increase in Net Pension Liability and Deferrals (Net)	236	-
Increase in Accrued Vacation and Sick Pay	13,293	-
Total Adjustments	<u>1,676,891</u>	<u>631,696</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ (523,762)</u>	<u>\$ -</u>

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Haasley Cemetery Fund	Kiroli Foundation Fund	Total Nonmajor Expendable Trust Funds	Component Unit Agency Funds	
						City Court	City Marshal
ASSETS							
Cash and Cash Equivalents	\$ 528,442	\$ -	\$ 514,902	\$ 27,890	\$ 1,071,234	\$ 230,758	\$ 37,600
Investments	6,057	-	12,134	-	18,191	-	-
Accounts Receivable	-	2,000	-	-	2,000	-	-
Due From Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 534,499	\$ 2,000	\$ 527,036	\$ 27,890	\$ 1,091,425	\$ 230,758	\$ 37,600
LIABILITIES							
Due to Other Funds	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -	\$ -
Due to Others	-	-	-	-	-	230,758	37,600
TOTAL LIABILITIES	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ 230,758	\$ 37,600
NET POSITION							
Reserved:							
Workmen's Compensation Claim	534,499	-	-	-	534,499	-	-
Park Playground Equipment	-	-	-	27,890	27,890	-	-
Cemetery Maintenance	-	-	527,036	-	527,036	-	-
Insurance Claims	-	-	-	-	-	-	-
Total Net Position	534,499	-	527,036	27,890	1,089,425	-	-
TOTAL LIABILITIES AND NET POSITION	\$ 534,499	\$ 2,000	\$ 527,036	\$ 27,890	\$ 1,091,425	230,758	\$ 37,600

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Employees' Workmen's Compensation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Kiroli Foundation Fund	Total Nonmajor Expendable Trust Funds
<u>Revenues</u>					
Sales Tax	\$ -	\$ 24,000	\$ -	\$ -	\$ 24,000
Lot Sales	-	-	22,000	-	22,000
Insurance Proceeds	-	27,490	-	-	27,490
Contributions	-	-	-	1,000	1,000
Interest	-	-	-	-	-
Total Revenues	-	51,490	22,000	1,000	74,490
<u>Expenditures</u>					
Hasley Cemetery	-	-	-	-	-
Claims Paid	-	452,240	-	-	452,240
Miscellaneous	-	-	-	10	10
Total Expenditures	-	452,240	-	10	452,250
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	-	(400,750)	22,000	990	(377,760)
<u>Other Financing Sources (Uses)</u>					
Operating Transfers - In (Out)	-	400,750	(200,000)	-	200,750
<u>Change in Net Position</u>	-	-	(178,000)	990	(177,010)
<u>Net Position - Beginning</u>	534,499	-	705,036	26,900	1,266,435
<u>NET POSITION - ENDING</u>	\$ 534,499	\$ -	\$ 527,036	\$ 27,890	\$ 1,089,425

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

CITY OF WEST MONROE, LOUISIANA
COMBINING STATEMENT OF NET POSITION
ALL DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2016

	<u>City Court</u>	<u>City Marshal</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 230,758	\$ 19,057	\$ 249,815
Accounts Receivable	-	18,543	18,543
Due From Other Funds	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 230,758</u>	<u>\$ 37,600</u>	<u>\$ 268,358</u>
<u>LIABILITIES</u>			
Payroll Liabilities	\$ 555	\$ -	\$ 555
Due to Fiduciary Fund - Component Unit	-	500	500
Due to City of West Monroe	21,496	-	21,496
<u>TOTAL LIABILITIES</u>	<u>22,051</u>	<u>500</u>	<u>22,551</u>
<u>NET POSITION</u>			
Unrestricted, unreserved	<u>208,707</u>	<u>37,100</u>	<u>245,807</u>
Total Net Position	<u>208,707</u>	<u>37,100</u>	<u>245,807</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 230,758</u>	<u>\$ 37,600</u>	<u>\$ 268,358</u>

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

CITY OF WEST MONROE, LA
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Intergovernmental - City of West Monroe</u>	<u>City Court</u>	<u>City Marshal</u>	<u>Total</u>
City Court Judicial	\$ 681,018	\$ 193,300	\$ 483,717	\$ (4,001)	\$ -	\$ (4,001)
City Marshal Judicial	<u>556,627</u>	<u>113,268</u>	<u>449,555</u>	<u>-</u>	<u>6,196</u>	<u>6,196</u>
Total Governmental Activities	<u>\$1,237,645</u>	<u>\$ 306,568</u>	<u>\$ 933,272</u>	<u>\$ (4,001)</u>	<u>\$ 6,196</u>	<u>\$ 2,195</u>
General Revenues:						
Interest				<u>180</u>	<u>-</u>	<u>180</u>
Change in Net Position				<u>(3,821)</u>	<u>6,196</u>	<u>2,375</u>
<u>Net Position July 1, 2015</u>				<u>212,528</u>	<u>30,904</u>	<u>243,432</u>
<u>Net Position June 30, 2016</u>				<u>\$ 208,707</u>	<u>\$ 37,100</u>	<u>\$ 245,807</u>

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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, if any, 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 units are part of the reporting entity.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

City Court of West Monroe

The City Court of West Monroe is a legally separate entity. The Judge of the Court is an independently elected official. The City provides office space, court facilities including some furnishings, and compensation for court employees. The Court provides no direct services to the City. However, based on second criteria noted above, it has been determined that the court is a component unit of the City and should be included in the City's financial statements through discrete presentation.

City Marshal of West Monroe

The City Marshal of West Monroe office is a legally separate entity. The City Marshal is an independently elected official. The City provides office space, furnishings and compensation for Marshal employees. Based on second criteria above, it has been determined that the City Marshal of West Monroe is a component unit of the City and should be included in the City's financial statements through discrete presentation.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information of all of the nonfiduciary activities of the City. 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, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 city.

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 position and the change in net position.

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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

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 City's enterprise fund has elected to not apply FASBs issued after the applicable date.

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.

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.

2016 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. Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

3. 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

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

5. 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.

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.

6. 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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. 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 presented under the nonspendable fund balance classification.

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.

I. 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.

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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 City 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

L. Franchise Agreements

On February 15, 2012, the City Council of West Monroe authorized a franchise agreement between the City of West Monroe and Entergy Louisiana for the operation by Entergy Louisiana of the electric system within the corporate limits of West Monroe for a period of twenty-five years. The agreement provides that Entergy Louisiana 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.

Also, on February 15, 2012, the City Council of West Monroe authorized a franchise agreement between the City of West Monroe and Atmos Energy for the operation by Atmos Energy of the gas system within the corporate limits of West Monroe for a period of ten years. The agreement provides that Atmos Energy will pay to the City two percent of gross receipts (as defined) collected from the sale of gas service to residential and commercial customers within the City.

On April 10, 2012, the City Council of West Monroe authorized franchise agreement between the City of West Monroe and any person or entity desiring to provide cable or video services that obtains a state issued certificate of franchise authority. The providers will pay to the City five percent of gross receipts (as defined) collected from the sale of cable or video service to residential and commercial customers within the City and one half of a percent for PEG access support.

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

N. 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.

O. 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 5 to 20 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.

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.

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 non-spendable 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Q. Fund Equity (continued)

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 non-spendable 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.

S. Pension Plans

The City of West Monroe, Louisiana is a participating employer in multiple pension plans as described in Note 10. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Funds, and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plans.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016.

At June 30, 2016, the City has cash and cash equivalents (book balances net of overdrafts) in the amount of \$4,709,834.

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, 2016, are secured as follows:

Bank Balances	<u>\$ 5,622,236</u>
Federal Deposits Insurance	\$ 250,000
Pledged Securities (Uncollateralized)	<u>5,869,535</u>
<u>TOTAL</u>	<u>\$ 6,119,535</u>
Governmental Funds Cash	\$ 3,430,713
Enterprise Funds Cash	207,887
Fiduciary Funds Cash	<u>1,071,234</u>
<u>TOTAL BOOK BALANCES BY FUND TYPE</u>	<u>\$ 4,709,834</u>

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.

