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CITY OF WEST MONROE, LOUISIANA

*Financial Report
For the Year Ended June 30, 2003*

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Release Date 1-21-04



CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2003

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report -----	1-2
<u>PRIMARY GOVERNMENT FINANCIAL STATEMENTS</u>	
Required Supplemental Information (Part A)	
Management's Discussion and Analysis -----	3-11
Government-Wide Financial Statements	
Statement of Net Assets -----	12
Statement of Activities -----	13
Fund Financial Statements	
Governmental Funds:	
Balance Sheet -----	14
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets -----	14
Statement of Revenues, Expenditures and Changes in Fund Balances -----	15
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances to the Statement of Activities -----	15
Proprietary Funds:	
Statement of Net Assets -----	16
Statement of Revenues, Expenses and Changes in Net Assets -----	17
Statement of Cash Flows -----	18
Notes to Financial Statements -----	19-38
Required Supplemental Information (Part B)	
Budgetary Comparison Schedules	
General Fund -----	39
'86 Sales Tax Fund -----	40
Section 8 Fund -----	41

CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2003

TABLE OF CONTENTS

PRIMARY GOVERNMENT SUPPLEMENTAL
INFORMATION SCHEDULES

	<u>Page</u>
Nonmajor Special Revenue Funds:	
Combining Balance Sheet -----	42-46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -----	47-49
Nonmajor Debt Service Funds:	
Combining Balance Sheet -----	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -----	51
Nonmajor Capital Project Funds:	
Combining Balance Sheet -----	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -----	53
Enterprise Fund:	
Utility Fund	
Balance Sheets -----	54
Schedules of Revenues, Expenses and Changes in Retained Earnings (Deficit) -----	55
Schedules of Cash Flows -----	56
Internal Service Fund	
Balance Sheets -----	57
Schedules of Revenues, Expenses and Changes in Retained Earnings (Deficit) -----	58
Schedules of Cash Flows -----	59
Nonmajor Fiduciary Funds:	
Expendable Trust Funds:	
Combining Balance Sheet -----	60
Changes in Fund Balances -----	61

CITY OF WEST MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2003

TABLE OF CONTENTS

OTHER SUPPLEMENTAL INFORMATION

	<u>Page</u>
All Funds –	
Schedule of Assessed Valuation and Ad Valorem Property Tax Levy for 2002 -----	62
Schedule of Revenues and Expenditures – Convention Center -----	63
Schedule of Revenues and Expenditures – Ike Hamilton Expo Center -----	64

OTHER SUPPLEMENTAL INFORMATION –
GRANT ACTIVITY

Independent Auditors’ Report on Compliance and on Internal Control Over Financial Reporting Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> -----	65-66
Independent Auditors’ Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 -----	67-68
Schedule of Findings and Questioned Costs -----	69-72
Schedule of Expenditures of Federal Awards -----	73-74
Notes to Schedule of Expenditures of Federal Awards -----	75
Summary Schedule of Prior Audit Findings -----	76-79

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Monroe, Louisiana (which is "the City" as well as "the primary government"), as of and for the year ended June 30, 2003, which collectively comprise the basic financial statements of the city's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of the City, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City as of June 30, 2003, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of the City as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2003, on our consideration the City of West Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2003.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 39 through 41, are not a required part of the primary government financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 24, 2003

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

CITY OF WEST MONROE, LOUISIANA

Management's Discussion and Analysis Year Ended June 30, 2003

As management of the City of West Monroe, we offer readers of the financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. 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 \$44.2 million (net assets). Of this amount, \$2.5 million is unrestricted.
- The City's total net assets decreased by \$259,251 for the fiscal year. This decrease is a result of a \$317,260 decrease in net assets of business-type activities before transfers.
- At the end of the fiscal year, the City of West Monroe's governmental funds reported combined ending fund balances of \$6.0 million.
- At the end of the fiscal year, the unreserved fund balance for the general fund was \$4.1 million, or 30% of the total general fund expenditures.
- The general fund reported a surplus of \$587,389 before transfers, and a surplus of \$175,401 after transfers.
- The City's bonded debt had a net decrease of \$735,000. Total bonded debt at the end of the fiscal year was \$4,335,000.

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, which are new for fiscal year 2002-2003, provide both long-term and short term information about the City's overall financial status. The fund financial statements, which have been provided in the past, focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the City's accountability.

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

The City has three kinds of funds:

- **Governmental funds** – Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs.
- **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 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

This is the first year that the City of West Monroe has presented its financial statements under the new reporting model required by GASB Statement No. 34. This reporting model changes significantly both the recording and presentation of financial data. However, under this statement, the City is not required to restate prior periods for the purposes of providing comparative information. In future years, when prior year information becomes available, a comparative analysis of government-wide information will be included in this report.

Statement of Net Assets

The following table reflects the condensed net assets:

TABLE 1
NET ASSETS OF GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT
ASSETS:			
Current and other assets	\$ 8,345,340	\$ 508,707	\$ 8,854,047
Capital Assets	40,658,306	4,783,341	45,441,647
Total Assets	<u>49,003,646</u>	<u>5,292,048</u>	<u>54,295,694</u>
LIABILITIES:			
Long-term debt outstanding	7,486,085	119,427	6,605,512
Other liabilities	2,411,402	118,303	2,529,705
Total Liabilities	<u>9,897,487</u>	<u>237,730</u>	<u>10,135,217</u>
NET ASSETS:			
Invested in Capital Assets			
Net of debt	36,323,306	4,783,341	41,106,647
Restricted	535,309		535,309
Unrestricted	2,247,544	270,977	2,518,521
Total Net Assets	<u>\$ 39,106,159</u>	<u>\$ 5,054,318</u>	<u>\$ 44,160,477</u>

Net assets (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The City of West Monroe's assets exceeded liabilities by \$44.1 million at the close of the fiscal year. The largest portion of the City's net assets (93%) 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.

One percent of the City's net assets are subject to restrictions. The remaining balance of unrestricted net assets \$2.5 million may be used to meet the City's ongoing obligations.

Governmental Activities

Net assets of the City's governmental activities decreased from \$39,231,008 to 39,106,159. This decrease of \$124,849 is due to a transfer to the City's Utility Fund to cover an operating loss.

Business-type Activities

Net assets of the City's business-type activities decreased from \$5,188,720 to \$5,054,318, primarily because of the operating loss of the City's water, sewer and sewer treatment systems. The operating loss is mainly due to \$347,429 in depreciation expense.

Statement of Activities

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

TABLE 2
CHANGES IN NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS TYPE ACTIVITIES</u>	<u>TOTAL PRIMARY GOVERNMENT</u>
REVENUES:			
Program Revenues			
Charges for services	\$ 3,113,753	\$ 1,824,648	\$ 4,938,401
Operating grants and contributions	2,968,176		2,968,176
Capital grants and contributions	116,305		116,305
General Revenues			
Property Taxes	774,172		774,172
Other taxes	12,440,473		12,440,473
Intergovernmental	219,100		219,100
Franchise	598,798		598,798
Miscellaneous	566,707		566,707
Sale of Assets	575,661		575,661
Interest earned	86,287		86,287
Capital contributions		213,027	213,027
Total Revenues	<u>21,459,432</u>	<u>2,037,675</u>	<u>23,497,107</u>
EXPENSES:			
General government	6,458,043		6,458,043
Public safety	6,104,540		6,104,540
Public works	2,512,051		2,512,051
Culture and recreations	3,245,939		3,245,939
Urban Development	943,606		943,606
Health and welfare	1,838,944		1,838,944
Interest on long-term debt	298,300		298,300
Utilities		2,354,935	2,354,935
Total Expenses	<u>\$ 21,401,423</u>	<u>\$ 2,354,935</u>	<u>\$ 23,756,358</u>
Increase in net assets before transfers	58,009	(317,260)	(259,251)
Transfers	(182,858)	182,858	
Increase/decrease in assets	(124,849)	(134,402)	(259,251)
Net assets June 30, 2002	39,231,008	5,188,720	44,419,728
Net assets June 30, 2003	39,106,159	5,054,318	44,160,477

Governmental Activities

The City's total revenues from governmental activities were \$21.4 million for the fiscal year ended June 30, 2003. West Monroe's largest source of general revenue (\$13.2 million) is taxes, composed of property tax, sales tax, insurance premium tax, and beer tax. Sixty-two percent of

the City's revenue from governmental activities comes from these taxes. Charges for services (\$3.1 million) were the second largest revenue source for governmental activities.

The City's expenses for the fiscal year end June 30, 2003, were \$21.4 million for governmental activities. These expenses cover a wide range of services with the largest being general government \$6.4 million or 30%, public safety \$6.1 million or 29% and culture and recreation \$3.2 million or 15%.

Business-Type Activities

The total revenues from business-type activities were \$2.0 million for the fiscal year ended June 30, 2003. Expenses for the City's business-type activities were \$2.3 million for the year, resulting in a net loss of \$317,000. This net loss contains \$347,249 for depreciation expenses. The City's general fund also transferred in \$182,858 making the net loss \$134,402 for the fiscal year.

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 fiscal year, the City's governmental funds reported combined ending fund balances of \$6.0 million. Approximately \$5.4 million constitutes unreserved fund balance, which is available for spending at the governments' discretion. The remainder of the fund balance is reserved and is not available for spending because it has already been committed to inventories and to pay debt service

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 \$4.1 million, while total fund balance reached \$4.15 million. As a measure of the general fund liquidity, it may be useful to compare unreserved fund balance to total expenditures. The unreserved fund balance represents 31% of the total general fund expenditures.

The fund balance of the City's general fund increased by a moderate \$175,401 during the fiscal year. Due to the uncertain economic conditions, expenditures were closely monitored and correlated to revenues received.

The City spent a total of \$2.7 million out of the 86 Sales Tax Capital Fund to fund major capital projects and purchases. The fund transferred out \$840,000 to pay for debt service. The capital fund ended the year with a \$73,000 unreserved fund balance.

Proprietary Funds

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

Net assets of the *Utilities Enterprise Fund* at the end of the year were \$5.0 million, a decrease of \$134,402. The fund had an operating loss for the year of \$530,287 of which \$347,429 was depreciation expense.

Net assets of the *Internal Service Fund (Employees Health Insurance Fund)* ended the fiscal year with a negative \$77,526. This is a result of a current year operating loss of \$123,015.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget twice. Differences between the original expenditure budget and the final amended budget were relatively minor and represent an increase of \$22,730 or less than 1%. Actual total revenues exceeded the amended budget by \$106,381.

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)

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Land	\$ 4,561,490	\$ 37,750	\$ 4,599,240
Construction in progress	254,679		254,679
Buildings	19,417,648	3,080	19,420,728
Improvements	648,414		648,414
Equipment	778,379	349,208	1,127,587
Vehicles	554,663		554,663
Infrastructure	14,443,033		14,443,033
Water Plant		788,077	788,077
Treatment Plant		3,605,228	3,605,228
Total	\$ 40,658,306	\$ 4,783,343	\$ 45,441,649

The City of West Monroe's investment in Capital assets for its governmental and business-type activities as of June 30, 2003, amounts to \$45.4 million (net of depreciation). This investment includes land, construction in progress, buildings and improvements, equipment, vehicles, infrastructure, water and sewer treatment plant. This amount represents a net increase of \$2.3 million over the prior fiscal year. The City had additions to governmental and business-type capital assets of \$1.3 million.