Discretely Presented Component Units – Deposits

All deposits of the component units are held by area financial institutions. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit's name by its agent (the trust department of a bank other than the pledging bank).

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016.

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, 2016, the City had the following investments stated at cost, which approximates market:

Fixed Income	\$ 14,745,097
Louisiana Asset Management Pool	<u>5,387,696</u>
Total	<u>\$ 20,132,793</u>

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 4 – Fund Deficits

The following funds had deficits at June 30, 2016:

Non-Major Funds	
Special Revenue Funds	
Officer Witness Court	\$ 13,295
Section 8	\$ 10,453
Misc. Projects and Grants Fund	\$ 12,007
Ouachita Outreach	\$ 57,893
Americorps	\$ 136,268
Keep West Monroe Grant Program	\$ 20,576
Debt Service Funds	
2007 Debt Service Fund	\$ 68,163
Debt Capital Funds	
2007 Debt Capital Fund	\$ 59,137
2011 Debt Capital Fund	\$ 6,236

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.

Note 5 – Accounts Receivable

Accounts receivable at June 30, 2016, consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts Receivable	<u>\$ 532,913</u>	<u>\$ 788,109</u>	<u>\$ 1,321,022</u>

Note 6 – Ad Valorem Taxes

Property taxes are usually mailed out in November through Ouachita Parish and are due as of January 1. Ouachita Parish remits the City's portion monthly as received from taxpayers. An enforceable lien attaches to the property with unpaid taxes and is sold at a tax sale usually in June of the following year.

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% Comm. Improvements
15% Industrial Improvements	25% Public Service Properties, Excluding Land

The ad valorem tax millage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	6.90
Street Maintenance	1.63
<u>TOTAL</u>	<u>8.53</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 7 – Due From Other Governments

The amounts due from other governments at June 30, 2016 are as follows:

Louisiana Highway Safety Commission	\$ 52,855
Louisiana Department of Elderly Affairs	43,576
City of Monroe, LA	1,789,473
Louisiana Commission on Law Enforcement	14,587
High Intensity Drug Trafficking Area Grant	5,760
Corporation for National and Community Service	97,996
Ouachita Parish	5,732
Ouachita Parish Sheriff	495
FEMA	729
Louisiana Department on Public Safety and Corrections	25,350
Various	<u>36,204</u>
<u>TOTAL</u>	<u>\$ 2,072,757</u>

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2016 is as follows:

	June 30, 2015 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2016 <u>Balance</u>
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 5,931,403	\$ -	\$ -	\$ 5,931,403
Construction In Progress	<u>-</u>	<u>1,445,385</u>	<u>-</u>	<u>1,445,385</u>
Total	5,931,403	1,445,385	-	7,376,788
Depreciable Assets:				
Buildings	32,126,151	54,260	-	32,180,411
Improvements	3,142,443	330,125	-	3,472,568
Equipment	5,695,244	241,066	-	5,936,310
Vehicles	7,062,351	909,188	(70,979)	7,900,560
Infrastructure	<u>62,630,832</u>	<u>880,379</u>	<u>(54,760)</u>	<u>63,456,451</u>
Total at Historical Cost	\$110,657,021	\$ 2,415,018	\$ (125,739)	\$ 112,946,300
	June 30, 2015			June 30, 2016
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Less Accumulated Depreciation for:				
Buildings	\$(13,760,944)	\$(906,680)	\$ -	\$(14,667,624)
Improvements	(814,948)	(111,468)	-	(926,416)
Equipment	(5,288,104)	(122,346)	-	(5,410,450)
Vehicles	(5,881,383)	(483,129)	70,979	(6,293,533)
Infrastructure	<u>(49,048,570)</u>	<u>(1,731,267)</u>	<u>6,390</u>	<u>(50,773,447)</u>
Total Accumulated Depreciation	(74,793,949)	(3,354,890)	77,369	(78,071,470)
Government Activities Capital Assets, Net	<u>\$ 41,794,475</u>	<u>\$ 505,513</u>	<u>\$ (48,370)</u>	<u>\$ 42,251,618</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 8 – Capital Assets (continued)

Business-Type Activities:

Non-Depreciable Assets:

Land	\$ 57,750	\$ -	\$ -	\$ 57,750
Construction in Progress	-	-	-	-
Total	57,750	-	-	57,750

Depreciable Assets:

Buildings	73,436	-	-	73,436
Sparta Reuse Plant	19,233,250	-	-	19,233,250
Water Plant	9,997,181	342,228	-	10,339,409
Treatment Plant	10,823,964	-	-	10,823,964
Equipment	1,693,281	36,726	(42,305)	1,687,702
Totals at Historical Cost	41,821,112	378,954	(42,305)	42,157,761

Less Accumulated

Depreciation for:

Buildings	(73,435)	(1)	-	(73,436)
Sparta Reuse Plant	(3,125,403)	(961,662)	-	(4,087,065)
Water Plant	(4,932,405)	(339,177)	-	(5,271,582)
Treatment Plant	(8,555,275)	(263,108)	-	(8,818,383)
Equipment	(1,513,216)	(57,345)	42,305	(1,528,256)
Total Accumulated Depreciation	(18,199,734)	(1,621,293)	42,305	(19,778,722)

Business-Type Activities

<u>Capital Assets, Net</u>	<u>\$23,679,128</u>	<u>\$(1,242,339)</u>	<u>\$ -</u>	<u>\$ 22,436,789</u>
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Depreciation expense for the year ended June 30, 2016 was charged to functions of the City as follows:

Government Activities:

General Government	\$ 2,010,420
Public Safety	338,963
Public Works	277,660
Culture and Recreation	58,342
Community Development	272,994
Ike Hamilton Expo Center	386,809
Convention Center	9,702
Health and Welfare	-
Total Depreciation Expense - Governmental Activities	<u>\$ 3,354,890</u>

Business-Type Activities:

Utilities	<u>\$ 1,621,293</u>
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Note 9 - Restricted Assets and Related Resources

At June 30, 2016, 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, 2016

Note 10 - Pension and Retirement Plans

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 9.5 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 19.75 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2016, 2015 and 2014 were \$1,201,843, \$1,119,250 and \$999,155, 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.

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

At June 30, 2016, the City reported a liability of \$11,860,921 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was 3.3204%, which was an increase of 0.0264% from its proportion measured as of June 30, 2014.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

For the year ended June 30, 2016, the City recognized net pension expense of \$1,538,783 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$62,302.

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (490,414)
Changes of assumptions	990,820	-
Net difference between projected and actual earnings on pension plan investments	1,506,719	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	142,897	-
Employer contributions subsequent to the measurement date	1,201,843	-
Total	\$ 3,842,279	\$ (490,414)

The City reported a total of \$1,201,843 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2015 which will be recognized as a reduction in net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MERS
2017	\$ 62,302
2018	49,865
2019	
2020	
	<u>\$ 112,167</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 is as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.5%, net of investment expense
Projected salary increases	5.00% (2.875% inflation, 2.125% merit)
Mortality	RP-2000 Employee Table for active members (set back 2 years for males and females) RP-2000 Disabled Lives Mortality Table for Disabled Annuitants (set back 5 years for males and 3 years for females) RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 2 years for males and 1 year for females)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

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

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	6.5%	7.5%	8.5%
COWM Share-NPL	\$ 15,522,330	\$ 11,860,921	\$ 8,741,349

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 10.00 percent of their salaries to the system. The City is required to contribute 29.50 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, 2016, 2015 and 2014 were \$930,067, \$981,393 and \$950,340, 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 -Pension and Retirement Plans (continued)

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

At June 30, 2016, the City reported a liability of \$8,413,119 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was 1.0739%, which was a decrease of .0955% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$657,058 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$(50,110).

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (154,589)
Changes of assumptions	734,104	(1,212)
Net difference between projected and actual earnings on pension plan investments	-	(159,772)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	323,308	(557,403)
Employer contributions subsequent to the measurement date	930,067	-
Total	\$ 1,987,479	\$ (872,976)

The City reported a total of \$930,067 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2015 which will be recognized as a reduction in net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MPERS
2017	\$ (50,110)
2018	(50,110)
2019	(53,417)
2020	

\$ (153,637)

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 is as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.5%, net of investment expense
Projected salary increases	4-10% based on years of service
Mortality	RP-2000 Employee Table for active members
	RP-2000 Disabled Lives Mortality Table for Disabled Annuitants
	RP-2000 Healthy Annuitant Table for healthy annuitants

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 -Pension and Retirement Plans (continued)

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MPERS			
Rates	6.5%	7.5%	8.5%
COWM Share- NPL	\$ 11,697,521	\$ 8,413,119	\$ 5,660,847

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.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The City is required to contribute 29.25 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 contribution to the System for the years ending June 30, 2016, 2015 and 2014 were \$510,063, \$500,011, and \$395,806, 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.

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

At June 30, 2016, the City reported a liability of \$4,341,275 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was .8044%, which was an increase of 0.0529% from its proportion measured as of June 30, 2014.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

For the year ended June 30, 2016, the City recognized pension expense of \$842,241 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$5,122.

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$(198,410)
Changes of assumptions	54,411	(1,833)
Net difference between projected and actual earnings on pension plan investments	465,634	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	584,173	-
Employer contributions subsequent to the measurement date	510,063	-
Total	\$ 1,614,281	\$ (200,243)

The City reported a total of \$510,063 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2015 which will be recognized as a reduction in net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	FRS
2017	\$ 5,121
2018	5,121
2019	5,121
2020	5,121
2021	5,121
	\$ 25,605

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 is as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.5%, net of investment expense
Projected salary increases	4.75 – 15% per year based on years of service
Mortality	RP-2000 Employee Table for active members
	RP-2000 Disabled Lives Mortality Table for Disabled Annuitants
	RP-2000 Healthy Annuitant Table for healthy annuitants
Cost of Living Adjustments	Only those previously granted.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

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

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
FRS			
Rates	6.5%	7.5%	8.5%
COWM Share- NPL	\$ 6,158,526	\$ 4,341,275	\$ 2,813,685

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 38.00 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, 2016, 2015 and 2014 were \$17,419, \$18,597 and \$15,951, 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 -Pension and Retirement Plans (continued)

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

At June 30, 2016, the City reported a liability of \$151,878 for its proportionate share of the net pension liability for the LASERS plan. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the LASERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was .0022%, which was a decrease of .0002% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$6,447 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$1,483).

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 203	\$ (1,244)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(137)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	17,419	-
Total	\$ 17,622	\$ (1,381)

The City reported a total of \$17,419 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2015 which will be recognized as a reduction in net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	LASERS
2017	\$ (1,483)
2018	(790)
	\$ (2,273)

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 is as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.75%, net of investment expense
Salary Increases	Various between 3 and 14.50%
Projected inflation increases	3% per annum
Mortality	RP-2000 Combined Healthy Mortality Table RP-2000 Disabled Retiree Mortality Table

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 - Pension and Retirement Plans (continued)

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

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LASERS			
Rates	6.75%	7.75%	8.75%
COWM Share-NPL	\$ 191,702	\$ 151,878	\$ 118,057

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.

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. 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). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In fiscal year ending June 30, 2016, the City of West Monroe's portion of health care funding cost for retired employees totaled \$140,723. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the following table.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 11 - Postemployment Health Care Benefits (continued)

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 Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	Medical
Normal Cost	\$ 373,717
30-year UAL amortization amount	356,392
Annual required contribution (ARC)	<u>\$ 730,109</u>

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, 2016:

	Medical
Beginning Net OPEB Obligation (Asset) 7/1/2015	\$ 794,153
Annual required contribution	730,109
Interest on Net OPEB Obligation (Asset)	31,766
ARC Adjustment	<u>45,926</u>
OPEB Cost	807,801
Contribution	-
Current year retirees premium	<u>(140,723)</u>
Change in Net OPEB Obligation	667,078
Ending Net OPEB Obligation (Asset) 6/30/2016	<u>\$ 1,461,231</u>

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 Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	June 30, 2016	\$807,801	17.42%	\$1,461,231

Funded Status and Funding Progress. In the fiscal year ending June 30, 2016, 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. Based on the July 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended June 30, 2016 was \$6,665,758, which is defined as that portion, as determined by a particular actuarial cost method (the City of West Monroe uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 11 - Postemployment Health Care Benefits (continued)

	Medical
Actuarial Accrued Liability (AAL)	\$ 6,665,758
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 6,665,758</u>
 Funded Ratio (AVP/AAL)	 0.00%
 Covered Payroll (active plan members)	 \$11,127,854
 UAAL as a percentage of covered payroll	 59.90%

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.

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. There are not any plan 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.

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an composite average annual turnover of approximately 5%. It has also been assumed that 20% of future eligible retirees will decline coverage because of the retiree contributions required.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 11 -Postemployment Health Care Benefits (continued)

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.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in the valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

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, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

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.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trent rates above is an implicit inflation assumption of 2.5% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 11 - Postemployment Health Care Benefits (continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Cost and Contributions		
	FY 2014	FY 2015	FY 2016
OPEB Cost	\$ 65,089	\$ 726,354	\$ 807,801
Contribution	-	-	-
Retiree Premium	<u>29,340</u>	<u>140,723</u>	<u>140,723</u>
Total Contribution and premium	<u>29,340</u>	<u>140,723</u>	<u>140,723</u>
Change in net OPEB obligation	<u>\$ 35,749</u>	<u>\$ 585,631</u>	<u>\$ 667,078</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	45.08%	19.37%	17.42%

Note 12 - Long-Term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness,					
Series 2006	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -
Series 2007	3,350,000	-	195,000	3,155,000	205,000
Series 2009	1,420,000	-	335,000	1,085,000	350,000
Series 2011	2,920,000	-	380,000	2,540,000	395,000
Series 2015	25,000,000	-	435,000	24,565,000	930,000
Community Development Block Grant for Economic Development	<u>278,653</u>	<u>-</u>	<u>24,996</u>	<u>253,657</u>	<u>25,000</u>
Total Governmental Bonds And Notes Payable	33,058,653	-	1,459,996	31,598,657	1,905,000
Other Liabilities:					
Accrued Heart and Lung Disability	541,142	-	22,752	518,390	48,221
Accrued Vacation, Sick And Compensatory Time	<u>846,721</u>	<u>81,191</u>	<u>-</u>	<u>927,912</u>	<u>927,912</u>
Total Other Liabilities	<u>1,387,863</u>	<u>81,191</u>	<u>22,752</u>	<u>1,446,302</u>	<u>976,133</u>
Total Governmental Activities Long-Term Debt	<u>\$34,446,516</u>	<u>\$ 81,191</u>	<u>\$ 1,482,748</u>	<u>\$33,044,959</u>	<u>\$2,881,133</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 12 - Long-Term Debt (continued)

Business-Type Activities:

Bonds and Notes Payable:

Certificates of Indebtedness,

Sewer Bonds 2010	\$ 1,077,000	\$ -	\$ 59,000	\$ 1,018,000	\$ 59,000
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Other Liabilities:

**Accrued Vacation, Sick
And Compensatory Time**

Business-Type Activities	155,011	13,293	-	168,304	168,304
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Total Business-Type Activities

<u>Long-Term Debt</u>	<u>\$ 1,232,011</u>	<u>\$ 13,293</u>	<u>\$ 59,000</u>	<u>\$ 1,186,304</u>	<u>\$ 227,304</u>
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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:

<u>Certificates of Indebtedness</u>					
<u>Year Ended</u> <u>June 30,</u>	<u>Series 2007</u>		<u>Series 2009</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 205,000	\$ 128,313	\$ 350,000	\$ 33,852	
2018	215,000	119,912	360,000	20,646	
2019	220,000	111,212	375,000	6,975	
2020	230,000	102,097	-	-	
2021	245,000	92,360	-	-	
2022-2026	1,395,000	295,103	-	-	
2027-2028	645,000	28,505	-	-	
<u>Total</u>	<u>\$ 3,155,000</u>	<u>\$ 877,502</u>	<u>\$ 1,085,000</u>	<u>\$ 61,473</u>	