The City has a major capital project planned for the 2003-2004 fiscal year. The construction of the I-20 Downing Pines Interchange will begin. The total cost of construction and right-of-way acquisition will be approximately \$7.2 million.

Long-term Debt

The following table shows the City's outstanding debt:

TABLE 4
OUTSTANDING DEBT AT YEAR END

	<u>YR END 6/30/02</u>	<u>YR END 6/30/03</u>
Bonds payable series 1999 and 1998	5,070,000	4,335,000
Firefighters Retirement System	1,431,997	1,360,897
Heart and Lung Disability	1,165,892	1,120,512
Vacation, Sick and Comp. Time	633,882	669,676
Total	<u>8,301,771</u>	<u>7,486,085</u>

At the end of the fiscal year, the City of West Monroe had total bonded debt outstanding of \$4.3 million. All of this amount is backed by the full faith and credit of the City and is being repaid from the Sales Tax Capital Fund.

The City of West Monroe's total long-term debt obligations at year end were \$7.4 million. This is a decrease of \$815,686 from the prior year.

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 2003-2004 budget. The major factor in preparing the budget is to determine the revenue that will be generated from sales tax. Sales tax accounts for 62% of the total General Fund revenue. With current economic conditions, sales tax revenue should increase by approximately 2.5% to 3.0% over prior years collections. All other General Fund revenues should remain fairly consistent with prior year collections. The total General Fund budget for the 2003-2004 fiscal year is \$13.5 million which is virtually the same as the 2002-2003 fiscal year.

Beginning in early 2004, the construction of Trenton Meadows Retail Development should start. This development should substantially increase the City's sales tax base. These extra sales tax revenues should be sufficient to cover the City's expenditures for many years into the future.

The budgeted expenses for the 2003-2004 fiscal year were \$13.5 million, which is no increase over the prior year. The largest expense for the City is personnel cost. The current budget adopted contains no pay raises other than the state mandated 2% for the Fire Department. The City's administration has also reduced all overtime to minimal levels. The major increase in the current budget is the City's contribution to the employee pension plans. Police, Firefighters and Municipal Employees pensions passed substantial increases in the employer contributions beginning June of 2003. The City's contributions to the pension system increased by approximately \$500,000 for the current year. However, at year end a lawsuit, challenging the increase in the employer's contribution to the Firefighters Retirement System, was pending. The City of West Monroe will continue to reserve the entire amount of the increase until the suit is settled.

The City's administration will closely monitor all revenues and expenses to ensure the City ends the 2003-2004 fiscal year with a surplus.

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 Financial 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 ASSETS
JUNE 30, 2003

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,737,314	\$ 116,401	\$ 4,853,715
Investments	1,291,374	-	1,291,374
Accounts Receivable	2,309,500	228,289	2,537,789
Due From Other Governments	140,041	-	140,041
Internal Balances	(164,017)	164,017	-
Inventories	31,128	-	31,128
Capital Assets:			
Non-Depreciable	4,816,169	37,750	4,853,919
Depreciable	35,842,137	4,745,591	40,587,728
<u>TOTAL ASSETS</u>	<u>\$ 49,003,646</u>	<u>\$ 5,292,048</u>	<u>\$ 54,295,694</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,375,397	\$ 1,902	\$ 2,377,299
Deposits Payable	36,005	116,401	152,406
Non-Current Liabilities			
Due Within One Year			
Bonds and Notes Payable	846,077	-	846,077
Compensated Absences	701,326	119,427	820,753
Due in More Than One Year			
Bonds Payable	3,565,000	-	3,565,000
Notes Payable	1,284,820	-	1,284,820
Compensated Absences	1,088,862	-	1,088,862
<u>TOTAL LIABILITIES</u>	<u>9,897,487</u>	<u>237,730</u>	<u>10,135,217</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	36,323,306	4,783,341	41,106,647
Restricted For:			
Capital Projects (Deficit)	(48,475)	-	(48,475)
Debt Service	583,784	-	583,784
Unrestricted	2,247,544	270,977	2,518,521
Total Net Assets	<u>39,106,159</u>	<u>5,054,318</u>	<u>44,160,477</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 49,003,646</u>	<u>\$ 5,292,048</u>	<u>\$ 54,295,694</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, 2003

<u>Function/Program Activities</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Primary Government:</u>				
Government Activities:				
General Government	\$ 6,458,043	\$ 1,146,113	\$ -	\$ -
Public Safety	6,104,540	170,952	312,576	83,102
Public Works	2,512,051	793,770	85,749	33,203
Culture and Recreation	3,245,939	973,517	19,765	-
Urban Redevelopment	943,606	24,271	326,589	-
Health and Welfare	1,838,944	5,130	2,223,497	-
Interest on Long-Term Debt	298,300	-	-	-
Total Governmental Activities	21,401,423	3,113,753	2,968,176	116,305
 Business-Type Activities:				
Utilities	2,354,935	1,824,648	-	-
 <u>Total Primary Government</u>	\$ 23,756,358	\$ 4,938,401	\$ 2,968,176	\$ 116,305

General Revenues:

Taxes:

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

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

- Total General Revenues, Special Items and Transfers
- Changes in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Governmental Activities	Business-Type Activities	Total
\$ (5,311,930)	\$ -	\$ (5,311,930)
(5,537,910)	-	(5,537,910)
(1,599,329)	-	(1,599,329)
(2,252,657)	-	(2,252,657)
(592,746)	-	(592,746)
389,683	-	389,683
(298,300)	-	(298,300)
(15,203,189)	-	(15,203,189)
-	(530,287)	(530,287)
\$ (15,203,189)	\$ (530,287)	\$ (15,733,476)
626,353	-	626,353
147,819	-	147,819
12,001,809	-	12,001,809
403,317	-	403,317
35,347	-	35,347
219,100	-	219,100
598,798	-	598,798
566,707	-	566,707
575,661	-	575,661
86,287	-	86,287
-	213,027	213,027
(182,858)	182,858	-
15,078,340	395,885	15,474,225
(124,849)	(134,402)	(259,251)
39,231,008	5,188,720	44,419,728
\$ 39,106,159	\$ 5,054,318	\$ 44,160,477

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

FUND FINANCIAL STATEMENTS

CITY OF WEST MONROE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

	<u>General Fund</u>	<u>'86 Sales Tax 75% Capital Fund</u>	<u>Section 8 Housing</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,324,495	\$ 27,890	\$ 288,598
Investments	573,755	-	-
Accounts Receivable	217,113	-	-
Due From Other Governments	-	-	-
Due From Other Funds	847,486	444,624	-
Inventories	31,128	-	-
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 4,993,977</u>	<u>\$ 472,514</u>	<u>\$ 288,598</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ 125,238	\$ 124,742	\$ 44,415
Due To Other Funds	677,607	274,364	288,906
Deposits Payable	36,005	-	-
Total Liabilities	<hr/> 838,850	<hr/> 399,106	<hr/> 333,321
Fund Balances:			
Reserved for:			
Inventories	31,128	-	-
Debt Service	-	-	-
Unreserved, Reported in:			
General Fund	4,123,999	-	-
Special Revenue Funds	-	73,408	(44,723)
Expendable Trust Funds	-	-	-
Capital Project Funds	-	-	-
Total Fund Balances	<hr/> 4,155,127	<hr/> 73,408	<hr/> (44,723)
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 4,993,977</u>	<u>\$ 472,514</u>	<u>\$ 288,598</u>

CITY OF WEST MONROE, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total Governmental Fund Balances	\$ 6,011,464
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 1,096,331	\$ 4,737,314		
717,619	1,291,374		
49,879	266,992	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,658,306
140,041	140,041		
862,032	2,154,142		
-	31,128		
<u>\$ 2,865,902</u>	<u>\$ 8,620,991</u>	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(7,486,085)
		The internal service fund is used for the financing of services provided by one fund to other funds. The assets and liabilities of the internal service fund that are reported with governmental activities.	<u>(77,526)</u>
\$ 39,019	\$ 333,414		
999,231	2,240,108		
-	36,005		
<u>1,038,250</u>	<u>2,609,527</u>		
		Net Assets of Governmental Activities	<u>\$ 39,106,159</u>
-	31,128		
583,784	583,784		
-	4,123,999		
263,078	291,763		
1,029,265	1,029,265		
(48,475)	(48,475)		
<u>1,827,652</u>	<u>6,011,464</u>		
<u>\$ 2,865,902</u>	<u>\$ 8,620,991</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, 2003

	<u>General Fund</u>	<u>'86 Sales Tax 75% Capital Fund</u>	<u>Section 8 Housing</u>
<u>Revenues</u>			
Taxes	\$ 9,373,904	\$ 3,576,462	\$ -
Intergovernmental	254,447	-	1,800,493
Licenses and Permits	724,106	-	-
Charges for Services	1,810,011	-	-
Fines and Forfeitures	418,807	-	-
Interest Earned	61,008	5,218	2,078
Franchise Revenue	598,798	-	-
Other	729,419	67,835	10,280
Total Revenues	<u>13,970,500</u>	<u>3,649,515</u>	<u>1,812,851</u>
<u>Expenditures</u>			
General Government	3,396,673	-	-
Public Safety	5,283,403	-	-
Public Works	2,140,284	-	-
Culture and Recreation	2,112,766	-	-
Urban Redevelopment	449,985	-	-
Health and Welfare	-	-	1,826,138
Capital Improvements	-	2,730,383	-
Claims Paid	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Other	-	-	-
Total Expenditures	<u>13,383,111</u>	<u>2,730,383</u>	<u>1,826,138</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	587,389	919,132	(13,287)
<u>Other Financing Sources and (Uses)</u>			
Convention & Visitors Bureau	-	-	-
Transfers In	-	-	-
Transfers (Out)	(411,988)	(845,724)	-
Total Other Financing Sources and (Uses)	<u>(411,988)</u>	<u>(845,724)</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	175,401	73,408	(13,287)
<u>Fund Balances - Beginning</u>	<u>3,979,726</u>	<u>-</u>	<u>(31,436)</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 4,155,127</u>	<u>\$ 73,408</u>	<u>\$ (44,723)</u>

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, 2003

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net Change in Fund Balances - Total	
\$ 228,932	\$ 13,179,298	Governmental Funds	\$ 264,890
1,073,698	3,128,638		
-	724,106	<i>Amounts reported for governmental activities</i>	
-	1,810,011	<i>in the statement of activities are different</i>	
-	418,807	<i>because:</i>	
17,983	86,287		
-	598,798	Governmental funds report capital outlays as	
697,953	1,505,487	expenditures while governmental activities	
<u>2,018,566</u>	<u>21,451,432</u>	report depreciation expense to allocate those	
		expenditures over the life of the assets:	
-	3,396,673	Capital asset purchases capitalized	1,101,547
576,870	5,860,273	Depreciation expense	<u>(2,174,371)</u>
148,276	2,288,560		(1,072,824)
577,167	2,689,933	The internal service fund is used for the	
432,117	882,102	financing of services provided by one fund	
-	1,826,138	to other funds. The net revenue of the	
123,777	2,854,160	internal service fund is reported with	
109,445	109,445	governmental activities.	(123,015)
-			
806,100	806,100	Repayment of debt principal is an	
298,300	298,300	expenditure in the governmental funds, but	
<u>3,072,052</u>	<u>21,011,684</u>	the repayment reduces long-term liabilities	
		in the statement of net assets	<u>806,100</u>
(1,053,486)	439,748	Change in Net Assets in Governmental	
		Activities	<u>\$ (124,849)</u>
8,000	8,000		
1,074,854	1,074,854		
-	(1,257,712)		
<u>1,082,854</u>	<u>(174,858)</u>		
29,368	264,890		
<u>1,798,284</u>	<u>5,746,574</u>		
<u>\$ 1,827,652</u>	<u>\$ 6,011,464</u>		

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2003

	<u>Business-Type Activities Utilities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Accounts Receivable, net of allowance	\$ 228,289	\$ 525
Due From Other Funds	276,176	-
Total Current Assets	504,465	525
<u>Non-Current Assets</u>		
Restricted:		
Cash - Customer Deposits	116,401	-
Capital Assets:		
Land	37,750	-
Buildings	74,786	-
Water Plant	3,769,347	-
Wastewater Treatment Plant	8,947,519	-
Machinery, Equipment & Other	1,000,052	-
Less: Accumulated Depreciation	(9,046,113)	-
Total Non-Current Assets	4,783,341	-
<u>TOTAL ASSETS</u>	\$ 5,404,207	\$ 525
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 1,902	\$ -
Customer Deposits	116,401	-
Accrued Vacation and Sick Pay	119,427	-
Due To Other Funds	112,159	78,051
Total Current Liabilities	349,889	78,051
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	4,783,341	-
Unrestricted	270,977	(77,526)
Total Net Assets	5,054,318	(77,526)
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 5,404,207	\$ 525

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2003

	<u>Business-Type Activities Utilities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Operating Revenues</u>		
User Charges	\$ 997,565	\$ 1,090,048
Treatment Plant Fees	408,117	-
Water Penalties and Turn-on Fees	132,287	-
Sewer District 5 Contributions	286,679	-
Total Operating Revenues	1,824,648	1,090,048
<u>Operating Expenses</u>		
Waterworks	592,680	-
Sewerage	223,777	-
Water Treatment Plant	188,516	-
Sewer Treatment Plant	426,034	-
Public Works Construction	245,552	-
Public Works Administrative	224,164	-
Other Administrative	106,783	236,279
Claims Paid	-	976,784
Depreciation	347,429	-
Total Operating Expenses	2,354,935	1,213,063
<u>Operating Loss</u>	(530,287)	(123,015)
<u>Non-Operating Revenues</u>		
Interest Income	-	-
<u>Income (Loss) Before Contributed Capital and Transfers</u>	(530,287)	(123,015)
Contributed Capital	213,027	-
Transfers In	182,858	-
Total	395,885	-
<u>Changes In Net Assets</u>	(134,402)	(123,015)
<u>Net Assets - Beginning</u>	5,188,720	45,489
<u>NET ASSETS - ENDING</u>	\$ 5,054,318	\$ (77,526)

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

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2003

	<u>Business-Type Activities Utilities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Decrease in Cash and Cash Equivalents:</u>		
Cash Flows From Operations		
Receipts From Customers	\$ 1,382,876	\$ -
Receipts From Group Contributions	-	1,089,523
Payments to Provide Services	(1,482,806)	(898,733)
Payments for General and Administrative	(330,947)	(236,279)
Net Cash Used by Operating Activities	<u>(430,877)</u>	<u>(45,489)</u>
Cash Flows From Noncapital Financing Activities		
Increase in Customer Deposits	453	-
Operating Transfers In	182,858	-
Net Cash Flows From Noncapital Financing Activities	<u>183,311</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Capital Contribution From Other Funds	213,027	-
Net Cash Flows From Capital and Related Financing Activities	<u>213,027</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(34,539)	(45,489)
Cash and Cash Equivalents at Beginning of Year	<u>150,940</u>	<u>45,489</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 116,401</u>	<u>\$ -</u>
Classified As:		
Cash in Bank	\$ -	\$ -
Restricted Assets	116,401	-
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>\$ 116,401</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2003
(Continued)

	<u>Business-Type Activities Utilities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used by Operating Activities:</u>		
Changes in Net Assets	\$ (530,287)	\$ (123,015)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation	347,429	-
Increase in Accounts Receivable	(52,963)	(525)
Decrease in Account Payable	(683)	-
Increase (Decrease) in Due To Other Funds	(100,868)	78,051
Decrease in Bank Overdrafts	(104,814)	-
Increase in Accrued Vacation and Sick Pay	11,309	-
Total Adjustments	99,410	77,526
<u>Net Cash Used by Operating Activities</u>	\$ (430,877)	\$ (45,489)

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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 accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement 35 *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government have presented in the past. Comparability with reports issued in prior years is affected.

The City has adopted the provisions of GASB Statements 34 and 35 for its fiscal year ended June 30, 2003. With the implementation of GASB Statements 34 and 35, the City has prepared required supplementary information titled *Management's Discussion and Analysis* which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, the City has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*, Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*, Statement 37 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement 38 – *Certain Financial Statement Note Disclosures*.

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2003, and for the year then ended.

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 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

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.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

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

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

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities or 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. Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the City's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the City.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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

Governmental Fund Financial Statements (continued) – Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2003 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Fund Accounting

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

1. 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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

1. Governmental Funds (continued)

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.

Section 8 Housing Fund – These funds account for the receipts and disbursements of funds received from the Department of Housing and Urban Development used in connection with the Section 8 Housing Program.

General Insurance Fund – These funds account for monthly transfers from sales tax collections. The funds are to be used to pay claims that are not covered by the City's insurance policies and small damage claims.

2. 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.

3. Fiduciary Funds

Trust and Agency 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 and Agency Funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. Budgets and Budgetary Accounting

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting (continued)

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

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

F. 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.

G. Investments

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's investment guidelines authorizes investments in various investment products, including United States Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes and other investments as approved by LAMP's board of directors. The investments are stated at fair value based on quoted market values.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

H. 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, however, 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.

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. Inventories

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

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

K. 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.

L. 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 activities 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, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

M. Deferred Revenue

The City reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

N. Electrical System Operating Agreement

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

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 10 to 28 working days per year depending upon length of service. At the end of each year, employees may carry forward earned vacation time. Up to a maximum of 40 days of unused vacation is paid to an employee upon retirement, separation, or death at hourly rates being earned by that employee upon separation.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

O. Compensated Absences (continued)

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. 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 an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Q. Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Portions of fund equity are reserved for future use and are, therefore, not available for future appropriation or expenditure. Designations of unreserved fund balances indicate the City's tentative plans for the use of financial resources in a future period.

R. 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 purchases 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 25% shall be used for general operations.

Note 2 - Cash and Cash Equivalents

At June 30, 2003, the City has cash and cash equivalents (book balances net of overdrafts) as follows:

Demand Deposits	<u>\$ 4,853,715</u>
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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 to both parties. Cash and cash equivalents (bank balances) at June 30, 2003, are secured as follows:

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 2 - Cash and Cash Equivalents (continued)

Bank Balances	\$ <u>4,706,619</u>
Federal Deposit Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	<u>5,846,054</u>
 <u>TOTAL</u>	 <u>\$ 5,946,054</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the City, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

Note 3 - Investments

Investments held at June 30, 2003 consist of \$377,134 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2003 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States Corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investments in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and to board of directors. LAMP is not registered with the SEC as an investment company.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 4 - Fund Deficit

At June 30, 2003, the Utility Enterprise Fund has a fund deficit of \$3,702,941. This deficit is caused by depreciation and/or transfers to the General Fund. Also, the Detention Basin, Litter Abatement, General Insurance, Juvenile Justice Grant, and Self Insurance funds had fund deficits totaling \$431,207

Note 5 - Ad Valorem Taxes

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

Property Tax Calendar

Assessment Date	January 1, 2002
Levy Date	September 1, 2002
Tax Bills Mailed	November 16, 2002
Total Taxes are Due	January 31, 2003
Penalties and Interest are Added	February 15, 2003
Tax Sale - 2002 Delinquent Property	June 3, 2003

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

10% Land	15% Machinery
10% Residential Improvements	15% Commercial Improvements
15% Industrial Improvements	25% Public Service Properties, Excluding Land

The ad valorem tax millage is as follows:

	<u>Mills</u>
General Ad Valorem Tax	6.95
Street Maintenance	<u>1.64</u>
<u>TOTAL</u>	<u>8.59</u>

Note 6 - Accounts Receivable

Accounts receivable at June 30, 2003, consisted of the following:

	<u>General</u> <u>Fund</u>	<u>Enterprise</u> <u>Fund</u>	<u>Total</u>
Accounts Receivable	\$ 210,238	\$ 228,289	\$ 438,527
Other Receivables	<u>6,875</u>	<u>-</u>	<u>6,875</u>
<u>TOTAL</u>	<u>\$ 217,113</u>	<u>\$ 228,289</u>	<u>\$ 445,402</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 7 - Due From Other Governments

Louisiana Department of Transportation and Development	\$ 74,144
Louisiana Commission on Law Enforcement	24,701
Corporation for National and Community Service	8,834
Department of Social Services	2,534
Department of Public Safety and Corrections	7,986
Environmental Protection Agency	<u>21,842</u>
 <u>TOTAL</u>	 <u>\$ 140,041</u>

Note 8 - Capital Assets

Capital asset activity for the year ended June 30, 2003 is as follows:

	Primary Government			June 30, 2003 Balance
	June 30, 2002 Balance	Additions	Deletions	
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 4,561,490	\$ -	\$ -	\$ 4,561,490
Construction In Progress	-	<u>254,679</u>	-	<u>254,679</u>
Total	4,561,490	254,679	-	4,816,169
Depreciable Assets:				
Buildings	25,569,401	203,111	(912,943)	24,859,569
Improvements	682,789	70,017	-	752,806
Equipment	3,184,021	247,001	-	3,431,022
Vehicles	3,516,253	314,184	-	3,830,437
Infrastructure	<u>45,957,519</u>	<u>12,555</u>	-	<u>45,970,074</u>
Total at Historical Cost	78,909,983	846,868	(912,943)	78,843,908
Less Accumulated Depreciation for:				
Buildings	(4,875,017)	(612,551)	45,647	(5,441,921)
Improvements	(85,572)	(18,820)	-	(104,392)
Equipment	(2,394,860)	(257,783)	-	(2,652,643)
Vehicles	(3,015,705)	(260,069)	-	(3,275,774)
Infrastructure	<u>(30,501,893)</u>	<u>(1,025,148)</u>	-	<u>(31,527,041)</u>
Total Accumulated Depreciation	<u>(40,873,047)</u>	<u>(2,174,374)</u>	<u>45,647</u>	<u>(43,001,771)</u>
<u>Government Activities Capital Assets, Net</u>	<u>\$ 42,598,426</u>	<u>\$(1,072,824)</u>	<u>\$(867,296)</u>	<u>\$ 40,658,306</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 8 - Capital Assets (continued)