<u>Certificates of Indebtedness</u>					
<u>Year Ended</u> <u>June 30,</u>	<u>Series 2011</u>		<u>Series 2015</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 395,000	\$ 54,346	\$ 930,000	\$ 918,306	
2018	405,000	45,066	965,000	894,531	
2019	415,000	35,554	1,000,000	855,056	
2020	430,000	25,752	1,035,000	804,181	
2021	440,000	15,660	1,070,000	751,556	
2022-2026	455,000	5,278	5,930,000	3,073,231	
2027-2031	-	-	7,055,000	1,687,213	
2032-2035	-	-	6,580,000	457,334	
<u>Total</u>	<u>\$ 2,540,000</u>	<u>\$ 181,656</u>	<u>\$ 24,565,000</u>	<u>\$9,441,408</u>	

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 12 - Long-Term Debt (continued)

Year Ended June 30,	CDBG Division of Adm. Economic Development		Sewer Revenue Bonds Series 2010	
	Principal	Interest	Principal	Interest
2017	\$ 25,000	\$ -	\$ 59,000	\$ 4,970
2018	25,000	-	60,000	4,705
2019	25,000	-	60,000	4,437
2020	25,000	-	61,000	3,895
2021	25,000	-	62,000	3,618
2022-2026	125,000	-	316,000	13,860
2027-2031	3,657	-	332,000	6,579
2032	-	-	68,000	281
Total	\$ 253,657	\$ -	\$ 1,018,000	\$ 42,345

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, 2016, the City is responsible for payment of lifetime benefits to four firemen. The actuarial estimate of the liability is \$518,390.

The annual payment requirements outstanding at June 30, 2016 are as follows:

2017	\$ 48,221
2018	48,221
2019	48,221
2020	48,221
2021	48,221
2022-2026	172,461
2027-2031	91,200
2032	13,624
TOTAL	\$ 518,390

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 is being pumped to Graphic Packaging through a pipeline that has been constructed for that purpose.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 14 - Municipal Facilities Revolving Loan Fund (continued)

Sewer Revenue Bonds

Sewer revenue bonds were 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. Sewer Revenue Bonds of \$4,750,000 were also issued but was forgiven during the year ending June 30, 2013. See note 12 for the principal and interest requirements.

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 beginning August 1, 2004. 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> <u>June 30,</u>	<u>Amount</u>
2017	\$ 12,000
2018	12,000
2019	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, 2016, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$3,000,000 which was for active employees. Approximately 34 retirees receive benefits under this plan. These retirees reimbursed the City for \$193,648 during the year ended June 30, 2016 for their cost of the health care benefits.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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 \$951,912 are held by Nationwide Retirement Solutions, Inc. and VALIC Financial Advisors.

Note 20- Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2016, were as follows:

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ -	\$ 1,290,160
'86 Sales Tax Capital	200,000	1,106,263
2015 Debt Capital	-	-
Enterprise Fund	579,363	-
Non-Major Funds:		
Special Revenue Funds	310,047	-
Capital Project Funds	44,828	32,545
Expendable Trust Funds	400,750	200,000
Internal Service Fund	-	-
Debt Service Funds	<u>1,093,980</u>	<u>-</u>
<u>TOTAL</u>	<u>\$ 2,628,968</u>	<u>\$ 2,628,968</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (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, 2016

Note 21 - Interfund Receivables and Payables

Interfund balances at June 30, 2016, were as follows:

Fund	Receivables	Interfund Payables
Major Funds:		
General Fund	\$ 3,445,591	\$ 135,541
'86 Sales Tax	800,866	1,925,000
Enterprise Fund	-	628,025
Non-Major Funds:		
Special Revenue Funds	176,189	914,259
Capital Project Funds	-	58,575
Debt Service Funds	56,322	101,098
Fiduciary Funds	-	2,000
Internal Service Fund	-	714,470
<u>TOTAL</u>	<u>\$ 4,478,968</u>	<u>\$ 4,478,968</u>

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 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 \$606,233 and the related expenditures are as follows:

Marshal's Office	\$ 12,000
Police Department	320,540
Jail	32,077
Code Enforcement	6,000
Fire Department	235,616
Total	<u>\$ 606,233</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, 2016:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 23- Minimum Lease Payments Receivable – Direct Financing Lease (continued)

Total minimum lease payments to be received	\$ 256,455
Less: Amounts representing estimated executory costs (such as taxes, maintenance, and insurance), including profit thereon, included in total minimum lease payments	-
Minimum lease payments receivable	256,455
Estimated residual values of leased property (unguaranteed)	-
Less: Unearned Income	(-)
<u>NET MINIMUM LEASE PAYMENTS RECEIVABLE –</u> <u>DIRECT FINANCING LEASE</u>	<u>\$ 256,455</u>

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2017	\$ 25,020
2018	25,020
2019	25,020
2020	25,020
2021	25,020
2022-2026	125,100
2027	6,255
Total	<u>\$ 256,455</u>

Note 24 - Reclassification of Net Position

During the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result of implementation, net position was restated but no amounts were allocated to the enterprise fund. Beginning net positions were restated to reflect the portion of pensions due to that fund. Beginning net positions were also restated on the government wide financial statements for both government activities and business type activities.

Business Type Net position at June 30, 2015	\$ 22,727,354
Restatement due to implementation of GASB 68	<u>\$ (1,646,321)</u>
Business Type Net position at June 30, 2015 (Restated)	<u>\$ 21,081,033</u>
 Governmental Type Net position at June 30, 2015	 \$ 21,067,687
Restatement due to implementation of GASB 68	<u>\$ 1,646,321</u>
Business Type Net position at June 30, 2015 (Restated)	<u>\$ 22,714,008</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 25 - Component Units

For the year ending June 30, 2016, the City has chosen to include its legally separate components units discretely in the City's financial statement in accordance with accounting principles generally accepted in the United States.

Note 26 - Subsequent Events

Subsequent events have been evaluated through December 1, 2016, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

Note 27 - Fund Changes and Fund Balances

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2016 are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable:		
General Fund	Inventory	\$ 34,805
	Minimum Lease Payment Receivable	256,455
Restricted:		
86 Sales Tax Fund	Capital Improvements	97,064
2015 Debt Capital	Capital Improvements	21,337,175
Emergency Shelter	FEMA Emergency Shelter Recipients	5,583
Rental Rehab	Public Housing	6,904
Metro LCLE	LCLE Multi Jurisdictional Taskforce	2,614
2003 Debt Service	Servicing 2003 Debt	95,866
2011 Debt Service	Servicing 2011 Debt	40,837
2015 Debt Service	Servicing 2015 Debt	286,635
Firemen's Pension Merger Fund		65
Various Cap. Projects	Various Cap. Projects	6,289
Committed:		
General Fund	Fund Balance for Next Year's Operations	-
Assigned:		
Street Maintenance	Maintenance of Streets and Roads	128,589
Office of Motor Veh	DMV Operations	65,168
Unassigned:		
General Fund		5,375,213
2007 Debt Service		(68,163)
2007 Debt Capital		(59,137)
2011 Debt Capital		(6,236)
Section 8	Public Housing	(10,453)
Americorps	Americorps Projects	(136,268)
Keep WM Beautiful	Litter Prevention	(20,576)
Misc Projects		(12,007)
Ouachita Outreach		(57,893)
Officer Witness Court		(13,295)
Total Fund Balances		<u>\$ 27,355,234</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Taxes	\$ 15,917,400	\$ 16,649,000	\$ 16,649,176	\$ 176
Intergovernmental	519,560	352,900	352,899	(1)
Licenses and Permits	929,300	1,079,300	1,079,325	25
Charges for Services	2,500,700	2,452,000	2,452,011	11
Fines and Forfeitures	560,300	545,800	545,800	-
Interest Earned	7,000	17,000	3,176	(13,824)
Franchise Revenue	890,000	799,700	808,553	8,853
Sale of Assets	30,000	20,000	57,430	37,430
Other	52,300	79,200	47,075	(32,125)
Total Revenues	21,406,560	21,994,900	21,995,445	545
<u>Expenditures</u>				
General Government:				
Elected Council	90,870	90,870	90,865	5
City Court	471,460	483,800	483,717	83
Marshal	432,505	449,500	449,555	(55)
Mayor's Office	189,230	188,780	187,205	1,575
City Clerk's Office	1,083,630	1,090,300	1,090,257	43
City Hall Maintenance	493,840	482,400	482,436	(36)
General and Administrative	1,555,930	1,859,600	1,859,608	(8)
Public Safety:				
Legal	468,105	446,800	446,874	(74)
Fire	2,712,945	2,671,275	2,674,473	(3,198)
Police	4,779,575	4,861,700	4,861,708	(8)
Prison	735,100	810,605	809,312	1,293
Police Shop	106,040	139,000	139,830	(830)
Public Works:				
Garbage	731,745	698,505	696,260	2,245
Trash	585,925	676,000	676,292	(292)
Streets	866,725	815,400	815,452	(52)
Cemetery	11,500	7,200	6,597	603
Planning and Zoning	37,215	37,315	36,507	808
Inspection	196,950	192,755	192,040	715
City Maintenance Shop	356,500	355,600	355,626	(26)