Business-Type Activities:

Non-Depreciable Assets:

Land	\$ 37,750	\$ -	\$ -	\$ 37,750
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Depreciable Assets:

Buildings	74,786	-	-	74,786
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Water Plant	3,769,347	32,575	-	3,786,333
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Treatment Plant	8,806,318	108,626	-	8,914,944
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Equipment	943,815	71,825	-	1,015,640
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Totals at Historical Cost	13,578,676	213,026	-	13,791,703
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Less Accumulated

Depreciation for:

Buildings	(70,226)	(1,480)	-	(71,706)
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Water Plant	(2,940,222)	(58,034)	-	(2,998,256)
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Treatment Plant	(5,090,895)	(218,821)	-	(5,309,716)
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Equipment	(597,340)	(69,094)	-	(666,434)
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Total Accumulated

Depreciation	(8,698,683)	(347,429)	-	(9,046,112)
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Business-Type Activities

<u>Capital Assets, Net</u>	<u>\$ 4,917,743</u>	<u>\$(134,403)</u>	<u>\$ -</u>	<u>\$ 4,783,341</u>
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Depreciation expense for the year ended June 30, 2003 was charged to functions of the primary government as follows:

Government Activities:

General Government	\$ 1,174,709
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Public Safety	201,212
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Public Works	206,269
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Culture and Recreation	38,992
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Community Development	55,353
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Ike Hamilton Expo Center	454,674
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Convention Center	42,658
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Health and Welfare	505
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Total Depreciation Expense -

Governmental Activities	<u>\$ 2,174,371</u>
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Business-Type Activities:

Utilities	<u>\$ 347,429</u>
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Note 9 - Restricted Assets and Related Resources

At June 30, 2003 and 2002, all restricted assets were in the form of demand deposits. These assets represent amounts held for utility customer deposits.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 10 - Pension and Retirement Plans

CITY OF WEST MONROE-SPONSORED PENSION PLANS

Effective January 1, 1980, the City-Sponsored West Monroe Police Pension and Relief System merged with the State of Louisiana's Municipal Police Employees' Retirement System. As a result of that merger, the City of West Monroe was indebted to the state system for 20 years at 6%, which represented the remaining principal balance of the accrued liability for the employees transferred to the Municipal Police Employees Retirement System. This amount was paid out as of June 30, 1999.

Effective January 1, 1986, the City-Sponsored West Monroe Firemen's Pension and Relief System merged with the State Firefighters' Retirement System. As a result of that merger, the City of West Monroe was indebted to the State Firefighters' Retirement System for \$1,360,897 at June 30, 2003 which represents the remaining principal balance of the accrued liability for those employees transferred to the Firefighters' Retirement System. This amount is being paid over 30 years at 7% interest. The City paid principal and interest payments of \$171,340 during fiscal year 2003 from sales tax revenues.

STATE RETIREMENT SYSTEMS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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

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

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

Funding Policy – State statute requires covered employees to contribute 9.25 percent of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 8.0 percent of annual covered payroll. The City's contributions to the System under Plan A for the years ending June 30, 2003, 2002 and 2001 were \$363,370, \$296,366 and \$249,355, respectively, equal to the required contributions for each year.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 10 - Pension and Retirement Plans (continued)

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.

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 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 7.50 percent of their salaries to the system. The City is required to contribute 9.00 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 contributions to the System for the years ending June 30, 2003, 2002 and 2001 were \$204,589, \$178,528, and \$182,637, respectively, equal to the required contributions for the year.

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

FIREFIGHTERS' RETIREMENT SYSTEM

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

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

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 10 - Pension and Retirement Plans (continued)

Funding Policy - State statute requires covered employees to contribute 8.00 percent of their salaries to the system. The City is required to contribute 9.00 – 18.25 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, 2003, 2002 and 2001 were \$126,830, \$90,270, and \$84,857, respectively, equal to the required contributions for the year.

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

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

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

Funding Policy - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City is required to contribute 14.1 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, 2003, 2002 and 2001 were \$4,411, \$4,127 and \$3,761, respectively, equal to the required contributions for the year.

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

Note 11 - Postemployment Health Care Benefits

The City does not provide medical coverage for its retirees; consequently there is no liability for postemployment health care benefits. Retirees are able to continue their insurance coverage but must pay for it in its entirety without any City assistance.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 12 - Long-Term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
Certificates of Indebtedness, Series 1999 and 1998	\$ 5,070,000	\$ -	\$ 735,000	\$ 4,335,000	\$ 770,000
State Firefighters' Retirement System	<u>1,431,997</u>	<u>-</u>	<u>71,100</u>	<u>1,360,897</u>	<u>76,077</u>
<u>Total Bonds and Notes Payable</u>	6,501,997	-	806,100	5,695,897	846,077
Other Liabilities:					
Accrued Heart and Lung Disability	1,165,892	-	45,380	1,120,512	67,444
Accrued Vacation, Sick And Compensatory Time	<u>633,882</u>	<u>35,794</u>	<u>-</u>	<u>669,676</u>	<u>633,882</u>
<u>Total Other Liabilities</u>	<u>1,799,774</u>	<u>35,794</u>	<u>45,380</u>	<u>1,790,188</u>	<u>701,326</u>
<u>Total Governmental Activities Long-Term Debt</u>	<u>\$ 8,301,771</u>	<u>\$ 35,794</u>	<u>\$ 851,480</u>	<u>\$ 7,486,085</u>	<u>\$ 1,547,403</u>

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

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

Year Ended June 30,	<u>Certificates of Indebtedness Series 1999 and 1998</u>		<u>State Firefighters' Retirement System</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 770,000	\$ 141,472	\$ 76,077	\$ 95,263
2005	795,000	117,789	81,402	89,938
2006	840,000	87,949	87,100	84,239
2007	880,000	65,168	93,198	78,142
2008	920,000	26,084	99,721	71,618
2009-2013	130,000	2,990	613,614	243,084
2014-2016	<u>-</u>	<u>-</u>	<u>309,785</u>	<u>32,894</u>
<u>Total</u>	<u>\$ 4,335,000</u>	<u>\$ 441,452</u>	<u>\$ 1,360,897</u>	<u>\$ 695,178</u>

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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, 2003, the City is responsible for payment of lifetime benefits to five firemen. The actuarial estimate of the liability is \$1,120,512.

The annual payment requirements outstanding at June 30, 2003 are as follows:

2004	\$ 67,444
2005	67,444
2006	67,444
2007	67,444
2008	67,444
2009-2013	337,220
2014-2018	234,120
2019-2023	143,832
2024-2028	<u>68,120</u>
<u>TOTAL</u>	<u>\$1,165,892</u>

Note 14 - 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 15 - 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 \$10,000.

Note 16 - Self-Insurance Program

During 1998, the City began a self-insurance program for hospitalization and medical coverage for its employees. The City limits its losses through the use of reinsurers. 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, 2003, the City's annual cost, excluding reinsurance premiums, is limited to approximately \$1,468,313.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 17 - Lease Pursuant To Cooperative Endeavor

The City constructed a building and is receiving monthly rent income from the Monroe-West Monroe Convention & Visitor's Bureau of Ouachita Parish (the Bureau). The agreement is a lease pursuant to Cooperative Endeavor for \$2,000 per month and a lump sum payment at the end of each year for a period of 15 years. In addition to the monthly rental, the Bureau is to pay back to the City all of the construction costs of the building. The Bureau is not obligated to make all of the payments but has agreed to use all best efforts to obtain and maintain funds from which payments under this agreement may be made. At June 30, 2003, the amount was paid in full.

Note 18 - Interfund Receivables and Payables

Interfund balances at June 30, 2003, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Interfund</u>	<u>Payables</u>
Major Funds:			
General Fund	\$ 847,486		\$ 677,607
'86 Sales Tax	444,624		274,364
Section 8 Housing	-		288,906
Enterprise Fund	276,176		112,159
Non-Major Funds:			
Governmental Funds	727,371		712,783
Internal Service Fund	-		78,051
Fiduciary Funds	<u>134,661</u>		<u>286,448</u>
<u>TOTAL</u>	<u>\$ 2,430,318</u>		<u>\$ 2,430,318</u>

Included in interfund payables is \$1,190,709 transferred from the General Fund to the 1986 Sales Tax Capital Special Revenue Fund for the purpose of advance funding of industrial park projects. Transfers back to the General Fund will be made in future years from the portion of sales tax collections dedicated for Capital Projects.

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.

CITY OF WEST MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 19 - Interfund Operating Transfers In and Out

Interfund operating transfers in and out during the year ended June 30, 2003, were as follows:

<u>Fund</u>	<u>In</u>	<u>Operating Transfers</u> <u>Out</u>
Major Funds:		
General Fund	\$ -	\$ 411,988
'86 Sales Tax Capital	-	845,724
Enterprise Fund	182,858	-
Non-Major Funds:		
Governmental Funds	234,854	-
Debt Service Funds	<u>840,000</u>	<u>-</u>
<u>TOTAL</u>	<u>\$ 1,257,712</u>	<u>\$ 1,257,712</u>

Transfers are used to 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 use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 20 - Restatement of Beginning Fund Balance – General Fund

At the beginning of the fiscal year, the City closed several Special Revenue and Capital Project funds into the General Fund because the funds were no longer needed. Also, the City never booked three audit entries made to the General Fund in prior year. These occurrences had the following effects on General Fund beginning fund balance:

Fund Balance at June 30, 2002	\$ 3,925,688
Special Revenue and Capital Project Funds Closed into General Fund, net	37,407
Unbooked Audit Adjustment	<u>16,631</u>
<u>BEGINNING FUND BALANCE RESTATED</u>	<u>\$ 3,979,726</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Taxes	9,681,000	9,370,000	9,373,904	3,904
Licenses and Permits	569,800	724,000	724,106	106
Intergovernmental	139,670	243,510	254,447	10,937
Charges for Services	2,692,150	1,810,709	1,810,011	(698)
Fines and Forfeitures	389,000	418,000	418,807	807
Investments, Rents & Contributions	106,000	154,029	184,355	30,326
Other	10,000	1,143,871	1,204,870	60,999
Transfers From Other Funds	78,000	-	-	-
Amounts Available for Appropriation	13,665,620	13,864,119	13,970,500	106,381
<u>Charges to Appropriations (Outflows):</u>				
General Government:				
Elected Council	70,486	70,486	71,309	(823)
City Court	532,469	281,305	284,137	(2,832)
Marshal	219,633	237,062	200,581	36,481
Mayor's Office	150,090	149,035	147,585	1,450
City Clerk's Office	660,006	654,424	649,935	4,489
City Hall Maintenance	361,258	533,125	542,224	(9,099)
General and Administrative	1,333,288	1,444,818	1,500,902	(56,084)
Public Safety:				
Legal	257,235	262,970	252,765	10,205
Fire	1,502,920	1,446,320	1,456,198	(9,878)
Police	2,888,041	2,974,381	2,987,581	(13,200)
Prison	482,387	493,970	506,963	(12,993)
Police Shop	76,376	77,830	79,896	(2,066)
Public Works:				
Garbash	702,499	629,824	622,072	7,752
Trash	538,208	472,150	460,445	11,705
Streets	546,753	546,636	570,730	(24,094)
Cemetery	66,192	58,580	59,094	(514)
Planning and Zoning	162,357	164,912	163,928	984
City Maintenance Shop	263,643	262,900	264,015	(1,115)