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Culture and Recreation:				
Recreation and Parks	\$ 329,260	\$ 314,000	\$ 313,642	\$ 358
Kiroli Park	469,935	496,000	495,759	241
Lazarre Park	5,400	6,400	6,363	37
Restoration Park	8,700	11,000	10,076	924
Farmer's Market	44,680	42,330	43,529	(1,199)
Ike Hamilton Expo Center	1,186,745	1,077,135	1,076,414	721
Convention Center	812,660	864,000	863,525	475
Community Development & Center	472,680	451,480	450,139	1,341
Tanner Building & Business Center	188,765	215,500	214,113	1,387
Section 8 Housing	183,660	-	-	-
Economic Development	75,400	75,350	75,316	34
Total Expenditures	19,683,675	19,910,600	19,903,490	7,110
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	1,722,885	2,084,300	2,091,955	7,655
<u>Other Financing Sources and (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	(766,360)	(1,320,000)	(1,290,160)	29,840
Total Other Financing Sources and Uses	(766,360)	(1,320,000)	(1,290,160)	29,840
<u>Net Change in Fund Balance</u>	956,525	764,300	801,795	37,495
<u>Fund Balance at Beginning of Year</u>	4,864,678	4,864,678	4,864,678	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 5,821,203	\$ 5,628,978	\$ 5,666,473	\$ 37,495

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Sales Tax	\$ 5,500,000	\$ 5,635,000	\$ 5,635,607	\$ 607
Intergovernmental	50,000	825,000	825,491	491
Charges for Services	-	-	-	-
Sales of Asset	-	-	-	-
Other	-	-	-	-
Interest Income	200	1,000	916	(84)
Total Revenues	5,550,200	6,461,000	6,462,014	1,014
<u>Expenditures</u>				
Computer Equipment and Software	650,000	709,000	707,995	1,005
Street Projects	50,000	85,000	84,524	476
Drainage Projects	75,000	29,500	29,235	265
Furniture and Fixtures	20,000	300	303	(3)
Vehicles	700,000	595,000	594,468	532
Machinery and Equipment	500,000	1,457,000	1,456,287	713
Consultants	-	31,000	30,819	181
Engineering	225,000	223,000	223,033	(33)
Construction/Buildings/Facilities	100,000	128,000	127,944	56
Water Projects	125,000	809,000	808,490	510
Sewer Projects	100,000	318,000	318,039	(39)
Treatment Plant Projects	80,000	-	-	-
Land Purchases	-	3,600	3,600	-
Major Repairs	75,000	575,000	574,287	713
Miscellaneous	362,000	779,000	778,156	844
Maintenance	550,000	927,100	927,095	5
Total Expenditures	3,612,000	6,669,500	6,664,275	5,225
<u>Excess of Revenues Over</u>				
<u>Expenditures</u>	1,938,200	(208,500)	(202,261)	6,239
<u>Other Financing Sources and (Uses)</u>				
Transfers In	-	200,000	200,000	-
Transfers Out	(1,161,000)	(1,110,000)	(1,106,263)	3,737
Total Other Financing Sources				
and Uses	(1,161,000)	(910,000)	(906,263)	3,737
<u>Net Change in Fund Balance</u>	777,200	(1,118,500)	(1,108,524)	9,976
<u>Fund Balance at Beginning of Year</u>	1,205,588	1,205,588	1,205,588	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 1,982,788	\$ 87,088	\$ 97,064	\$ 9,976

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, 2016

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.

CITY OF WEST MONROE, LOUISIANA
OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2016	7/1/2015	\$ -	\$ 6,665,758	\$ 6,665,758	0.00%	\$ 11,127,854	59.90%
6/30/2015	7/1/2014	\$ -	\$ 6,409,383	\$ 6,409,383	0.00%	\$ 12,339,402	51.94%
6/30/2014	7/1/2013	\$ -	\$ 545,589	\$ 545,589	0.00%	\$ 12,453,558	4.38%
6/30/2013	7/1/2012	\$ -	\$ 524,605	\$ 524,605	0.00%	\$ 12,081,063	4.34%
6/30/2012	7/1/2011	\$ -	\$ 719,181	\$ 719,181	0.00%	\$ 11,412,471	6.30%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/2016	\$ 807,801	\$ 140,723	17.42%	1,461,231
6/30/2015	\$ 726,354	\$ 140,723	19.37%	794,153
6/30/2014	\$ 65,089	\$ 29,340	45.08%	208,522
6/30/2013	\$ 63,068	\$ 29,340	46.52%	172,773
6/30/2012	\$ 79,186	\$ 45,288	57.19%	139,045

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2016

	<u>MERS</u>		<u>MPERS</u>		<u>FRS</u>		<u>LASERS</u>	
	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	3.3204%	3.2940%	1.0739%	1.1694%	0.8044%	0.7515%	0.0022%	0.0024%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$11,860,921	\$ 8,453,863	\$ 8,413,119	\$ 7,315,950	\$ 4,341,275	\$ 3,344,235	\$ 151,878	\$ 141,003
Employer's Covered-Employee Payroll	\$11,127,854	\$ 12,339,402	\$11,127,854	\$12,339,402	\$11,127,854	\$12,339,402	\$11,127,854	\$12,339,402
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	106.59%	68.51%	75.60%	59.29%	39.01%	27.10%	1.36%	1.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.18%	73.99%	70.73%	75.10%	72.45%	76.02%	62.70%	65.02%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

* The amounts presented have a measurement date of the previous fiscal year end.

CITY OF WEST MONROE, LOUISIANA
WEST MONROE, LOUISIANA

SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>MERS</u>		<u>MPERS</u>		<u>FRS</u>		<u>LASERS</u>	
	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually Required Contribution ¹	\$ 1,201,843	\$ 1,119,250	\$ 930,067	\$ 981,393	\$ 510,063	\$ 500,011	\$ 17,419	\$ 18,597
Contributions In Relation to Contractually Required Contribution ²	<u>1,201,843</u>	<u>1,119,250</u>	<u>930,067</u>	<u>981,393</u>	<u>510,063</u>	<u>500,011</u>	<u>17,419</u>	<u>18,597</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Employee Payroll ³	\$ 11,127,854	\$ 12,339,402	\$ 11,127,854	\$ 12,339,403	\$ 11,127,854	\$ 12,339,403	\$ 11,127,854	\$ 12,339,403
Contributions as a % of Covered Employee Payroll	10.80%	9.07%	8.36%	7.95%	4.58%	4.05%	0.16%	0.15%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the respective pension funds*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30, 2015*

PRIMARY GOVERNMENT SUPPLEMENTAL
INFORMATION SCHEDULES

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	495	43,576	-	831
Due From Other Funds	128,094	-	5,583	-
<u>TOTAL ASSETS</u>	<u>\$ 128,589</u>	<u>\$ 43,576</u>	<u>\$ 5,583</u>	<u>\$ 831</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	43,576	-	14,126
Total Liabilities	-	43,576	-	14,126
<u>FUND BALANCES</u>				
Restricted	-	-	5,583	-
Assigned	128,589	-	-	-
Unassigned	-	-	-	(13,295)
Total Fund Balances	128,589	-	5,583	(13,295)
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 128,589</u>	<u>\$ 43,576</u>	<u>\$ 5,583</u>	<u>\$ 831</u>

<u>Rental Rehabilitation Fund</u>	<u>Section 8 Housing Fund</u>	<u>Miscellaneous Projects & Grant Funds</u>	<u>Metro LCLE Grant Fund</u>	<u>Office of Motor Vehicles</u>	
\$ 6,904	\$ 516,688	\$ -	\$ -	\$ -	
-	5,004	-	-	-	
-	-	-	14,587	25,350	C
-	-	-	2,614	39,898	
<u>\$ 6,904</u>	<u>\$ 521,692</u>	<u>\$ -</u>	<u>\$ 17,201</u>	<u>\$ 65,248</u>	O
					N
					T
\$ -	\$ 328	\$ -	\$ 14,587	\$ 80	I
-	531,817	12,007	-	-	
<u>-</u>	<u>532,145</u>	<u>12,007</u>	<u>14,587</u>	<u>80</u>	N
					U
6,904	-	-	2,614	-	B
-	-	-	-	65,168	
-	(10,453)	(12,007)	-	-	D
<u>6,904</u>	<u>(10,453)</u>	<u>(12,007)</u>	<u>2,614</u>	<u>65,168</u>	
<u>\$ 6,904</u>	<u>\$ 521,692</u>	<u>\$ -</u>	<u>\$ 17,201</u>	<u>\$ 65,248</u>	

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	<u>Keep Beautiful Grant Program</u>	<u>Americorps Grant Fund</u>	<u>Ouachita Outreach</u>	<u>Total Special Revenue Funds</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ 523,592
Accounts Receivable	-	-	-	5,004
Due From Other Governments	-	97,996	-	182,835
Due From Other Funds	-	-	-	176,189
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 97,996</u>	<u>\$ -</u>	<u>\$ 887,620</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	14,995
Due To Other Funds	20,576	234,264	57,893	914,259
Total Liabilities	20,576	234,264	57,893	929,254
<u>FUND BALANCES</u>				
Restricted	-	-	-	15,101
Assigned	-	-	-	193,757
Unassigned	(20,576)	(136,268)	(57,893)	(250,492)
Total Fund Balances	(20,576)	(136,268)	(57,893)	(41,634)
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 97,996</u>	<u>\$ -</u>	<u>\$ 887,620</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, 2016

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<u>Revenues</u>				
Taxes	\$ 237,202	\$ -	\$ -	\$ -
Intergovernmental	-	190,909	-	-
Interest	-	-	-	-
Other	-	184,444	-	64,370
Total Revenues	<u>237,202</u>	<u>375,353</u>	<u>-</u>	<u>64,370</u>
<u>Expenditures</u>				
Public Safety	-	-	-	51,187
Public Works	435,673	-	-	-
Health and Welfare	-	685,400	20,448	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	<u>435,673</u>	<u>685,400</u>	<u>20,448</u>	<u>51,187</u>
<u>Excess (Deficiency) of</u>				
<u>Revenues Over Expenditure</u>	(198,471)	(310,047)	(20,448)	13,183
<u>Other Financing Sources</u>				
Operating Transfers - In (Out)	-	310,047	-	-
Total Other Financing Sources	<u>-</u>	<u>310,047</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(198,471)	-	(20,448)	13,183
<u>Fund Balances - Beginning</u>	327,060	-	26,031	(26,478)
<u>FUND BALANCES - ENDING</u>	<u>\$ 128,589</u>	<u>\$ -</u>	<u>\$ 5,583</u>	<u>\$ (13,295)</u>

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Americorps Grant Fund	Ouachita Outreach	Office of Motor Vehicles	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	115,773	267,714	-	133,692	
-	-	-	-	-	
-	-	-	28,275	-	
-	115,773	267,714	28,275	133,692	
-	115,773	-	-	69,524	C
-	-	-	-	-	O
-	-	-	-	-	
-	-	298,835	17,047	-	N
-	-	-	-	-	T
-	115,773	298,835	17,047	69,524	I
-	-	(31,121)	11,228	64,168	N
-	-	-	-	-	U
-	-	-	-	-	E
-	-	-	-	-	D
-	-	(31,121)	11,228	64,168	
6,904	2,614	(105,147)	(69,121)	1,000	
\$ 6,904	\$ 2,614	\$ (136,268)	\$ (57,893)	\$ 65,168	

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, 2016

	Section 8 Housing Fund	Misc. Projects and Grant Funds	Keep West Monroe Beautiful Grant Program	Total Nonmajor Special Revenue Funds
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ 237,202
Intergovernmental	1,479,699	-	50	2,187,837
Interest	474	-	-	474
Other	2,926	23,572	-	303,587
Total Revenues	1,483,099	23,572	50	2,729,100
<u>Expenditures</u>				
Public Safety	-	-	-	236,484
Public Works	-	-	-	435,673
Health and Welfare	1,520,348	-	-	2,226,196
Culture and Recreation	-	23,850	21,500	361,232
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	1,520,348	23,850	21,500	3,259,585
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(37,249)	(278)	(21,450)	(530,485)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - In (Out)	-	-	-	310,047
Total Other Financing Sources (Uses)	-	-	-	310,047
<u>Net Change in Fund Balance</u>	(37,249)	(278)	(21,450)	(220,438)
<u>Fund Balances - Beginning</u>	26,796	(11,729)	874	178,804
<u>FUND BALANCES - END</u>	\$ (10,453)	\$ (12,007)	\$ (20,576)	\$ (41,634)

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

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Due From Other Governments:		
Louisiana Office of Elderly Affairs	\$ 10,334	\$ -
Department of Transportation	<u>33,242</u>	<u>15,466</u>
<u>Total Assets</u>	<u>\$ 43,576</u>	<u>\$ 15,466</u>
 <u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Accounts Payable	\$ -	\$ -
Due To Other Funds	<u>43,576</u>	<u>15,466</u>
<u>Total Liabilities</u>	<u>43,576</u>	<u>15,466</u>
 <u>Fund Balance</u>		
Unassigned	<u>-</u>	<u>-</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$ 43,576</u>	<u>\$ 15,466</u>

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,	
	2016	2015
<u>Revenues</u>		
Department of Transportation	\$ 91,704	\$ 83,990
Ouachita Council on Aging		
Senior Center Funds	77,442	77,441
Supplemental Senior Center Funds	6,620	6,621
Louisiana Office of Elderly Affairs	-	-
United Way	126,033	119,821
Transportation Fees	12,707	10,864
Miscellaneous Revenues (Ceramics, Greenhouse, etc.)	60,847	65,115
Total Revenues	<u>375,353</u>	<u>363,852</u>
<u>Expenditures</u>		
Salaries and Related Expenditures	485,991	433,234
Professional Services	2,650	2,650
Repairs and Maintenance	15,429	14,894
Communications	1,897	1,717
Postage	756	11
Newsletter	17,212	17,099
Advertising	4,726	3,733
Travel	959	1,060
Supplies	52,792	61,576
Utilities	59,367	64,642
Fuel	40,406	50,522
Miscellaneous	3,215	1,686
Total Expenditures	<u>685,400</u>	<u>652,824</u>
<u>Deficiency of Revenues Over Expenditures</u>	(310,047)	(288,972)
<u>Other Financing Sources</u>		
City of West Monroe Support	<u>310,047</u>	<u>288,972</u>
<u>Net Change in Fund Balance</u>	-	-
<u>Fund Balance - Beginning</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	<u>2007</u> <u>Debt Service</u> <u>Fund</u>	<u>2003</u> <u>Debt Service</u> <u>Fund</u>	<u>2011</u> <u>Debt Service</u> <u>Fund</u>	<u>2015</u> <u>Debt Service</u> <u>Fund</u>	<u>Firemen's</u> <u>Pension</u> <u>Merger Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
<u>ASSETS</u>						
Cash in Bank	\$ -	\$ -	\$ 16,642	\$ 166,635	\$ -	\$ 183,277
Accounts Receivable	-	-	-	-	-	-
Due from Other Governments	27,425	39,544	24,195	120,000	5,575	216,739
Due From Other Funds	-	56,322	-	-	-	56,322
<u>TOTAL ASSETS</u>	<u>\$ 27,425</u>	<u>\$ 95,866</u>	<u>\$ 40,837</u>	<u>\$ 286,635</u>	<u>\$ 5,575</u>	<u>\$ 456,338</u>
<u>LIABILITIES</u>						
Payable to State Retirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	95,588	-	-	-	5,510	101,098
Total Liabilities	95,588	-	-	-	5,510	101,098
<u>FUND BALANCES</u>						
Assigned	-	95,866	40,837	286,635	65	423,403
Unassigned	(68,163)	-	-	-	-	(68,163)
Total Fund Balances	(68,163)	95,866	40,837	286,635	65	355,240
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCES</u>	<u>\$ 27,425</u>	<u>\$ 95,866</u>	<u>\$ 40,837</u>	<u>\$ 286,635</u>	<u>\$ 5,575</u>	<u>\$ 456,338</u>