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Recreation:				
Recreation and Parks	336,125	290,000	295,875	(5,875)
Kiroli Park	303,909	301,457	308,743	(7,286)
Lazarre Park	-	6,400	6,733	(333)
Farmer's Market	26,703	17,050	17,415	(365)
Tanner Building & Business Center	169,180	156,805	158,286	(1,481)
Community Development	268,229	244,517	246,099	(1,582)
Ike Hamilton Expo Center	890,299	811,686	821,698	(10,012)
Convention Center	693,515	657,362	662,246	(4,884)
Economic Development	48,937	45,342	45,656	(314)
Non-Departmental:				
Transfers to Other Funds	130,879	413,000	411,988	1,012
Total Charges to Appropriations	<u>13,681,617</u>	<u>13,704,347</u>	<u>13,795,099</u>	<u>(90,752)</u>
<u>Excess of Resources Over (Under)</u>				
<u>Charges to Appropriations</u>	(15,997)	159,772	175,401	15,629
<u>Fund Balance at Beginning of Year</u>	<u>4,894,783</u>	<u>3,925,686</u>	<u>3,979,726</u>	<u>(54,040)</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,878,786</u>	<u>\$ 4,085,458</u>	<u>\$ 4,155,127</u>	<u>\$ 69,669</u>

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - '86 SALES TAX 75% CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Sales Tax	3,450,000	3,575,000	3,576,462	1,462
Non-City Revenue	200,000	70,000	67,835	(2,165)
Interest Income	1,000	1,000	5,218	4,218
Transfers In From Other Funds	40,000	-	-	-
Amounts Available for Appropriation	3,691,000	3,646,000	3,649,515	3,515
<u>Charges to Appropriations (Outflows):</u>				
Computer Equipment and Software	245,000	688,000	584,067	103,933
Street Projects	150,000	50,000	51,073	(1,073)
Drainage Projects	50,000	110,000	109,887	113
Furniture and Rixtures	40,000	103,000	102,179	821
Vehicles	300,000	350,000	344,384	5,616
Machinery and Equipment	200,000	371,000	370,460	540
Consultants	40,000	152,000	89,815	62,185
Engineering	200,000	480,000	550,143	(70,143)
Construction/Buildings/Facilities	75,000	230,000	228,188	1,812
Water Projects	125,000	35,000	33,509	1,491
Sewer Projects	60,000	60,000	65,751	(5,751)
Treatment Plant Projects	300,000	-	44,930	(44,930)
Land Purchases	-	27,000	26,316	684
Major Repairs	-	74,000	129,681	(55,681)
Maintenance	30,000	-	-	-
Transfers Out To Other Funds	1,876,000	850,000	845,724	4,276
Total Charges to Appropriations	3,691,000	3,580,000	3,576,107	3,893
<u>Excess of Resouces Over (Under)</u>	-	66,000	73,408	7,408
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ -	\$ 66,000	\$ 73,408	\$ 7,408

CITY OF WEST MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Intergovernmental	1,800,000	1,800,000	1,800,493	493
Other	-	-	10,280	10,280
Interest Income	1,500	1,500	2,078	578
Amounts Available for Appropriation	1,801,500	1,801,500	1,812,851	11,351
<u>Charges to Appropriations (Outflows):</u>				
Health and Welfare	1,801,500	1,801,500	1,826,138	(24,638)
Total Charges to Appropriations	1,801,500	1,801,500	1,826,138	(24,638)
<u>Excess of Resouces Over (Under)</u>	-	-	(13,287)	(13,287)
<u>Fund Balance at Beginning of Year</u>	38,315	38,315	(31,436)	69,751
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 38,315</u>	<u>\$ 38,315</u>	<u>\$ (44,723)</u>	<u>\$ 56,464</u>

PRIMARY GOVERNMENT SUPPLEMENTAL
INFORMATION SCHEDULES

CITY OF WEST MONROE, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2003

ASSETS

Cash on Hand	\$ 5,936
Cash in Bank	3,318,559
Certificate of Deposit	573,755
Accounts Receivable	217,113
Due From Other Funds	847,486
Inventory - Parts	<u>31,128</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,993,977</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 125,238
Due To Other Funds	677,607
Deposits Payable	<u>36,005</u>
Total Liabilities	838,850

FUND BALANCE

Reserved for Inventories	31,128
Unreserved and Undesignated	<u>4,123,999</u>
Total Fund Balance	<u>4,155,127</u>

<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 4,993,977</u>
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CITY OF WEST MONROE, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2003

REVENUES

Taxes	\$ 9,373,904
Intergovernmental	254,447
Licenses and Permits	724,106
Charges for Services	1,810,011
Fines and Forfeitures	418,807
Investments, Rents & Contributions	184,355
Other	1,204,870
Total Revenues	<u>13,970,500</u>

EXPENDITURES

General Government	3,396,673
Public Safety	5,283,403
Public Works	2,140,284
Urban Redevelopment	449,985
Culture and Recreation	2,112,766
Total Expenditures	<u>13,383,111</u>

EXCESS OF REVENUES

OVER EXPENDITURES 587,389

OTHER FINANCING SOURCES (USES)

Operating Transfers - Out (411,988)

EXCESS OF REVENUES

AND OTHER FINANCING SOURCES
OVER EXPENDITURES AND OTHER
FINANCING USES

175,401

FUND BALANCE AT BEGINNING

OF YEAR - RESTATED 3,979,726

FUND BALANCE AT END OF YEAR

\$ 4,155,127

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Street Maintenance Fund</u>	<u>West Ouachita Senior Center Fund</u>	<u>Emergency Shelter Program Fund</u>	<u>Officer Witness Court Fund</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	9,300	-
Due From Other Governments	-	74,144	-	-
Due From Other Funds	68,169	-	1,849	3,822
	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 68,169</u>	<u>\$ 74,144</u>	<u>\$ 11,149</u>	<u>\$ 3,822</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 19,858	\$ -	\$ -
Due To Other Funds	56,718	54,286	-	-
Total Liabilities	56,718	74,144	-	-
 <u>FUND BALANCES</u>				
Unreserved	11,451	-	11,149	3,822
	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 68,169</u>	<u>\$ 74,144</u>	<u>\$ 11,149</u>	<u>\$ 3,822</u>

<u>Rental Rehabilitation Fund</u>	<u>Metro LCLE Grant Fund</u>	<u>Juvenile Justice Grant Fund</u>	<u>North Delta Law Enforcement Training Center Fund</u>	<u>Drivers License Bureau</u>	
\$ 6,904	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	18,865	3,536	2,300	7,986	C
-	2,614	52,003	82,029	77,276	O
<u>\$ 6,904</u>	<u>\$ 21,479</u>	<u>\$ 55,539</u>	<u>\$ 84,329</u>	<u>\$ 85,262</u>	N
					T
\$ -	\$ 18,865	\$ -	\$ 91	\$ 5	I
-	-	57,512	-	4,763	N
-	18,865	57,512	91	4,768	U
<u>6,904</u>	<u>2,614</u>	<u>(1,973)</u>	<u>84,238</u>	<u>80,494</u>	E
<u>\$ 6,904</u>	<u>\$ 21,479</u>	<u>\$ 55,539</u>	<u>\$ 84,329</u>	<u>\$ 85,262</u>	D

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Community Development Grant</u>	<u>Brownfields Pilot Grant</u>	<u>LA Commission On Law Enforcement Block Grant</u>	<u>Americorps Grant Fund</u>
<u>ASSETS</u>				
Cash in Bank	\$ 42,210	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due From Other Governments	-	21,842	-	8,834
Due From Other Funds	14,602	9,388	25,747	12,462
<u>TOTAL ASSETS</u>	<u>\$ 56,812</u>	<u>\$ 31,230</u>	<u>\$ 25,747</u>	<u>\$ 21,296</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 200
Due To Other Funds	56,812	31,230	25,747	-
Total Liabilities	56,812	31,230	25,747	200
 <u>FUND BALANCES</u>				
Unreserved	-	-	-	21,096
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 56,812</u>	<u>\$ 31,230</u>	<u>\$ 25,747</u>	<u>\$ 21,296</u>

Childrens' Trust Fund	Litter Abatement Grant	Community Center Donations Fund	Credit Union Fund	Workforce Investment Board Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	18,690	-	
2,534	-	-	-	-	C
-	-	25,903	-	1,972	
<u>\$ 2,534</u>	<u>\$ -</u>	<u>\$ 25,903</u>	<u>\$ 18,690</u>	<u>\$ 1,972</u>	O
					N
					T
\$ -	\$ -	\$ -	\$ -	\$ -	I
1,243	13,641	-	18,690	-	
<u>1,243</u>	<u>13,641</u>	<u>-</u>	<u>18,690</u>	<u>-</u>	N
					U
1,291	(13,641)	25,903	-	1,972	E
<u>\$ 2,534</u>	<u>\$ -</u>	<u>\$ 25,903</u>	<u>\$ 18,690</u>	<u>\$ 1,972</u>	D

CITY OF WEST MONROE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Mid-South IDA Initiative Grant</u>	<u>Fire Act Grant</u>	<u>Boys and Girls Club Grant</u>
<u>ASSETS</u>			
Cash in Bank	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-
Due From Other Governments	-	-	-
Due From Other Funds	13,763	-	14,968
	<u>13,763</u>	<u>-</u>	<u>14,968</u>
<u>TOTAL ASSETS</u>	<u>\$ 13,763</u>	<u>\$ -</u>	<u>\$ 14,968</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 <u>FUND BALANCES</u>			
Unreserved	<u>13,763</u>	<u>-</u>	<u>14,968</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 13,763</u>	<u>\$ -</u>	<u>\$ 14,968</u>

21st Century Ouachita Parish School Board Grant	Total Nonmajor Special Revenue Funds
\$ -	\$ 49,114
21,889	49,879
-	140,041
-	406,567
<u>\$ 21,889</u>	<u>\$ 645,601</u>
\$ -	\$ 39,019
22,862	343,504
<u>22,862</u>	<u>382,523</u>
<u>(973)</u>	<u>263,078</u>
<u>\$ 21,889</u>	<u>\$ 645,601</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, 2003

	Street Maintenance Fund	West Ouachita Senior Center Fund	Emergency Shelter Program Fund	Officer Witness Court Fund
<u>Revenues</u>				
Taxes	\$ 147,819	\$ -	\$ -	\$ -
Intergovernmental	-	255,623	-	-
Interest	181	-	291	47
Other	-	145,131	17,100	10,348
Total Revenues	148,000	400,754	17,391	10,395
<u>Expenditures</u>				
Public Safety	-	-	-	24,900
Public Works	148,276	-	-	-
Health and Welfare	-	569,541	7,626	-
Culture and Recreation	-	-	-	-
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	148,276	569,541	7,626	24,900
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(276)	(168,787)	9,765	(14,505)
<u>Other Financing Sources</u>				
Operating Transfers - In Total Other Financing Sources	-	168,787	-	-
	-	168,787	-	-
<u>Net Change in Fund Balance</u>	(276)	-	9,765	(14,505)
<u>Fund Balances - Beginning</u>	11,727	-	1,384	18,327
<u>FUND BALANCES - ENDING</u>	\$ 11,451	\$ -	\$ 11,149	\$ 3,822

Rental Rehabilitation Fund	Metro LCLE Grant Fund	Juvenile Justice Grant Fund	North Delta Law Enforcement Training Center Fund	Drivers License Bureau
\$ -	\$ -	\$ -	\$ -	\$ -
-	295,299	17,277	-	58,437
-	10	-	-	150
-	-	-	83,714	-
-	<u>295,309</u>	<u>17,277</u>	<u>83,714</u>	<u>58,587</u>
-	295,299	19,250	111,212	37,383
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	<u>295,299</u>	<u>19,250</u>	<u>111,212</u>	<u>37,383</u>
-	10	(1,973)	(27,498)	21,204
-	-	-	-	-
-	-	-	-	-
-	10	(1,973)	(27,498)	21,204
<u>6,904</u>	<u>2,604</u>	<u>-</u>	<u>111,736</u>	<u>59,290</u>
<u>\$ 6,904</u>	<u>\$ 2,614</u>	<u>\$ (1,973)</u>	<u>\$ 84,238</u>	<u>\$ 80,494</u>

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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, 2003

	Community Development Grant	Brownfields Pilot Grant	LA Commission on Law Enforcement Block Grant	Americorps Grant Fund
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	62,350	57,041	25,747	115,415
Interest	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>62,350</u>	<u>57,041</u>	<u>25,747</u>	<u>115,415</u>
<u>Expenditures</u>				
Public Safety	-	-	25,747	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	122,693	57,041	-	106,159
Capital Expenditures & Major Repairs	-	-	-	-
Total Expenditures	<u>122,693</u>	<u>57,041</u>	<u>25,747</u>	<u>106,159</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(60,343)	-	-	9,256
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - In Total Other Financing Sources (Uses)	60,343	-	-	-
	<u>60,343</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	-	-	-	9,256
<u>Fund Balances - Beginning</u>	-	-	-	11,840
<u>FUND BALANCES - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,096</u>

Childrens' Trust Fund	Litter Abatement Grant	Community Center Donations Fund	Credit Union Fund	Workforce Investment Board Grant
\$ -	\$ -	\$ -	\$ -	\$ -
10,202	-	-	-	-
-	-	-	-	-
-	-	4,213	55,356	2,414
<u>10,202</u>	<u>-</u>	<u>4,213</u>	<u>55,356</u>	<u>2,414</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,214	12,056	1,195	55,356	442
-	-	-	-	-
<u>10,214</u>	<u>12,056</u>	<u>1,195</u>	<u>55,356</u>	<u>442</u>
(12)	(12,056)	3,018	-	1,972
-	-	-	-	-
-	-	-	-	-
(12)	(12,056)	3,018	-	1,972
<u>1,303</u>	<u>(1,585)</u>	<u>22,885</u>	<u>-</u>	<u>-</u>
<u>\$ 1,291</u>	<u>\$ (13,641)</u>	<u>\$ 25,903</u>	<u>\$ -</u>	<u>\$ 1,972</u>

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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, 2003

	Mid-South IDA Initiative Grant	Fire Act Grant	Boys and Girls Club Grant
<u>Revenue</u>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	57,355	-
Interest	-	-	-
Other	20,503	-	19,765
Total Revenues	<u>20,503</u>	<u>57,355</u>	<u>19,765</u>
Public Safety	-	63,079	-
Public Works	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	6,740	-	4,797
Capital Expenditures & Major Repairs	-	-	-
Total Expenditures	<u>6,740</u>	<u>63,079</u>	<u>4,797</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	13,763	(5,724)	14,968
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	-	5,724	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,724</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	13,763	-	14,968
<u>Fund Balances - Beginning</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 13,763</u>	<u>\$ -</u>	<u>\$ 14,968</u>

21st Century Ouachita Parish School Board Grant	Total Nonmajor Special Revenue Funds
\$ -	\$ 147,819
-	954,746
-	679
54,451	412,995
<u>54,451</u>	<u>1,516,239</u>
-	576,870
-	148,276
-	577,167
55,424	432,117
<u>-</u>	<u>-</u>
<u>55,424</u>	<u>1,734,430</u>
(973)	(218,191)
-	234,854
<u>-</u>	<u>234,854</u>
(973)	16,663
<u>-</u>	<u>246,415</u>
<u>\$ (973)</u>	<u>\$ 263,078</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Firemen's Pension Merger Fund</u>	<u>Capital Projects Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
 <u>ASSETS</u>			
Cash in Bank	\$ 104,249	\$ 479,535	\$ 583,784
 <u>LIABILITIES</u>			
Liabilities	\$ -	\$ -	\$ -
 <u>FUND BALANCES</u>			
Reserved For Debt Service	104,249	479,535	583,784
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 104,249</u>	<u>\$ 479,535</u>	<u>\$ 583,784</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, 2003

	Firemen's Pension Merger Fund	Capital Projects Debt Service Fund	Total Nonmajor Debt Service Funds
<u>Revenues</u>			
Taxes	\$ 57,113	\$ -	\$ 57,113
Interest	551	1,401	1,952
Total Revenues	<u>57,664</u>	<u>1,401</u>	<u>59,065</u>
<u>Expenditures</u>			
Principal Retirement	71,100	735,000	806,100
Interest	101,455	196,845	298,300
Total Expenditures	<u>172,555</u>	<u>931,845</u>	<u>1,104,400</u>
<u>Excess ((Deficiency) of Revenues</u>			
<u>Over Expenditures</u>	(114,891)	(930,444)	(1,045,335)
<u>Other Financing Sources</u>			
Convention & Visitors Bureau	-	8,000	8,000
Operating Transfers - In	-	840,000	840,000
Total Other Financing Sources	<u>-</u>	<u>848,000</u>	<u>848,000</u>
<u>Net Change in Fund Balance</u>	(114,891)	(82,444)	(197,335)
<u>Fund Balance - Beginning</u>	<u>219,140</u>	<u>561,979</u>	<u>781,119</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 104,249</u>	<u>\$ 479,535</u>	<u>\$ 583,784</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Detention Basin Grant Project</u>	<u>CDBG - Bancroft Bag Grant</u>	<u>I-20/Downing Pines Interchange Project</u>	<u>Total Nonmajor Capital Project Funds</u>
<u>ASSETS</u>				
Due From Other Funds	\$ 102,626	\$ 18,178	\$ 200,000	\$ 320,804
<u>TOTAL ASSETS</u>	<u>\$ 102,626</u>	<u>\$ 18,178</u>	<u>\$ 200,000</u>	<u>\$ 320,804</u>
<u>LIABILITIES</u>				
Due To Other Funds	\$ 353,824	\$ 15,455	\$ -	\$ 369,279
<u>FUND BALANCES (DEFICITS)</u>				
Unreserved:				
Designated for Future Expenditures	<u>(251,198)</u>	<u>2,723</u>	<u>200,000</u>	<u>(48,475)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</u>	<u>\$ 102,626</u>	<u>\$ 18,178</u>	<u>\$ 200,000</u>	<u>\$ 320,804</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, 2003

	Detention Basin Grant Fund	CDBG - Bancroft Bag Grant	I-20/Downing Pines Interchange Project	Total Nonmajor Capital Project Funds
<u>Revenues</u>				
Intergovernmental	\$ 85,749	\$ 33,203	\$ -	\$ 118,952
Property Sales	-	-	200,000	200,000
Total Revenues	<u>85,749</u>	<u>33,203</u>	<u>200,000</u>	<u>318,952</u>
<u>Expenditures</u>				
Capital Projects	<u>93,297</u>	<u>30,480</u>	<u>-</u>	<u>123,777</u>
<u>Excess (Deficiency) of</u>				
<u>Revenues Over Expenditures</u>	(7,548)	2,723	200,000	195,175
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - In	-	-	-	-
Operating Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(7,548)	2,723	200,000	195,175
<u>Fund Balances - Beginning</u>	<u>(243,650)</u>	<u>-</u>	<u>-</u>	<u>(243,650)</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ (251,198)</u>	<u>\$ 2,723</u>	<u>\$ 200,000</u>	<u>\$ (48,475)</u>

CITY OF WEST MONROE, LOUISIANA
UTILITIES ENTERPRISE FUND
BALANCE SHEET
JUNE 30, 2003

ASSETS

Current Assets

Accounts Receivable - Customers	\$ 261,289
Less: Allowance for Doubtful Accounts	(33,000)
Due From Other Funds	276,176
Total Current Assets	<u>504,465</u>

Restricted Assets

Customer Deposits	116,401
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Property, Plant and Equipment

Buildings	74,786
Water Plant	3,769,347
Wastewater Treatment Plant	8,947,519
Machinery, Equipment and Other	1,000,052
Total	<u>13,791,704</u>
Less: Accumulated Depreciation	(9,046,113)
Total Depreciable Assets	<u>4,745,591</u>
Land	37,750
Total Property, Plant and Equipment	<u>4,783,341</u>

TOTAL ASSETS

\$ 5,404,207

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts Payable	\$ 1,902
Due To Other Funds	112,159
Total Current Liabilities	<u>114,061</u>

Current Liabilities (Payable From
Restricted Assets:

Customer Deposits	116,401
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Other Noncurrent Liabilities

Accrued Vacation and Sick Pay	<u>119,427</u>
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Total Liabilities	349,889
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Fund Equity

Contributed Capital:

Municipality	4,553,363
Governments	4,192,646
Other	11,250
Total Contributed Capital	<u>8,757,259</u>

Retained Earnings (Deficit)

Unreserved and Undesignated	<u>(3,702,941)</u>
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Total Fund Equity	<u>5,054,318</u>
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TOTAL LIABILITIES AND FUND EQUITY

\$ 5,404,207

CITY OF WEST MONROE, LOUISIANA
UTILITIES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2003