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, 2016

	2007 Debt Service Fund	2003 Debt Service Fund	2011 Debt Service Fund	2015 Debt Service Fund	Firemen's Pension Merger Fund	Total Nonmajor Debt Service Funds
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ -	\$ 1,440,000	\$ 66,900	\$ 1,506,900
Sales of Assets	-	-	-	-	-	-
Total Revenues	-	-	-	1,440,000	66,900	1,506,900
<u>Expenditures</u>						
Principal Retirement	195,000	449,996	380,000	435,000	-	1,459,996
Other Debt Service Costs	400	-	-	400	-	800
Interest	136,313	49,756	63,336	957,965	-	1,207,370
Total Expenditures	331,713	499,752	443,336	1,393,365	-	2,668,166
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(331,713)	(499,752)	(443,336)	46,635	66,900	(1,161,266)
<u>Other Financing Sources</u>						
Operating Transfers - In	329,100	474,540	290,340	-	-	1,093,980
<u>Net Change in Fund Balance</u>	(2,613)	(25,212)	(152,996)	46,635	66,900	(67,286)
<u>Fund Balance - Beginning</u>	(65,550)	121,078	193,833	240,000	(66,835)	422,526
<u>FUND BALANCE - ENDING</u>	\$ (68,163)	\$ 95,866	\$ 40,837	\$ 286,635	\$ 65	\$ 355,240

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	<u>CDBG - Street Paving Project</u>	<u>2007 Debt Capital Fund</u>	<u>2011 Debt Capital Fund</u>	<u>CDBG - Send Technologies Project</u>	<u>CDBG - 5th Street Overlay</u>	<u>Total Nonmajor Capital Project Funds</u>
<u>ASSETS</u>						
Cash in Bank	\$ 6,278	\$ -	\$ -	\$ 7	\$ 4	\$ 6,289
Due From Other Governments	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 6,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 4</u>	<u>\$ 6,289</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ -	\$ 6,164	\$ 634	\$ -	\$ -	\$ 6,798
Due To Other Funds	-	<u>52,973</u>	<u>5,602</u>	-	-	<u>58,575</u>
Total Liabilities	-	59,137	6,236	-	-	65,373
<u>FUND BALANCES (DEFICITS)</u>						
Restricted	6,278	-	-	7	4	6,289
Unassigned	-	<u>(59,137)</u>	<u>(6,236)</u>	-	-	<u>(65,373)</u>
Total Fund Balances	<u>6,278</u>	<u>(59,137)</u>	<u>(6,236)</u>	<u>7</u>	<u>4</u>	<u>(59,084)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u>	<u>\$ 6,278</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2016

	CDBG - Street Paving Project	2007 Debt Capital Fund	2011 Debt Capital Fund	CDBG - Send Technologies Project	CDBG - 5th Street Overlay	Total Nonmajor Capital Project Funds
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	-	142	11	-	-	153
Total Revenues	-	142	11	-	-	153
Expenditures						
Capital Projects	-	687,859	-	-	-	687,859
Excess (Deficiency) of Revenues Over Expenditures	-	(687,717)	11	-	-	(687,706)
Other Financing Sources (Uses)						
Operating Transfers - In	-	44,828	-	-	-	44,828
Operating Transfers - Out	-	-	(32,545)	-	-	(32,545)
Total Other Financing Sources (Uses)	-	44,828	(32,545)	-	-	12,283
Net Change in Fund Balance	-	(642,889)	(32,534)	-	-	(675,423)
Fund Balances - Beginning	6,278	583,752	26,298	7	4	616,339
FUND BALANCES - ENDING	\$ 6,278	\$ (59,137)	\$ (6,236)	\$ 7	\$ 4	\$ (59,084)

OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA
ALL FUNDS
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM
PROPERTY TAX LEVY FOR 2015

<u>Assessed Valuation</u>		\$ 146,714,387
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.53
<u>Gross Tax Levy</u>		<u>\$ 1,251,482</u>
<u>Tax Collected</u>		
2015 Assessments		<u>\$ 1,240,861</u>
<u>Allocation of Tax Collected</u>	<u>2015 Tax Rate Mills</u>	
General Fund	6.90	\$ 1,003,659
Street Maintenance	<u>1.63</u>	<u>237,202</u>
Total	<u>8.53</u>	<u>\$ 1,240,861</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 3,490	\$ 1,972	\$ 711,859	\$ 717,321
<u>Cost of Operations</u>				
Operating Expenditures	-	-	303,329	303,329
Personnel	-	-	330,272	330,272
Total	-	-	633,601	633,601
<u>Gross Profit</u>	<u>\$ 3,490</u>	<u>\$ 1,972</u>	<u>\$ 78,258</u>	83,720
<u>Administrative Expenditures</u>				
Director's Salary				59,087
Operations Salaries				64,485
Employee Benefits				43,260
Vehicle Maintenance				1,916
Materials, Repairs & Supplies				7,557
Operating Supplies				40,488
Travel, Car & Meetings				1,200
Cell Phones and Pagers				1,080
Fuel				1,126
Advertising				-
Office Supplies				2,080
Utilities				7,645
Total Administrative Expenditures				<u>229,924</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (146,204)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
698,200	
282,500	
341,380	
\$ 74,320	\$ 9,400
59,090	3
64,475	(10)
43,295	35
600	(1,316)
-	(7,557)
41,000	512
1,200	-
1,080	-
1,300	174
-	-
1,600	(480)
12,700	5,055
<u>226,340</u>	<u>(3,584)</u>
<u>\$ (152,020)</u>	<u>\$ 5,816</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals & Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 321,546	\$ 40,831	\$ 252,296	\$ 614,673
<u>Cost of Operations</u>				
Operating Expenditures	104,302	16,046	80,232	200,580
Personnel	109,670	16,872	84,361	210,903
Total	<u>213,972</u>	<u>32,918</u>	<u>164,593</u>	<u>411,483</u>
<u>Gross Profit</u>	<u>\$ 107,574</u>	<u>\$ 7,913</u>	<u>\$ 87,703</u>	203,190
<u>Administrative Expenditures</u>				
Director's Salary				85,182
Operations Salaries				114,995
Employee Benefits				69,699
Vehicle Maintenance				9,600
Materials, Repairs & Supplies				20,017
Gas and Oil				2,709
Office				1,291
Cell Phones and Pagers				1,360
Other Miscellaneous Purchases				836
Operating Supplies				23,401
Utilities				<u>335,842</u>
Total Administrative Expenditures				<u>664,932</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (461,742)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
658,400	
208,390	
203,110	
\$ 246,900	\$ (43,710)
85,185	3
116,000	1,005
71,010	1,311
8,000	(1,600)
2,500	(17,517)
-	(2,709)
1,200	(91)
1,440	80
500	(336)
28,000	4,599
<u>351,800</u>	<u>15,958</u>
<u>665,635</u>	<u>703</u>
<u>\$ (418,735)</u>	<u>\$ (43,007)</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 2016

James Bennett	\$	10,800
James Brian		10,800
Alice Pearson		10,800
Staci Albritton Mitchell		10,800
Thom Hamilton		10,800
	\$	<u>54,000</u>

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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INDEPENDENT AUDITORS' 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 1, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 16-5.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 16-1 through 16-4.