Operating Revenues

Water Sales	\$ 801,338
Sewer Charges	196,227
Sewer District 5 Contributions	286,679
Treatment Plant Fees	408,117
Water Penalties and Turn-on Fees	132,287
Total Operating Revenues	<u>1,824,648</u>

Operating Expenses

Waterworks	592,680
Sewerage	223,777
Sewer Treatment Plant	426,034
Water Treatment Plant	188,516
Other Administrative	106,783
Public Works Construction	245,552
Public Works Administrative	224,164
Depreciation	347,429
Total Operating Expenses	<u>2,354,935</u>

TOTAL OPERATING LOSS (530,287)

Operating Transfers

Operating Transfers - In	<u>182,858</u>
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NET LOSS (347,429)

RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR (3,355,512)

RETAINED EARNINGS (DEFICIT) AT END OF YEAR \$ (3,702,941)

CITY OF WEST MONROE, LOUISIANA
UTILITIES ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003

Cash Flows From Operating Activities

Operating Loss	\$ (347,429)
Adjustments to Reconcile Net Loss to Net	
Cash Used by Operating Activities:	
Depreciation	347,429
Increase in Accounts Receivable	(52,963)
Decrease in Due From Other Funds	200,415
Decrease in Accounts Payable	(683)
Decrease in Due To Other Funds	(88,256)
Decrease in Bank Overdrafts	(104,814)
Increase in Accrued Vacation and Sick Pay	11,309
Net Cash Used by Operating Activities	(34,992)

Cash Flows From NonCapital Financing Activities

Increase in Customer Deposits	453
Net Cash Provided by NonCapital Financing Activities	453

Cash Flows From Capital and Related Financing Activities

Increase in Contributed Capital	213,027
Increase in Property, Plant and Equipment	(213,027)
Net Cash Used by Capital and Related Financing Activities	-

Net Increase in Cash and Cash Equivalents (34,539)

Cash and Cash Equivalents at Beginning of Year 150,940

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 116,401

Cash in Bank \$ -

Restricted Assets 116,401

TOTAL CASH AND CASH EQUIVALENTS \$ 116,401

CITY OF WEST MONROE, LOUISIANA
INTERNAL SERVICE FUND
BALANCE SHEET
JUNE 30, 2003

ASSETS

Due From Employees	\$ 525
<u>TOTAL ASSETS</u>	<u>\$ 525</u>

LIABILITIES AND RETAINED EARNINGS

LIABILITIES

Due To Other Funds	\$ 78,051
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RETAINED EARNINGS

Unreserved and Undesignated	<u>(77,526)</u>
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<u>TOTAL LIABILITIES AND RETAINED EARNINGS</u>	<u>\$ 525</u>
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CITY OF WEST MONROE, LOUISIANA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2003

REVENUES

Contributions - Group Insurance Premiums \$ 1,090,048

EXPENSES

Claims Paid 976,784

Administrative Services 236,279

Total Expenses 1,213,063

NET LOSS

(123,015)

RETAINED EARNINGS AT BEGINNING OF YEAR

45,489

RETAINED EARNINGS AT END OF YEAR

\$ (77,526)

CITY OF WEST MONROE, LOUISIANA
INTERNAL SERVICE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30 2003

Cash Flows From Operating Activities

Operating Loss	\$ (123,015)
Adjustments to Reconcile Net Loss to Net	
Cash Provided by Operating Activities:	
Increase in Due From Employees	(525)
Decrease in Due From Other Funds	2,305
Increase in Due To Other Funds	78,051
Net Cash Provided by Operating Activities	<u>79,831</u>
<u>Decrease in Cash and Cash Equivalents</u>	(43,184)
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>43,184</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ -</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Employees' Workmen's Compensation Reserve Fund</u>	<u>General Insurance Fund</u>	<u>Hasley Cemetery Fund</u>	<u>Total Nonmajor Expendable Trust Funds</u>
<u>ASSETS</u>				
Cash in Bank	\$ -	\$ 188,384	\$ 275,049	\$ 463,433
Investments	466,197	-	251,422	717,619
Due From Other Funds	122,493	12,168	-	134,661
<u>TOTAL ASSETS</u>	<u>\$ 588,690</u>	<u>\$ 200,552</u>	<u>\$ 526,471</u>	<u>\$ 1,315,713</u>
 <u>LIABILITIES</u>				
Due To Other Funds	\$ -	\$ 286,448	\$ -	\$ 286,448
 <u>FUND BALANCES</u>				
Reserved:				
Workmen's Compensation Claims	588,690	-	-	588,690
Cemetery Maintenance	-	-	526,471	526,471
Insurance Claims	-	(85,896)	-	(85,896)
Total Fund Balances	<u>588,690</u>	<u>(85,896)</u>	<u>526,471</u>	<u>1,029,265</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 588,690</u>	<u>\$ 200,552</u>	<u>\$ 526,471</u>	<u>\$ 1,315,713</u>

CITY OF WEST MONROE, LOUISIANA
NONMAJOR FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003

	Employees' Workmen's Compansation Reserve Fund	General Insurance Fund	Hasley Cemetery Fund	Total Nonmajor Expendable Trust Funds
<u>Revenues</u>				
Sales Tax	\$ -	\$ 24,000	\$ -	\$ 24,000
Lot Sales	-	-	3,200	3,200
Insurance Proceeds	-	81,758	-	81,758
Interest	10,771	17	4,564	15,352
Total Revenues	<u>10,771</u>	<u>105,775</u>	<u>7,764</u>	<u>124,310</u>
<u>Expenditures</u>				
Hasley Cemetery	-	-	4,567	4,567
Claims Paid	-	104,878	-	104,878
Total Expenditures	<u>-</u>	<u>104,878</u>	<u>4,567</u>	<u>109,445</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	10,771	897	3,197	14,865
<u>Other Financing Sources (Uses)</u>				
Operating Transfers - Out	-	-	-	-
<u>Net Change in Fund Balance</u>	10,771	897	3,197	14,865
<u>Fund Balance - Beginning</u>	<u>577,919</u>	<u>(86,793)</u>	<u>523,274</u>	<u>1,014,400</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 588,690</u>	<u>\$ (85,896)</u>	<u>\$ 526,471</u>	<u>\$ 1,029,265</u>

OTHER SUPPLEMENTAL INFORMATION

CITY OF WEST MONROE, LOUISIANA
ALL FUNDS
SCHEDULE OF ASSESSED VALUATION AND AD VALOREM
PROPERTY TAX LEVY FOR 2002

<u>Original Assessed Valuation</u>		\$ 92,417,384
<u>Tax Rate Per Thousand Dollars (Mills)</u>		8.59
<u>Gross Tax Levy</u>		\$ 793,865
Less: Adjustments		<u>(10,304)</u>
<u>Adjusted Gross Tax Levy</u>		<u>\$ 783,561</u>
<u>Tax Collected</u>		
2002 Assessments		<u>\$ 774,172</u>
<u>Allocation of Tax Collected</u>	<u>2002 Tax Rate Mills</u>	
General Fund	6.95	\$ 626,353
Street Maintenance	1.64	<u>147,819</u>
Total	<u>8.59</u>	<u>\$ 774,172</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - CONVENTION CENTER
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Events</u>	<u>Concession</u>	<u>Catering</u>	<u>Total</u>
<u>Revenues</u>	\$ 106,864	\$ 16,259	\$ 260,152	\$ 383,275
<u>Cost of Operations</u>				
Operating Expenditures	11,067	-	181,089	192,156
Salaries	74,062	-	181,324	255,386
Total	<u>85,129</u>	<u>-</u>	<u>362,413</u>	<u>447,542</u>
<u>Gross Profit</u>	<u>\$ 21,735</u>	<u>\$ 16,259</u>	<u>\$ (102,261)</u>	(64,267)
<u>Administrative Expenditures</u>				
Director's Salary				38,598
Operations Salaries				78,980
Vehicle Maintenance				667
Materials, Repairs & Supplies				15,221
Gas and Oil				611
Cell Phones and Pagers				1,094
Advertising				12,309
Office				42,616
Utilities				24,638
Total Administrative Expenditures				<u>214,734</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (279,001)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 235,241	\$ (299,508)
38,400	(198)
82,768	3,788
400	(267)
13,700	(1,521)
700	89
900	(194)
10,750	(1,559)
39,600	
<u>19,700</u>	<u>(4,938)</u>
<u>206,918</u>	<u>(4,800)</u>
<u>\$ 28,323</u>	<u>\$ (294,708)</u>

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES - IKE HAMILTON EXPO CENTER
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Equine Events</u>	<u>Concession</u>	<u>Stall Rentals & Shavings</u>	<u>Total</u>
<u>Revenues</u>	\$ 146,511	\$ 89,731	\$ 92,390	\$ 328,632
<u>Cost of Operations</u>				
Operating Expenditures	30,995	81,347	19,817	132,159
Promotional	7,096	-	-	7,096
Personnel	88,074	-	56,310	144,384
Total	<u>126,165</u>	<u>81,347</u>	<u>76,127</u>	<u>283,639</u>
<u>Gross Profit</u>	<u>\$ 20,346</u>	<u>\$ 8,384</u>	<u>\$ 16,263</u>	44,993
<u>Administrative Expenditures</u>				
Director's Salary				62,013
Operations Salaries				89,293
Vehicle Maintenance				4,176
Materials, Repairs & Supplies				23,542
Gas and Oil				1,060
Office				23,912
Cell Phones & Pagers				1,468
Advertising				7,183
Other Miscellaneous Purchases				9,355
Utilities				316,057
Total Administrative Expenditures				<u>538,059</u>
<u>Deficiency of Revenues Over Expenditures</u>				<u>\$ (493,066)</u>

<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 151,591	\$ (106,598)
59,280	(2,733)
90,617	1,324
4,500	324
23,000	(542)
500	(560)
30,600	6,688
1,000	(468)
5,000	(2,183)
9,000	(355)
<u>335,000</u>	<u>18,943</u>
<u>558,497</u>	<u>20,438</u>
<u><u>\$ (406,906)</u></u>	<u><u>\$ (127,036)</u></u>

OTHER SUPPLEMENTAL INFORMATION –
GRANT ACTIVITY

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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

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

We have audited the primary government financial statements of the City of West Monroe, Louisiana, (the City) as of and for the year ended June 30, 2003, and have issued our report thereon dated October 24, 2003. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 03-1, 03-2, 03-3, 03-4, and 03-5.

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 24, 2003

CAMERON, HINES & HARTT

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Honorable Mayor and Board of Aldermen of
West Monroe, Louisiana

Compliance

We have audited the compliance of the City of West Monroe, Louisiana, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

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

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 24, 2003

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the primary government financial statements of the City of West Monroe, Louisiana.
2. Five reportable conditions disclosed during the audit of the financial statements are 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 With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133. None of the reportable conditions are deemed to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City of West Monroe, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions disclosed during the audit of the major federal award programs are reported in the Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of West Monroe, Louisiana, expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program included the Department of Housing and Urban Development Voucher Program, CFDA No. 14.857.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The City of West Monroe, Louisiana does not qualify to be a low-risk auditee.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003 (continued)

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There are no findings for this category.

FINDINGS - FINANCIAL STATEMENT AUDIT

03-1 Central Grant Register

Condition:

The central grant register did not include all grants the City is or has been participating in during the current year. In some instances the grant activity was reported in the general ledger by netting the activity in a particular receivable or revenue account.

Criteria:

All grants the City and its departments participate in should be maintained in a centralized location so management can easily monitor them.

Effect:

By netting the activity in a receivable or revenue account, this makes the process of locating and identifying grant funds more difficult and time consuming.

Recommendation:

The central grant register should be updated with the details of the sources and terms of all grants for which the City has qualified. Each department should be responsible for notifying the accounting department of any grant applications, awards and activity. The accounting department should set up accounts in such a manner that the status of the grant can be readily determined.

Response:

The grant register will be updated in detail and all departments will notify the accounting department of all future grants immediately. As for setting up accounts to follow grant activity, the City has implemented a new general ledger software package as of July 1, 2002 that will increase the number of accounts and program funds so all of the activity can be accounted for separately.

03-2 Bank Reconciliations

Condition:

At June 30, 2003, the City was ten months behind reconciling the general operating bank account. This was mainly due to the City's software conversion at the beginning of the year.

Criteria:

All bank accounts should be reconciled monthly.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

(Continued)

03-2 Bank Reconciliations (continued)

Effect:

By not reconciling the bank accounts monthly, the City does not know its true cash position at any certain date. Also, any outstanding deposits and checks will not be investigated timely.

Recommendation:

The City should reconcile all bank accounts monthly when the statements are received from the bank.

Response:

The City has hired a part-time employee whose only job is to reconcile the bank accounts to the general ledger. As of October 2003, all of the bank accounts have been reconciled to the most recent month.

03-3 Fixed Asset Disposals

Condition:

During the audit of fixed assets, it was noted that the City's policy on disposed assets had not been adhered to consistently. The City's policy requires that all missing property incidents should be properly investigated, documented and communicated to accounting department. The departments of the City were required to take an inventory of all of their fixed assets and compare them to the master listing maintained by the accounting department. Several of the items on the fixed asset listing could not be located at some of the departments nor was the required "Disposal/Transfer" form prepared.

Criteria:

The City should account for all asset removals when they occur during the year.

Effect:

Generally, the City can not collect insurance proceeds on stolen items if a police report is not filed. Also, not adhering to the City's written policies increased the possibility that loss or theft of assets could occur and not be detected by employees within a timely manner.

Recommendation:

It is recommended that all missing and stolen property incidents should be documented and reported promptly to the accounting department and submit a Fixed Asset Disposal/Transfer form to the accounting department as required by the written policies.

Response:

All department heads will be notified of the proper procedure as to fixed asset disposal and/or transfer of assets under the fixed asset policies. Any suspected thefts of property, if any, will be reported as well.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

(Continued)

03-4 Petty Cash Boxes

Condition:

During the audit it was noted that more than one person had access to the cash boxes in the vault.

Criteria:

In order for the cash boxes to be accurately accounted for, only one employee should have access to the boxes and reconcile them at least monthly.

Effect:

The cash boxes could become out of balance and cash could be misappropriated without certain controls over access to the cash boxes.

Recommendation:

There should only be one employee with access to the cash boxes and continue to perform the reconciliations at least once a month while insuring all vouchers are accounted for.

Response:

There has been access to this cash box by several employees over the past few years. The City will only allow one person to access the cash box and continue to reconcile all of the cash boxes at least monthly.

03-5 Separation of Duties

Condition:

During the audit it was noted that an accounts payable employee had the ability to initiate purchase orders, authorize invoices and issue checks

Criteria:

The employee that processes and pays invoices should not also be able to authorize purchase orders nor should that person be able to authorize payment on those invoices.

Effect:

With this condition in effect, misappropriations or significant errors could occur and not be detected by employees within a timely manner.

Recommendation:

It is recommended that the City remove the authorization function from the accounts payable function.

Response:

When the new computer system was put in place, these functions were not removed from accounts payable because of oversight. This has been immediately resolved and accounts payable no longer is able to initiate purchase orders or authorize invoices for payment.

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

<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:			
Public and Indian Housing			
Section 8 Existing Voucher Program	14.871	LA186V0	1,800,493*
Community Planning and Development			
LCDBG - Comprehensive Development	14.228	107-700121	62,351
LCDBG - Street Paving (Bancroft Bag)	14.246	583317	<u>30,480</u>
			92,831
Department of Justice			
Bureau of Justice Assistance			
LA Commission on Law Enforcement	16.579	B01-2-001E	177,011
LA Commission on Law Enforcement	16.579	B00-2-001E	<u>37,973</u>
			214,984
Local Law Enforcement Block Grant	16.592	2000-LB-BX-3118	25,747
Bulletproof Vest Partnership Program	16.607	NA	7,121
Office of Juvenile Justice and Delinquency Prevention			
Report/Resource Center Grant	16.540	J01-2-002E	17,277
Federal Emergency Management Agency			
Emergency Food & Shelter National Board Program	83.523	20-3660-00	17,100
Hazard Mitigation Grant	83.548	1264-073-0002	40,272
Mosquito Abatement Grant	83.548	NA	<u>15,682</u>
			55,954
Assistance to Firefighters Grant	83.554	EMW-2002-FG-02916	57,355
Department of Transportation			
Federal Transit Administration			
Section 5311 - Operating Assistance	20.509	LA-18-X019	47,672
Federal Transit - Formula Grant (JARC)	20.507	LA-37-X003	81,809
National Highway Traffic Safety Commission			
Safe & Sober Campaign	20.601	J702-03-98/N157 02-02-98	1,119
Corporation for National and Community Service			
Americorps	94.006	94ASCLA0192001	92,492
Americorps	94.006	00ASCLA0191801	<u>14,962</u>
			107,454

CITY OF WEST MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003
(continued)

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
Environmental Protection Agency			
Brownsfield Pilot for Site Identification and Active Replacement	66.811	BP-986662-01-0	57,041
Natural Resources Conservation Service Department of Environmental Quality	66.460	CFMS514399	85,749
Department of Health and Human Services			
Administration for Children and Families (OFS - JARC Grant)	93.558	TANF	60,000
Family Preservation and Support Services (Children's Trust Fund)	93.556	NA	<u>10,000</u>
<u>TOTAL</u>			<u>\$ 2,739,706</u>

*Denotes Major Federal Assistance Program.
See accompanying Notes to Schedule of Expenditures and Federal Awards

CITY OF WEST MONROE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

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

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

Internal Control and Compliance Material to Federal Awards

02-1 Section 8 Housing – Income Verification

Condition:

While performing the audit on compliance for HUD on the Section 8 Housing department, three instances were found where the income verification did not match the Section 8 Housing income determination worksheet.

Recommendation:

The Section 8 Housing department should update the income verifications found for the three tenants and adjust the payment to the landlord. The department should monitor the initial applications from prospective tenants and also the yearly recertifications submitted by existing tenants more closely.

Current Status:

Significant improvements were made during the year to improve the oversight of the Section 8 program.

02-2 Tenant Utility Allowances

Condition:

Of the 25 tenant files tested, there were problems with two of the utility allowance calculations. One did not take into account the landlord paying a portion of the utilities. The other appears to have been an input error.

Recommendation:

The Section 8 department should make sure that all utility allowance standards being used are the correct amounts.

Current Status:

Significant improvements were made during the year to improve the oversight of the Section 8 program.

02-3 Payment Standards

Condition:

Of the 25 tenants sampled, there were two that were found to have incorrect payment standards.

Recommendation:

The Section 8 department should make sure that all utility allowance standards being used are the correct amounts.

Current Status:

Significant improvements were made during the year to improve the oversight of the Section 8 program.

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

(Continued)

Internal Control and Compliance Material to the Financial Statements

02-4 Central Grant Register

Condition:

The central grant register did not include all grants the City is or has been participating in during the current year. In some instances the grant activity was reported in the general ledger by netting the activity in a particular receivable or revenue account.

Recommendation:

The central grant register should be updated with the details of the sources and terms of all grants for which the City has qualified. Each department should be responsible for notifying the accounting department of any grant applications, awards and activity. The accounting department should set up accounts in such a manner that the status of the grant can be readily determined.

Current Status:

The central grant register is still not being maintained and updated currently.

02-5 Fixed Assets

Condition:

During our audit it was noted that the accounting department had not recorded in the fixed asset detail the capital assets acquired or constructed during the year.

Recommendation:

The City should continually update the fixed asset listing each time a new capital asset is added and reconcile to the general ledger.

Current Status:

The fixed assets are currently being added to the detail as they are acquired.

02-6 Special Grants Donations Fund

Condition:

The general ledger fund "Special Grants and Donations" accounts for seventeen different grants and donation funds that have been separated in their respective fund types in this audit report. These funds share the same balance sheet and income statement account codes for each of these funds.

Recommendation:

It is recommended that the City separate these grant and donation funds into their own funds and account for them separately.

Current Status:

The new software package the City uses for its general ledger program adequately separates these funds into their own programs.

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

(Continued)

02-7 Bank Reconciliations

Condition:

During the audit it was noted that several reconciled bank accounts had not been balanced to the general ledger at year-end. These bank accounts were the general fund operating and payroll accounts, utility fund accounts and the Section 8 operating account.

Recommendation:

When there are discrepancies between the reconciliation and the general ledger, they should immediately be resolved by the accounting department.

Current Status:

See current year finding 03-1.

02-8 Retirement System Quarterly Payment

Condition:

During the audit of the employer portion of the Municipal Employees' Retirement System fund, it was noted that the second quarter 2002 payment had not been made until the second week of August 2002.

Recommendation:

It is recommended that the City make its retirement system payments, as well as all other payroll tax payments, on a timely basis to remain in compliance with all federal and state laws.

Current Status:

All payments are being made timely.

02-9 Interfund Receivables/Payables

Condition:

During the audit of the "Special Grants and Donations Fund" it was noted that amounts due to and from the general fund were not reconciled. The amounts were usually labor paid by the general fund but not charged back to the individual fund it was paid for. The overall difference was expensed in the general fund

Recommendation:

The City should reconcile all interfund receivables and payables on a monthly basis. Also, all expenditures should be immediately recognized in the fund they pertain to so that a proper accounting can be maintained.

Current Status:

Since all funds now share the same bank account, the receivables and payables to other funds has been eliminated.

CITY OF WEST MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

(Continued)

02-10 Centralized Purchasing

Condition:

At the present time, there is no centralized purchasing system at the City. All department heads are issued and are responsible for a procurement card that can be used to purchase items at any vendor that accepts credit cards. There is little monitoring of this system by the accounting department as to what is purchased by each department.

Recommendation:

The City should consider centralizing the purchases under one department. This would maintain better controls over expenditures. If the procurement card system continues to be used, the accounting department should review the monthly procurement card reports received from the bank.

Current Status:

The City does not find a centralized purchasing system as cost effective and will continue to use system that is in place.

Management Letter

No management letter was issued.