City of West Monroe, Louisiana Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 1, 2016

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

Report on Compliance for Each Major Federal Program

We have audited City of West Monroe, Louisiana's (the City) compliance with the type compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. 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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 16-1 through 16-4. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of 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 material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified.. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 16-1 through 16-4 that we consider to be material weaknesses.

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana
Page 3

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 1, 2016

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic government financial statements of the City of West Monroe, Louisiana.
2. Five significant deficiencies were disclosed during the audit of the financial statements as reported in the Independent Auditors' 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 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. Four 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. Four significant deficiencies that were all deemed material weaknesses were disclosed during the audit of the major federal award programs and all four are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with the Uniform Guidance 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 and Americorps, CFDA No. 94.006.
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. The City of West Monroe, Louisiana does qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

16-1 Unallowable Costs

Federal program and specific federal award identification:

This finding relates to AmeriCorps, CFDA #94.006 for Federal Award Year 2016, received from Federal Agency: Corporation for National and Community Service passed through the Office of Lieutenant Governor of Louisiana.

Condition:

It was noted during testing of this grant that some employees did not have all the required documentation to be included in this grant.

Criteria:

Federal guidelines require that employees have the following items in their personnel files to receive reimbursement from the grant.

- Verification of the employee's identity.
- Documentation of initiation and completion of a criminal background check.
- Documentation that the employee was not listed on the National Sex Offender Public Website (NSOPW).

Cause:

The City did not document or obtain all eligibility requirements applicable to this grant.

Potential Effect:

The City was using federal funds to reimburse salaries of employees who had not completed all the applicable federal guidelines to be reimbursed by the grant.

Recommendation:

The City should implement a system of checks and balances to help ensure that every employee has met all the applicable guidelines for the federal grant.

Response:

The City has made personnel changes in the program and both the Director and Program Manager have been replaced. All the problems have been corrected and the program was renewed by the granting agency for another year.

16-2 Matching Expenses

Federal program and specific federal award identification:

This finding relates to AmeriCorps, CFDA #94.006 for Federal Award Year 2016, received from Federal Agency: Corporation for National and Community Service passed through the Office of Lieutenant Governor of Louisiana.

Condition:

It was noted during testing of this grant that the City did not spend the required amount on matching expenses.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

Criteria:

Federal guidelines require that at least fifty percent of the total expenses for this grant are in the form of expenses paid by the City, also known as matching expenses.

Cause:

One of the components of the above mentioned matching costs are in-kind expenses. One of the in-kind expenses that was used as a matching expense was calculated at a rate from a prior year. This caused the matching expenses to be calculated at a lower amount than was actually being used.

Potential Effect:

The City was not in compliance with one of the federal requirements for this grant.

Recommendation:

The City should more closely monitor the amounts that it is using for all matching expenses.

Response:

The City has made personnel changes in the program and both the Director and Program Manager have been replaced. All the problems have been corrected and the program was renewed by the granting agency for another year.

16-3 Utility Allowance

Federal program and specific federal award identification:

This finding relates to Section 8 Housing Choice Vouchers, CFDA #14.871 for Federal Award Year 2016, received from United States Department of Housing and Urban Development.

Condition:

It was noted during testing of this grant that the City had not reviewed its schedule of utility allowances in the last year.

Criteria:

Federal regulations require that the City must review its schedule of utility allowances each year and revise its allowance for a utility category if there has been a change of ten percent or more in the utility rate since the last time the utility allowance schedule was revised.

Cause:

The City did not obtain information to determine whether utility allowances needed to be adjusted.

Potential Effect:

The City could be using data in its current utility allowance schedule that does not accurately reflect the current utility rates in its service area.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

Recommendation:

The City should consult with the local companies that provide utilities to its service area and review its schedule of utility allowances to determine if any revisions need to be made.

Response:

The City will check with Entergy and/or Atmos to determine the reasonableness of the utility allowance schedule and make revisions necessary.

16-4 Rent Reasonableness

Federal program and specific federal award identification:

This finding relates to Section 8 Housing Choice Vouchers, CFDA #14.871 for Federal Award Year 2016, received from United States Department of Housing and Urban Development.

Condition:

It was noted during testing of this grant that the City had not properly performed and documented a test of rent reasonableness in accordance with federal regulations.

Criteria:

Federal regulations require that the City may not approve a lease until the City determines that the initial rent to the owner is a reasonable rent. Federal regulations also require that the City must redetermine the reasonable rent before any increase in the rent to the owner, if there is a five percent decrease in the published fair market rent in effect sixty days before the contract anniversary, or if directed to do so by HUD.

Federal regulations also require the City to document its decision and the basis for each decision in the tenant's file. This documentation should also identify who conducted the rent reasonableness determination and when the determination was made.

Cause:

The City did not obtain information to determine whether rent was being reasonably charged.

Potential Effect:

The City could be using rental rates that are not reasonable when compared to other units in its service area.

Recommendation:

The City should perform and document a test of rent reasonableness in accordance with federal regulations.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

Response:

While the Director and/or staff check rental rates for the area, they are not documented. The City will document the rent reasonable checks that are performed and ensure that it complies with the federal standards for the program.

FINDINGS – FINANCIAL STATEMENT AUDIT

16-5 Petty Cash

Condition:

During the audit, it was discovered that employees are using the City's petty cash to cash their personal checks.

Criteria:

The City's petty cash should only be used for official City business.

Cause:

Petty cash was not restricted for City business purposes only.

Potential Effect:

The checks being cashed to reimburse the City's petty cash could be declined for non-sufficient funds. This would result in extra fees from the City's bank.

Recommendation:

The City should make a policy to limit the use of its petty cash to official City business only. Also, no checks should be accepted in exchange for getting cash from the City's petty cash.

Response:

The City will not allow checks to be cashed from the petty cash boxes.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass - Through Number</u>	<u>Expenditures</u>
Department of Housing & Urban Development			
Section 8 Housing Choice Vouchers	14.871		* \$ 1,478,229
HAP - Vouchers			
Department of Homeland Security			
Homeland Security Grant Program	97.067		29,155
Department of Justice			
Bulletproof Vest Partnership	16.607		3,561
Department of Transportation			
Louisiana Highway Safety Commission			
Minimum Penalties for Repeat Offenders	20.607		80,363
Formula Grants for Rural Areas	20.509		190,567
State and Community Highway Safety	20.600		58,197
Alcohol Impaired Driving Countermeasures Incentive	20.601		31,482
Corporation for National and Community Service			
Volunteer Louisiana Commission in the Office of the Lieutenant Governor			
AmeriCorps	94.006	12AFHLA0010001 *	195,407
Executive Office of the President			
HIDTA Overtime Reimbursement			
Metro Narcotics	95.001		<u>18,433</u>
			<u>\$ 2,085,394</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, 2016

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 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 financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. 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, 2016

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

15-1 Grant Applications and Tracking Procedures

Condition:

The City receives numerous federal, state and private grants and other funding. Because each department applies for and maintains their own grants, it is possible that new grant applications may not always be recorded in the central grant register timely. Also, since each department is responsible for applying for their own grant reimbursements, it is difficult for the central grant register administrator to determine if all grant revenue has been received

Recommendation:

The City's management should consider adopting a policy that requires each department to notify the staff in charge of maintaining the grant register when a grant is applied for, and approval is received, and appropriate documentation provided including requests for funding.

Current Status:

Cleared.

15-2 Timely Posting of Bank Reconciliation Adjustments

Condition:

During the audit, it was discovered that the reconciliation adjustments to the City's operating account were not being posted to the general ledger each month.

Recommendation:

The City should post all bank reconciliation adjustments promptly after the reconciliation is completed.

Current Status:

Cleared.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2016

Agency Head
Mayor Dave Norris

Salary	\$ 85,000
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Benefits

Pension - Municipal	16,788	
Medical Insurance	5,700	
Life and Disability Insurance	747	
Gym Membership	240	
Car Allowance	<u>9,600</u>	
Total Benefits		<u>33,075</u>

Total	<u>\$ 118,075</u>
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